

RECIPIENT NAME: Ronan Telephone Co.

AWARD NUMBER: NT10BIX5570148

DATE: 11/07/2011

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

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) 09-30-2011	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): 11-07-2011	

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).

We received our FONSI on July 5, 2011, and trained the tribal crews and started construction. We have completed 35 miles of fiber installation in the Mission Valley. Worked with the Montana Department of Transportation (MDOT) to establish a permitting schedule in line with our project schedule. Received authorization from the BIA to work with MDOT directly for permitting on State highways on the Blackfeet Reservation. Issued RFP's and received responses for Principal Archeological Investigator for the cultural walk-through on the Blackfeet. Ordered and received Juniper core routers for Missoula and Seattle. Negotiating contracts for Internet backhaul with upstream providers. Secured a contract with a company to provide dark fiber once in place.

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	41	Projected 56% EA delayed the start of the project but we put 100% of the in kind match into the project this quarter. The in kind match is in the ground and fully operational. This includes 105 miles of fiber with segments varying from 8-count to 96-count.
2b.	Environmental Assessment	100	Projected 100%
2c.	Network Design	85	Projected 100% We still have some final engineering to do to before the system can be lit up.
2d.	Rights of Way	50	Projected 100% We are delayed with the right of ways concerning the Blackfeet Tribe but are getting things worked out.
2e.	Construction Permits and Other Approvals	20	Projected 32% We are working on permits with the various entities and have the permits we need to keep digging until the ground freezes. We are waiting on the Blackfeet to finish approving the route to preserve historical artifacts.
2f.	Site Preparation	0	Projected 64% The entire project was delayed due to the EA. We are concentrating on getting the fiber buried and will work on the 700 MHZ part of the project next spring.
2g.	Equipment Procurement	54	Projected 96% Holding off more purchases until the 3rd crew is working on Blackfeet Reservation
2h.	Network Build (all components - owned, leased, IRU, etc)	14	Projected 45%
2i.	Equipment Deployment	18	Projected 41%
2j.	Network Testing	0	Projected 41% Delayed by EA--splicer will start next quarter.
2k.	Other (please specify): Admin & Match	75	Projected 32% Put 100% of In Kind match in project--it is 100% built and operational.

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).

We had some initial equipment breakage due to the difficult rocky terrain. Permitting from the Department of Transportation has been slow and we have had to adjust the schedule as a result. We are now ahead of the permitting procedure and this should not be a problem as long as we stay ahead (providing final road maps with plans). Fiber is scarce or not available, and we are adjusting our schedule and putting in conduit more than we anticipated. We will have to go back and pull fiber once it is available. Work on the Blackfeet has been delayed due to permitting and cultural/archeological stipulations by the BIA. We do not anticipate having fiber for the Blackfeet until February or March anyway, although work is continuing on final route designation, staking and cultural pedestrian surveys of the intended routes. We have experienced cost overruns in some categories, however the budget is sufficient to handle these overruns, and these overruns are under 10% of the overall project.

We anticipated starting construction on the Blackfeet Reservation by this quarter, but delays associated with permitting and cultural issues has delayed this startup. As a result our anticipated actuals in the construction category did not change, and we do not intend to purchase the remaining equipment until the Spring of 2012.

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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	35	Projected 109...(35 built) Overall project start delayed by the Environmental Assessment.
New network miles leased	0	Projected 0..no variance
Existing network miles upgraded	106	Projected 106.. (106 in kind match)
Existing network miles leased	0	Projected 321..We will finalize the IRU contract by the end of the year 2011.
Number of miles of new fiber (aerial or underground)	35	Projected 534...Delays associated with EA
Number of new wireless links	0	Projected 2...Overall project delay associated with EA
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	Projected 9...Overall project delay associated with EA

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	1
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	1
Average term of signed agreements (in quarters)	12

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

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:
 20-year prepaid IRU for 2 dark fibers..will prepay in lump sum when installed and accepted.
 Contract includes interim provision of (5Gb) circuits out of Missoula to Charlo and Kalispell, which Montana West is leasing from another provider. Delivery of these interim circuits occurred on 09/27/11.

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).
 Cutthroat Communications in Bozeman will provide monitoring of the Montana West Network at their Network Operating Center at 7330 Shedhorn Drive, Bozeman, MT 59718. Contact is JP Violette at 406-556-1737. Cutthroat will be operating as a contractor for the Network monitoring of this project.

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)

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...No variance
	Providers with signed agreements receiving improved access	0	Projected 2...Delays with project implementation have impacted negotiations
	Providers with signed agreements receiving access to dark fiber	1	Projected 0...A provider has agreed to buy dark fiber on an IRU when available...executed contract
	Please identify the speed tiers that are available and the number of subscribers for each	2	100Mb and 1Gb
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Projected 2...Delays with project implementation have impacted negotiations
	Subscribers receiving new access	0	Projected 0...no variance
	Subscribers receiving improved access	0	Projected 1...Delays with project implementation have impacted negotiations
	Please identify the speed tiers that are available and the number or subscribers for each	2	100Mb and 1Gb
Residential / Households	Entities passed	0	Projected 950...timeline delayed by EA
	Total subscribers served	0	Projected 233...timeline delayed by EA
	Subscribers receiving new access	0	Projected 24...timeline delayed by EA
	Subscribers receiving improved access	0	Projected 209...timeline delayed by EA
	Please identify the speed tiers that are available and the number of subscribers for each	3	1.5Mb, 2.5Mb, 4Mb
Businesses	Entities passed	0	Projected 102...timeline delayed by EA
	Total subscribers served	0	Projected 23...timeline delayed by EA
	Subscribers receiving new access	0	Projected 4...timeline delayed by EA
	Subscribers receiving improved access	0	Projected 19...timeline delayed by EA
	Please identify the speed tiers that are available and the number of subscribers for each	4	10Mb, 20Mb, 50Mb, 100Mb

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 and to businesses and anchor institutions.

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

8b. If so, please describe the changes (300 words or less).

N/A

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
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 intend to complete the fiber section between Missoula and St. Ignatius, connecting to existing service in the Mission Valley at that location. We will also be able to offer bandwidth to CAI's in the Spring of 2012. Marketing activities will step up next quarter in anticipation of having a service to offer. We will have part of the route on the Blackfeet (between Cut Bank and Browning) staked, permitted and ready to go when the ground thaws and we have fiber from the manufacturers.

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	56	Projected 63% Put 100% of in Kind Match into the project last quarter.
2b.	Environmental Assessment	100	Projected 100%
2c.	Network Design	85	Projected 100%--Delays obtaining upstream contracts impacting this item
2d.	Rights of Way	55	Projected 100%-negotiating with the Blackfeet
2e.	Construction Permits and Other Approvals	25	Projected 40%--MDOT delays on permitting
2f.	Site Preparation	0	Projected 64%--Overall schedule delays associated with the EA
2g.	Equipment Procurement	54	Projected 96%--Holding off on some of the equipment until we can start on the Blackfeet Reservation
2h.	Network Build (all components - owned, leased, IRU, etc.)	46	Projected 53%--hired a subcontractor to start work on the section from Missoula to Evaro to get us more on schedule.
2i.	Equipment Deployment	32	Projected 53%--We started late, but are catching up.
2j.	Network Testing	10	Projected 53%--Lost a full quarter of construction due to the delay with the EA.
2k.	Other (please specify): Admin & Match	78	Projected 40%--Put 100% of in Kind Match in project last quarter

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 entering our winter season, where construction may be halted due to ground freeze. Fiber availability may become a factor even if we were to get some extended construction time due to a warm winter. In some cases, we are installing conduit in the ground without fiber so that when we do obtain fiber we will be able to pull it into the conduit, having finished the more time consuming part of the install with available materials.

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	\$6,354,845	\$5,942,285	\$412,560	\$4,751,379	\$4,454,801	\$296,578	\$4,951,379	\$4,454,801	\$496,578
b. Land, structures, right-of-ways, appraisals, etc.	\$129,600	\$0	\$129,600	\$172,352	\$0	\$172,352	\$260,602	\$0	\$260,602
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	\$50,400	\$0	\$50,400	\$1,225	\$0	\$1,225	\$16,128	\$0	\$16,128
g. Site work	\$35,200	\$0	\$35,200	\$0	\$0	\$0	\$0	\$0	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$8,189,627	\$0	\$8,189,627	\$935,600	\$0	\$935,600	\$2,802,814	\$0	\$2,802,814
j. Equipment	\$4,316,305	\$0	\$4,316,305	\$2,324,177	\$0	\$2,324,177	\$2,325,000	\$0	\$2,325,000
k. Miscellaneous	\$662,948	\$0	\$662,948	\$0	\$0	\$0	\$662,948	\$0	\$662,948
l. SUBTOTAL (add a through k)	\$19,738,925	\$5,942,285	\$13,796,640	\$8,184,733	\$4,454,801	\$3,729,932	\$11,018,871	\$4,454,801	\$6,564,070
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	\$8,184,733	\$4,454,801	\$3,729,932	\$11,018,871	\$4,454,801	\$6,564,070

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: \$0
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