QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information

1. Federal Agency and Organizational Element to Which Report is Submitted	2. Award Identification Number	3. DUNS Number
Department of Commerce, National Telecommunications and Information Administration	NT10BIX5570148	006827927

4. Recipient Organization

Ronan Telephone Co. 312 SW Main St., Ronan, MT 59864-2707

5. Current Reporting Period End Date (MM/DD/YYYY)	6. Is this the last Report of the Award Period?
06-30-2011	◯ Yes ◉ 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	7c. Telephone (area code, number and extension)
Gerald Beeks	4066769215
	7d. Email Address
	beeks@ronan.net

7b. Signature of Certifying Official	7e. Date Report Submitted (MM/DD/YYYY):
Submitted Electronically	08-15-2011

Project Indicators (This Quarter)

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

The final EA reports were turned in. We are awaiting the official word on the FONSI which should be here by 7/5/2011. We have hired 2 crews of 7 men each and will begin training on 7/11/11. Enough equipment has been purchased this quarter to put both crews to work.   Most activity other than engineering and route planning was put on hold until we receive the FONSI.

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	15	Projected 48%--All work delayed until we receive the Fonsi
2b.	Environmental Assessment	90	Projected 100%--all work completed, awaiting notification of FONSI
2c.	Network Design	80	Final Staking
2d.	Rights of Way	36	Projected 100%--delayed by EA
2e.	Construction Permits and Other Approvals	2	Projected 24%--delayed by EA
2f.	Site Preparation	0	Projected 52%-delayed by EA
2g.	Equipment Procurement	36	Projected 95%--Purchased Equipment for 2 crews, 3rd crew will not start until the early fall due to negotiations with the Blackfeet Nation, Right of Way issues and the approval of the EA.
2h.	Network Build (all components - owned, leased, IRU, etc)	2	Projected 37%--delayed by EA
2i.	Equipment Deployment	2	Projected 26%--delayed by EA
2j.	Network Testing	0	Projected 26%--delayed by EA
2k.	Other (please specify):	20	Projected 24%--Includes In Kind Match which we will report 100% next quarter.

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 EA is in the final review stage and will be approved the first week in July. Crews are hired and materials purchased. We will start full scale construction in 2 weeks.

The first quarter 2011 PPR Report was completed incorrectly. We did not understand the report layout and did not tie it to the Narrative Budget. This quarter we understood the report and made the changes to the Infrastructure Budget Execution Details to coincide with the Narrative Budget. Following is a list of the changes.

Changes to the Infrastructure Budget Execution Details/Activity Based Expenditures.
   "Budget for Entire Project"-- moved 100% of the Matching Funds to line (a) to match Detailed and Narrative Budgets.
   Moved $19469 reported last quarter from line (d) in Actuals to line (b) as per Narrative Budget.
   Moved $1,080,416 reported last quarter from line (i) in Actuals to line (a) as per Narrative Budget.
   Re populated the Anticipated actuals with 100% of the matching funds in line (a).
   Recorded 100% of the In-Kind Match in the Anticipated Actuals for 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)

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
New network miles deployed	0	Projected 73 miles--delayed by EA
New network miles leased	0	No Variance
Existing network miles upgraded	0	Projected 106 Redundant Loop delayed by EA
Existing network miles leased	0	Projected 321--delayed by EA
Number of miles of new fiber (aerial or underground)	0	Projected 499--delayed by EA
Number of new wireless links	0	No Variance
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	Projected 7--delayed by 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	0
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	2
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:
NA

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:
No services provided yet. Plans are to offer 100 MB and 1 GB services to other providers and last mile providers. We have responded to a major RFP for dark fiber IRUs to a major hospital consortium in Western Montana and are waiting on the results.

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 our 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 purpose 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)
Broadband Wholesalers or Last Mile Providers	Providers with signed agreements receiving new access	0	No Variance
	Providers with signed agreements receiving improved access	0	Projected 1--delayed by EA
	Providers with signed agreements receiving access to dark fiber	0	No Variance

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Community Anchor Institutions (including Government institutions)	**Please identify the speed tiers that are available and the number of subscribers for each**	2	100MB and 1 GB
	Total subscribers served	0	Projected 1--delayed by EA
	Subscribers receiving new access	0	No Variance
	Subscribers receiving improved access	0	Projected 1--delayed by EA
	Please identify the speed tiers that are available and the number or subscribers for each	4	10 MB, 20 MB, 50 MB, 100 MB
Residential / Households	**Entities passed**	0	Projected 800--delayed by EA
	Total subscribers served	0	Projected 188--delayed by EA
	Subscribers receiving new access	0	Projected 16--delayed by EA
	Subscribers receiving improved access	0	Projected 172--delayed by EA
	Please identify the speed tiers that are available and the number of subscribers for each	3	1.5 MB, 2.5 MB, 4 MB
Businesses	**Entities passed**	0	Projected 66--delayed by EA
	Total subscribers served	0	Projected 5--delayed by EA
	Subscribers receiving new access	0	Projected 1--delayed by EA
	Subscribers receiving improved access	0	Projected 4--delayed by EA
	Please identify the speed tiers that are available and the number of subscribers for each	4	10 MB, 20 MB, 50 MB, 100 MB

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).

NA

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
NA	**NA**	**NA**	**NA**	**NA**

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
We expect to sign up at least two major providers in Western Montana, and install 30 to 40 miles of fiber along our major route.

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	54	Projected 56%
2b.	Environmental Assessment	100	Projected 100%--Fonsi awarded 7/5/11
2c.	Network Design	57	Projected 100%--We plan to purchase the Juniper equipment first and hold off on the Cisco and Occam equipment for a few months.
2d.	Rights of Way	60	Projected 100%--Negotiating with the Blackfeet Tribe
2e.	Construction Permits and Other Approvals	32	Projected 32%--No Variance
2f.	Site Preparation	0	Projected 64%--delayed by the EA
2g.	Equipment Procurement	54	Projected 96%--We are holding off on additional equipment for the Blackfeet route until the Right of Way issues are closer to resolution.
2h.	Network Build (all components - owned, leased, IRU, etc.)	37	Projected 45%--We lost a full quarter of construction due to the delay with the EA.
2i.	Equipment Deployment	26	Projected 41%--We lost a full quarter of construction due to the delay with the EA.
2j.	Network Testing	26	Projected 41%--We lost a full quarter of construction due to the delay with the EA.
2k.	Other (please specify): Admin & Match	76	Projected 32%--Recording 100% of In Kind Match

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 still working on the resolution of Tribal right of way and easement issues on the Blackfeet reservation fiber routes. Obtaining permits may slow our progress due to the right of ways on water ways and canals. We will need additional wetland deliniations. We also have to do a cultural assessment along the Blackfeet route that may slow our progress.

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.

Cost Classification	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		
	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	$1,261,138	$1,080,416	$180,722	$4,835,523	$4,454,801	$380,722
b. Land, structures, right-of-ways, appraisals, etc.	$129,600	$0	$129,600	$46,317	$0	$46,317	$77,760	$0	$77,760
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	$88,524	$0	$88,524	$2,802,814	$0	$2,802,814
j. Equipment	$4,316,305	$0	$4,316,305	$1,546,888	$0	$1,546,888	$2,315,500	$0	$2,315,500
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	$2,944,092	$1,080,416	$1,863,676	$10,710,673	$4,454,801	$6,255,872
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	$2,944,092	$1,080,416	$1,863,676	$10,710,673	$4,454,801	$6,255,872

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