

RECIPIENT NAME: Ronan Telephone Co.

AWARD NUMBER: NT10BIX5570148

DATE: 05/26/2015

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 6/30/2015

QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information

| | | |
|---|---|--|
| 1. Federal Agency and Organizational Element to Which Report is Submitted Department of Commerce, National Telecommunications and Information Administration | 2. Award Identification Number NT10BIX5570148 | 3. DUNS Number 006827927 |
| 4. Recipient Organization Ronan Telephone Co. 312 SW Main St., Ronan, MT 59864-2707 | | |
| 5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2015 | 6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> No | |
| 7. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents. | | |
| 7a. Typed or Printed Name and Title of Certifying Official Gerald Beeks | 7c. Telephone (area code, number and extension) 4066769215 | |
| | 7d. Email Address beeks@ronan.net | |
| 7b. Signature of Certifying Official Submitted Electronically | 7e. Date Report Submitted (MM/DD/YYYY): 05-26-2015 | |

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 Consents for access to aerial installation along Duck Lake Road on the Blackfeet reservation were obtained for all but 6 parcels, which are owned by two families.

2. Please provide the percent complete for the following key milestones in your project. Write "0" in the Percent Complete column and "N/A" in the Narrative column if your project does not include this activity. If you provided additional milestones in your baseline plan, please insert them at the bottom of the table. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the percent complete is different from the target provided in your baseline plan (300 words or less).

| | Milestone | Percent Complete | Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer) |
|-----|--|------------------|--|
| 2a. | Overall Project | 100 | 100% of the original budgeted funds have been spent. The joint build between HIEM and RTC generated additional costs and produced additional program income. This program income and more has been added to the project. |
| 2b. | Environmental Assessment | 100 | Complete |
| 2c. | Network Design | 100 | Complete |
| 2d. | Rights of Way | 100 | Complete |
| 2e. | Construction Permits and Other Approvals | 100 | Complete |
| 2f. | Site Preparation | 99 | Finishing the wireless Installations |
| 2g. | Equipment Procurement | 100 | Complete |
| 2h. | Network Build (all components - owned, leased, IRU, etc) | 100 | 100% of the original budgeted funds have been spent. The joint build between HIEM and RTC generated additional costs and produced additional program income. This program income and more has been added to the project. |
| 2i. | Equipment Deployment | 100 | 100% of the original budgeted funds have been spent. The joint build between HIEM and RTC generated additional costs and produced additional program income. This program income and more has been added to the project. |
| 2j. | Network Testing | 100 | 100% of the original budgeted funds have been spent. The joint build between HIEM and RTC generated additional costs and produced additional program income. This program income and more has been added to the project. |
| 2k. | Other (please specify): Consent work | 99 | Consent work on the Blackfeet Reservation and Final Close Out Audit to complete |

3. To the extent not covered above, please describe any challenges or issues faced during this past quarter in achieving planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).
 The biggest challenges are obtaining landowner consents on Duck Lake Road, and weather conditions shutting down construction due to freezing ground and high winds in the winter.

4. Please report the following information regarding network build progress. Write "0" in the Total column and "N/A" in the Narrative column if your project does not include this activity. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (600 words or less).

| Indicator | Total | Narrative (describe your reasons for any variance from the baseline plan or any other relevant information) |
|----------------------------|-------|---|
| New network miles deployed | 263 | No new miles this quarter, due to weather conditions. |

| Indicator | Total | Narrative (describe your reasons for any variance from the baseline plan or any other relevant information) |
|--|-------|---|
| New network miles leased | 797 | No change, projected 321 |
| Existing network miles upgraded | 106 | No change, projected 196 |
| Existing network miles leased | 0 | Projected 0 |
| Number of miles of new fiber (aerial or underground) | 263 | No new miles this quarter, due to weather conditions |
| Number of new wireless links | 4 | Projected 4, Elmo, Arlee, Evaro, Heart Butte |
| Number of new towers | 0 | N/A |
| Number of new and/or upgraded interconnection points | 23 | No change, projected 18 |

For questions 5 and 6 please include information relating to agreements that you are negotiating or have entered into, or that your sub recipient, contractor or subcontractor is negotiating or entered into.

5a. If applicable, please provide the following information with regard to agreements with broadband wholesalers and/or last mile providers as a result of your project.

| Indicators | |
|---|---|
| Number of signed agreements with broadband wholesalers or last mile providers | 0 |
| Number of agreements currently being negotiated with broadband wholesalers or last mile providers | 0 |
| Average term of signed agreements (in quarters) | 0 |

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers: N/A

5c. What wholesale services are being provided by this project? Please describe below. As an attachment to this report, please provide pricing plans (in \$ per month) associated with each wholesale service provided by your product (100 words or less). Wholesale services description: N/A

5d. If you have designated a third party to operate all or a portion of your network, please provide the name and contact information for this third party, indicate if this entity is a sub recipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this this third party operates (600 words or less).
Montana West operates its own network with a network operations center

6. Please provide the data according to the type of subscriber. Write "0" in the Total column and "N/A" in the Narrative column if your project does not pass or serve a particular subscriber type. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (300 words or less).

| Subscriber Type | Access Type | Total | Narrative (describe your reasons for any variance from the baseline plan or any other relevant information) |
|--|---|-------|---|
| Broadband Wholesalers or Last Mile Providers | Providers with signed agreements receiving new access | 0 | Projected 0 |
| | Providers with signed agreements receiving improved access | 0 | Projected 4, project delays have impacted this projection |
| | Providers with signed agreements receiving access to dark fiber | 2 | Bresnan and Skynet, Projected 0 |

| Subscriber Type | Access Type | Total | Narrative (describe your reasons for any variance from the baseline plan or any other relevant information) |
|---|---|-------|---|
| | Please identify the speed tiers that are available and the number of subscribers for each | 5 | 100Mb(0), 200Mb(0), 1Gb(0), 2Gb(0), Dark Fiber (2) |
| Community Anchor Institutions (including Government institutions) | Total subscribers served | 29 | Projected 33, 18 built, 11 upgraded, 4 remaining on the Blackfeet reservation |
| | Subscribers receiving new access | 1 | Valley View School District |
| | Subscribers receiving improved access | 28 | Projected 33; 11 upgrades, new fiber was made available to 17 CAI's |
| | Please identify the speed tiers that are available and the number of subscribers for each | 3 | 50Mb(1), 100Mb(12), 1Gb (1) |
| Residential / Households | Entities passed | 1,210 | Projected 1810, Project delays and harsh winters have impacted this projection. |
| | Total subscribers served | 117 | Projected 468, Project delays and harsh winters have impacted this projection. |
| | Subscribers receiving new access | 52 | Projected 51 |
| | Subscribers receiving improved access | 65 | Projected 417, Project delays and harsh winters have impacted this projection. |
| | Please identify the speed tiers that are available and the number of subscribers for each | 4 | 1.5(28), 2.5(5), 4Mb(81), 100Mb(3) |
| Businesses | Entities passed | 160 | No change this quarter; projected 186, Project delays and harsh winters have impacted this projection. |
| | Total subscribers served | 22 | No change from last quarter |
| | Subscribers receiving new access | 0 | no change from last quarter |
| | Subscribers receiving improved access | 22 | No change from last quarter |
| | Please identify the speed tiers that are available and the number of subscribers for each | 4 | 10Mb(1), 20Mb(1), 50Mb(3), 100Mb(17) |

7. Please describe any special offerings you may provide (600 words or less).
 We do not anticipate any special offerings other than wholesale bandwidth and Internet connectivity to other providers, businesses, anchor institutions, and residential wireless Internet.

8a. Have your network management practices changed over the last quarter? Yes No

8b. If so, please describe the changes (300 words or less).
 Our network management practices have not changed.

9. Community Anchor Institutions:
 Using the table below, please provide a list by service area of the community anchor institutions (including Government institutions) connected to your network as a result of BTOP funds. Figures should be reported for the most recent reporting quarter only (NOT cumulatively). Also indicate whether your organization is currently providing broadband service to the anchor institution. Finally, provide a short narrative description with examples of how institutions are using BTOP-funded infrastructure (300 words or less).

| Institution Name | Service Area (town or county) | Type of Anchor Institution (as defined in your baseline) | Are you also the broadband service provider for this institution? (Yes / No) | Narrative description of how anchor institutions are using BTOP-funded infrastructure |
|------------------|-------------------------------|--|--|---|
| | | | | |

| Institution Name | Service Area (town or county) | Type of Anchor Institution (as defined in your baseline) | Are you also the broadband service provider for this institution? (Yes / No) | Narrative description of how anchor institutions are using BTOP-funded infrastructure |
|------------------|-------------------------------|--|--|---|
| N/A | N/A | N/A | N/A | N/A |

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).

We have had a long hard winter, with no construction in Q1. We expect to start again on Duck Lake Road, which is the last segment on the Blackfeet. We have been obtaining consents from the land owners on that route, and should have all the consents we need this next quarter. Our plan is to finish connecting the last 4 CAI's, namely, the Heart Butte Medical Clinic, Browning School District, Blackfeet Community College, and Blackfeet Community Hospital. We will complete fiber between Babb and St. Mary, for a total of 8.9 miles, bringing our total at the end of Q2 to 291.39 miles. (including microwave miles to Heart Butte) Our revised total of actual miles to be built by the end of the project will be 318.09 miles (including microwave miles to Heart Butte)...assuming we obtain consents from the landowners for aerial fiber placement along the full Duck Lake Road route. We may have to go to microwave on some of that route if we do not obtain all of the consents required by Glacier Electric, whose utility poles we want to place fiber on.

2. Please provide the percent complete for the following key milestones in your project. Write "0" in the Planned Percent Complete column and "N/A" in the Narrative column if your project does not include this activity. If you provided additional milestones in your baseline plan, please insert them at the bottom of the table. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the next reporting quarter. Please provide a narrative description if the percent complete is different from the target provided in your baseline plan (300 words or less).

| | Milestone | Planned Percent Complete | Narrative (describe reasons for any variance from baseline plan or any other relevant information) |
|-----|---|--------------------------|--|
| 2a. | Overall Project | 100 | We are waiting on weather and landowner consents to finish on the Blackfeet reservation. We have received an extension of the construction period to September 30, 2015. |
| 2b. | Environmental Assessment | 100 | Complete |
| 2c. | Network Design | 100 | Complete |
| 2d. | Rights of Way | 100 | Complete |
| 2e. | Construction Permits and Other Approvals | 100 | 3 landowners remain on the Duck Lake Road route to St. Mary and Babb |
| 2f. | Site Preparation | 100 | Complete |
| 2g. | Equipment Procurement | 100 | Complete |
| 2h. | Network Build (all components - owned, leased, IRU, etc.) | 100 | Fiber to St. Mary and Babb remains. |
| 2i. | Equipment Deployment | 100 | Fiber to St. Mary and Babb remains. |
| 2j. | Network Testing | 100 | Fiber to St. Mary and Babb remains. |
| 2k. | Other (please specify): Admin & Legal | 99 | Final Audit and Other Closing Costs remain. |

3. Please describe any challenges or issues anticipated during the next quarter that may impact planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).

We are working on obtaining consents from the last 3 landowners on Duck Lake Road. If we are unsuccessful in obtaining these consents, we will either need Glacier Electric to relax their requirement, or design a work around these parcels. If we have to go to an alternate route this will add additional time to the project. We will still be able to complete by 9/30/15, if this is the case.

Infrastructure Budget Execution Details

Activity Based Expenditures (Infrastructure)

1. Please provide details below on your total budget, cumulative actual expenditures (for the period ending the current quarter), and cumulative anticipated expenditures (for the period ending next quarter) for each line item, including detailed disbursements of both matching funds and federal funds from project inception through end of this quarter (actual) or next quarter (anticipated). Actual and anticipated figures should be reported cumulatively from award inception to the end of the applicable reporting quarter.

| Budget for Entire Project | | | | Actuals from Project Inception through End of Current Reporting Period | | | Anticipated Actuals from Project Inception through End of Next Reporting Period | | |
|--|-------------------|-----------------------|----------------------|--|----------------|---------------|---|----------------|---------------|
| Cost Classification | Total Cost (plan) | Matching Funds (plan) | Federal Funds (plan) | Total Cost | Matching Funds | Federal Funds | Total Costs | Matching Funds | Federal Funds |
| a. Administrative and legal expenses | \$978,800 | \$542,000 | \$436,800 | \$957,978 | \$448,640 | \$509,338 | \$964,390 | \$448,640 | \$515,750 |
| b. Land, structures, right-of-ways, appraisals, etc. | \$500,000 | \$115,000 | \$385,000 | \$500,000 | \$100,140 | \$399,860 | \$500,000 | \$100,140 | \$399,860 |
| c. Relocation expenses and payments | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| d. Architectural and engineering fees | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| e. Other architectural and engineering fees | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| f. Project inspection fees | \$51,728 | \$0 | \$51,728 | \$51,728 | \$0 | \$51,728 | \$51,728 | \$0 | \$51,728 |
| g. Site work | \$35,200 | \$0 | \$35,200 | \$25,394 | \$3,411 | \$21,983 | \$35,000 | \$3,411 | \$31,589 |
| h. Demolition and removal | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| i. Construction | \$14,612,135 | \$5,285,285 | \$9,326,850 | \$16,254,255 | \$7,165,467 | \$9,088,788 | \$16,364,581 | \$7,165,467 | \$9,199,114 |
| j. Equipment | \$2,613,062 | \$0 | \$2,613,062 | \$2,617,945 | \$2,346 | \$2,615,599 | \$2,617,945 | \$2,346 | \$2,615,599 |
| k. Miscellaneous | \$948,000 | \$0 | \$948,000 | \$948,000 | \$0 | \$948,000 | \$948,000 | \$0 | \$948,000 |
| l. SUBTOTAL (add a through k) | \$19,738,925 | \$5,942,285 | \$13,796,640 | \$21,355,300 | \$7,720,004 | \$13,635,296 | \$21,481,644 | \$7,720,004 | \$13,761,640 |
| m. Contingencies | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| n. TOTALS (sum of l and m) | \$19,738,925 | \$5,942,285 | \$13,796,640 | \$21,355,300 | \$7,720,004 | \$13,635,296 | \$21,481,644 | \$7,720,004 | \$13,761,640 |

2. Program Income: Please provide the program income you listed in your application budget and actuals to date through the end of the reporting period.

| | |
|---|--|
| a. Application Budget Program Income: \$0 | b. Program Income to Date: \$2,817,798 |
|---|--|