

RECIPIENT NAME: Ronan Telephone Co.

AWARD NUMBER: NT10BIX5570148

DATE: 11/26/2012

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) 09-30-2012	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): 11-26-2012	

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 All fiber and conduit are now placed, spliced and ready on the western segment from Elmo to Hot Springs. The Pablo Central Office is being prepared with power, cages for collocated customers, and the backbone is terminated from the Missoula segment at that location. All of the electronics for backbone distribution have been ordered and received for the Western section of the network. Distribution and repeater equipment has been staged in Missoula, Arlee, St. Ignatius, Ronan and Pablo for final installation next quarter. Network Management hardware and software has been ordered and received and is scheduled for installation next quarter. Interim power has been secured from Zayo in Missoula to prepare for installation of the networking hardware. On the Blackfeet reservation, conduit has been placed between East Glacier Park and Browning, and between Browning and Cut Bank. A Collocation agreement has been executed with the Northern Telephone Exchange for the Santa Rita facility. Fiber has been installed between the Northern Telephone Exchange in Santa Rita and Cut Bank.

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	75	Projected 87%--Delays and stoppages on the Blackfeet have negatively impacted the schedule.
2b.	Environmental Assessment	95	Projected 100%--We still have cultural pedestrian surveys to complete for part of the Blackfeet network.
2c.	Network Design	91	Projected 100%--Some minor networking monitoring and transport electronics have yet to be identified and ordered.
2d.	Rights of Way	81	Projected 70%--Delays and stoppages on the Blackfeet have negatively impacted the schedule.
2e.	Construction Permits and Other Approvals	100	Projected 100%--All construction permits have been obtained.
2f.	Site Preparation	32	Projected 88%--Site preparation for the wireless last mile locations remains to be done.
2g.	Equipment Procurement	84	Projected 98%--Additional wireless equipment will be needed for the final construction season next year.
2h.	Network Build (all components - owned, leased, IRU, etc)	60	Projected 68%--Delays and stoppages on the Blackfeet have negatively impacted the schedule.
2i.	Equipment Deployment	86	Projected 91%--Delays and stoppages on the Blackfeet have negatively impacted the schedule.
2j.	Network Testing	0	Projected 38%--We are able to do the testing with current employees and have not had to hire an outside contractor.
2k.	Other (please specify): Admin & Legal	57	Projected 66%--Shortfall is commensurate with overall project minor slippage.

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).
 Work stoppages on the Blackfeet Reservation have impacted the schedule. BTOP has been engaged in negotiations with the Tribe. Discussions are ongoing with expectations of a resolution of the issues and a decision to allow Montana West to move forward during the next quarter.

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	110	Projected 264. Work stoppage on the Blackfeet and schedule slippage by our contractor both have impacted miles planned for completion.
New network miles leased	0	Projected 0.
Existing network miles upgraded	106	Projected 106, no variance (106 in kind fiber match)
Existing network miles leased	797	Projected 321.
Number of miles of new fiber (aerial or underground)	110	Projected 264. Work stoppage on the Blackfeet has impacted miles planned for completion.
Number of new wireless links	0	Projected 3. Wireless is scheduled for the end of the middle mile build, so project slippage has impacted it.
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	7	Projected 17. Seattle, Missoula, Arlee, St. Ignatius, Ronan, Santa Rita and Pablo. Overall project slippage has impacted the number of interconnection points.

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	2
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)
Cutthroat Communications

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:

We have executed a contract with Bresnan for a 20-year prepaid IRU for 2 dark fibers. They will prepay in a lump sum when installed and accepted. We have executed a contract with Cutthroat Communications for the provision of 2Gb ethernet from Missoula to Seattle for a monthly recurring charge of \$5600, term of 36 months.

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 third party operates (600 words or less).

Cutthroat Communications in Bozeman is monitoring our network at their Network Operating Center. This will transition to Montana West, once Montana West establishes its own Network Operations Center, currently scheduled for Q412.

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

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Providers with signed agreements receiving improved access	2	Projected 2. Cutthroat Communications and Bresnan
	Providers with signed agreements receiving access to dark fiber	1	Projected 0. Bresnan has executed an IRU agreement with Montana West for dark fiber when available. Originally scheduled for August 2012, now scheduled for early 2013.
	Please identify the speed tiers that are available and the number of subscribers for each	4	100Mb, 1Gb, 2Gb, dark fiber.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Projected 32. Blackfeet work stoppage and construction delays have impacted our ability to provide planned service.
	Subscribers receiving new access	0	Projected 0.
	Subscribers receiving improved access	0	Projected 32. Blackfeet work stoppage and construction delays have impacted our ability to provide planned service.
	Please identify the speed tiers that are available and the number or subscribers for each	2	100Mb and 1Gb.
Residential / Households	Entities passed	175	Projected 1210.
	Total subscribers served	0	Projected 318. Overall project slippage has impacted this planned provision of services.
	Subscribers receiving new access	0	Projected 42. Overall project slippage has impacted this planned provision of services.
	Subscribers receiving improved access	0	Projected 276. Overall project slippage has impacted this planned provision of services.
	Please identify the speed tiers that are available and the number of subscribers for each	3	1.5Mb, 2.5Mb, 4Mb
Businesses	Entities passed	12	Projected 171. Overall project slippage has impacted this planned provision of services.
	Total subscribers served	0	Projected 67. Overall project slippage has impacted this planned provision of services.
	Subscribers receiving new access	0	Projected 22. Overall project slippage has impacted this planned provision of services.
	Subscribers receiving improved access	0	Projected 45. Overall project slippage has impacted this planned provision of services.
	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	Type of Anchor	Are you also the	Narrative description of how anchor institutions are using BTOP-
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	Area (town or county)	Institution (as defined in your baseline)	broadband service provider for this institution? (Yes / No)	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).
 Montana West will install the transport electronics for the southern portion of the network between Pablo through Ronan, St. Ignatius, Arlee, Evaro, and Missoula. This will enable the provision of services to CAI's and other providers within that service area. Solarwinds network monitoring software and hardware will be installed and Montana West will transition from contracting NOC services to our own Network Operating Center. We will continue installations on the Blackfeet when negotiations are completed.
 Number of miles planned for deployment next quarter: 20 (Mission to Ronan)
 Number of CAI's planned for connection next quarter: (upgrades of existing CAI's) 7
 Number of broadband wholesaler/last mile provider agreements planned for next quarter: 1

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	80	Projected 87%. Work stoppage on the Blackfeet has impacted miles planned for completion.
2b.	Environmental Assessment	95	Projected 100%. No Variance
2c.	Network Design	95	Projected 100%. No Variance
2d.	Rights of Way	90	Projected 100%. Work stoppage on the Blackfeet has impacted miles planned for completion.
2e.	Construction Permits and Other Approvals	100	Projected 72%. All construction permits have been obtained
2f.	Site Preparation	40	Projected 88%. Work stoppage on the Blackfeet has impacted miles planned for completion.
2g.	Equipment Procurement	90	Projected 99%. Some wireless equipment will need to be procured for the remainder of the build on the Blackfeet and other locations.
2h.	Network Build (all components - owned, leased, IRU, etc.)	65	Projected 85%. Work stoppage on the Blackfeet has impacted miles planned for completion.
2i.	Equipment Deployment	90	Projected 90%. No Variance
2j.	Network Testing	50	Projected 90%. Network testing will have been done on the southern portion of the network. Shortfall due to Blackfeet work stoppages.
2k.	Other (please specify):	72	Projected 72%. No Variance

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 will need continued negotiation assistance from BTOP to obtain permission from the Blackfeet to continue the project on the Blackfeet reservation.

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	\$928,800	\$542,000	\$386,800	\$604,457	\$272,771	\$331,686	\$689,772	\$337,086	\$352,686
b. Land, structures, right-of-ways, appraisals, etc.	\$500,000	\$115,000	\$385,000	\$405,616	\$65,239	\$340,377	\$445,616	\$80,239	\$365,377
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	\$51,728	\$0	\$51,728	\$51,728	\$0	\$51,728
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	\$14,245,272	\$5,285,285	\$8,959,987	\$11,192,663	\$4,511,201	\$6,681,462	\$11,884,500	\$4,661,201	\$7,223,299
j. Equipment	\$3,031,253	\$0	\$3,031,253	\$2,534,594	\$0	\$2,534,594	\$2,608,094	\$0	\$2,608,094
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	\$15,737,058	\$4,849,211	\$10,887,847	\$16,627,710	\$5,078,526	\$11,549,184
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	\$15,737,058	\$4,849,211	\$10,887,847	\$16,627,710	\$5,078,526	\$11,549,184

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