

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 NT10BIX5570103	3. DUNS Number 081275752
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4. Recipient Organization Nevada Hospital Association 5250 Neil Rd., Ste 302, Reno, NV 89502-6568

5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2011	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> No
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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 Eva LaBarge Vice President of Operations	7c. Telephone (area code, number and extension) 7758270184
	7d. Email Address eva@nvha.net

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 05-27-2011
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Project Indicators (This Quarter)**1. Please describe significant project accomplishments completed during this quarter (600 words or less).**

In the third quarter of the Nevada Broadband Telemedicine Initiative award period [1Q11], our organization completed the following:

ADMINISTRATIVE

- Established organizational structure to manage and monitor the project.
- Performed consolidated audit of the Nevada Hospital Association for year ending December 31, 2010; no federal findings.
- Established financial accounting/auditing systems to manage project funds and federal grant expenditures.
- Reviewed and updated existing procurement policies and company code of conduct for compliance with federal regulations.
- A formal contract was executed with e-Care Nevada, Inc. to serve as subrecipient and operate/manage project implementation.
- Established a subrecipient Monitoring System.
- Conducted meetings/conference calls with NHA Broadband Oversight Committee consisting of hospital representatives.
- Launched regular review meetings with project participants.
- Conducted weekly progress conference calls with FPO to ensure progress on priority SAC's, specifically related to the EA and meeting the deadlines as defined in the EA Milestone Tracker.

ENGINEERING

- Preliminary route engineering design considerations provided for the draft EA.
- Conducted route feasibility analysis identifying appropriate routes and termination locations for the network.
- Initial research identifying existing broadband facilities that might be leased or purchased.
- Discussions with NDOT related to right of way access and use of existing fiber facilities.
- Meetings with NDOT, NSHE, DOIT, and BLM to discuss routes and proper permitting procedures.
- Meetings with potential rights of way providers to discuss project, determine areas of collaboration, and requested formal quotes on routes of interest.
- Opened project office in Carson City to support the project.
- Mobilized personnel to the Nevada market, hired local resources and set up project infrastructure and coordination processes.
- Development of detailed route evaluation, including specific construction techniques (aerial/buried/IRU) to include in project estimate.
- Conducted complete engineering site visits for initial review of member hospital equipment, existing communications rooms/closets, conduit runs, raceways, points of entry and exterior boundaries.
- Developed initial technical specifications for design of the network.
- Identified initial requirements for Outside Plant materials; completed initial budgetary pricing for subcontractors for inside/outside plant materials in preparation for formal bid.
- Conducted field engineering surveys, identified/analyzed data centers, and drove network routes throughout Nevada.
- Ongoing negotiations with fiber and microwave providers for leasing (dark or lit) facilities.

OUTREACH/SUSTAINABILITY/PUBLIC RELATIONS

- Completed informational CIO white paper on essential network elements for member facilities.
- Development of initial pricing structure and service definitions for member hospital facilities and community anchor institutions.
- Conducted on site visits with individual member hospital facilities and created profiles on existing service capacities.
- Conducted meetings with Community Anchor Institutions in the funded service areas, specifically Douglas County leadership to introduce project and begin defining routes and Community Anchor Institutions to be served.
- Hired resources for systems engineering effort, including adding resources in engineering and CAD support.
- Meetings with equipment suppliers to discuss network architecture requirements and options.
- Held briefings with Congressional Delegation and Nevada Governor's office.

FINANCE/GRANT COMPLIANCE/REPORTING

- Submitted 4Q10 ARRA Report, 4Q10 Federal Financial Report and 4Q10/Annual Performance Progress Report for year ending December 31, 2010 in accordance with the Special Award Conditions.

ENVIRONMENTAL ASSESSMENT

- A formal contract was executed with Resource Concepts, Inc. as the Environmental Assessment management contractor for the project to meet the requirements of the Special Award Conditions.
- Prepared and submitted administrative draft EA on February 1, 2011 as specified in Award SAC.
- Prepared and submitted Records Search and Literature Review and Supplemental Project Information Report to SHPO.
- Contact with Federal and State agencies, specifically USFWS, SHPO, and Tribal Organizations.

PROJECT OVERLAP ISSUES

- Discussions with other ARRA awardees - Arizona Nevada Tower Corporation, KeyOn Communications, and Digital 395 to identify and address overlap issues and any potential collaboration opportunities.
- Initial negotiations/proposal review with Digital 395 related to overlap on the Hwy 395 corridor.

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	5	Progress pending submission of proposed project route modifications affecting final FONSI approval.
2b.	Environmental Assessment	8	Progress pending submission of proposed project route modifications.
2c.	Network Design	36	Progress pending finalizing agreements with fiber providers and submission of proposed project route modifications.
2d.	Rights of Way	0	Progress pending above noted final network/route designs.
2e.	Construction Permits and Other Approvals	0	Progress pending above noted final network/route designs.
2f.	Site Preparation	0	Progress pending above noted final network/route designs.
2g.	Equipment Procurement	0	Progress pending above noted final network/route designs.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	Progress pending above noted final network/route designs.
2i.	Equipment Deployment	0	Progress pending above noted final network/route designs.
2j.	Network Testing	0	No activity this quarter. No variance from Baseline Plan.
2k.	Network Management/ Operations	0	No activity this quarter. No variance from Baseline Plan.

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).

In pursuing all dark fiber options, it was discovered that there were alternate routes offering potentially superior solutions to those initially submitted. By utilizing these routes it could enable a more robust network incorporating redundant ring architecture, thus increasing network reliability and sustainability. Review and approval challenges are being addressed by the Nevada Hospital Association.

The Nevada Hospital Association encountered challenges in obtaining approvals, review, and comments from State and Federal Agencies related to the Environmental Assessment. The Bureau of Land Management indicated their review of the administrative EA would begin following a defined relationship between BLM and NTIA. An executed MOU between BLM and NTIA is acknowledged as critical to the EA review and approval process. The State Historic Preservation Office noted it would be premature to concur with the finding of no adverse effect until the BLM commented on the document.

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	0	Progress pending submission of proposed project route modifications affecting final FONSI approval.
New network miles leased	0	Progress pending submission of proposed project route modifications affecting final FONSI approval.
Existing network miles upgraded	0	N/A
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	0	Progress pending submission of proposed project route modifications affecting final FONSI approval.
Number of new wireless links	0	No activity this quarter. No variance from Baseline Plan.

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	No activity this quarter. No variance from Baseline Plan.

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	10
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:
No activity this quarter.

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 activity this quarter.

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).
During this project quarter, e-Care Nevada, Inc. was awarded the contract to coordinate engineering and design for the network. This entity functions as a subrecipient of the grant and is responsible for the following elements of project implementation:

- Manage completion of an Environmental Assessment, and seek to secure the appropriate approvals resulting from such assessment.
- Develop policies and procedures needed to secure appropriate permits.
- Provide Final Engineering and Design.
- Develop a working budget to complete the Network design, engineering, operation, maintenance, and QoS standards needed to ensure sustainability.
- Formulate Construction Management specifications.
- Conduct Contractor evaluation and selection.
- Complete Demand/Marketing Studies for Network growth and use; obtaining appropriate letters of interest and commitment from Member Hospitals, ancillary facilities, last mile service providers, and other related anchor institutions.
- Review, and where necessary, recalculate the network budget.
- Incorporate leased or IRU facilities into overall Network design and pursue agreements with dark fiber and wholesale rates for lit services.
- Construction Oversight.
- Development of product and service definitions focused on initial set of services to be available at network launch, future tiered service offerings, and competitive market pricing review.

e-Care Contact Information:

900 South Pavilion Center Drive, Suite 180
Las Vegas, NV 89144
<http://www.ecarenevada.com>
702.405.7000

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 activity this quarter. No variance from Baseline Plan.
	Providers with signed agreements receiving improved access	0	No activity this quarter. No variance from Baseline Plan.
	Providers with signed agreements receiving access to dark fiber	0	Variance with Baseline Plan due to ongoing negotiations with dark fiber providers.
Community Anchor Institutions (including Government institutions)	Please identify the speed tiers that are available and the number of subscribers for each	0	No activity this quarter. No variance from Baseline Plan.
	Total subscribers served	0	No activity this quarter. No variance from Baseline Plan.
	Subscribers receiving new access	0	No activity this quarter. No variance from Baseline Plan.
	Subscribers receiving improved access	0	No activity this quarter. No variance from Baseline Plan.
Residential / Households	Please identify the speed tiers that are available and the number of subscribers for each	0	No activity this quarter. No variance from Baseline Plan.
	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
Businesses	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A

7. Please describe any special offerings you may provide (600 words or less).

No activity this quarter.

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

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

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
No activity this quarter.	No activity this quarter.	No activity this quarter.	No activity this quarter.	No activity this quarter.

Project Indicators (Next Quarter)

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

ADMINISTRATIVE

- Complete subrecipient monitoring for review of Grants Files, Award requirements, and federal guidelines/compliance.
- Participate in weekly progress conference calls with subrecipient, FPO, engineering, and construction to ensure project progress.
- Conduct meetings/conference calls with NHA Broadband Oversight Committee consisting of hospital representatives.
- Continue review of project plans, agreements, and status with Federal Program Officer.

ENGINEERING

- Provide Final Engineering and Design.
- Formulate Construction Management specifications.
- Continue discussions with NSHE, NDOT, and DOIT on proposed collaboration on network infrastructure.
- Identify potential vendors for equipment and pre-qualifications in anticipation of FONSI approval; conduct contractor evaluation and selection.
- Work on permitting procedures with NDOT and BLM for select routes.
- Incorporate leased services into overall Network design and finalize agreements with dark fiber providers as well as wholesale agreements for lit services.
- Continue negotiations with NDOT related to potential Right of Way access and use of fiber facilities.
- Prepare and submit project modifications related to network routes.
- Secure commitments from dark fiber/last mile providers to secure excess capacity in areas where new fiber will be built.
- Enter into MOU with each state agency detailing use of the state controlled infrastructure and the NHA Infrastructure.

OUTREACH/SUSTAINABILITY/PUBLIC RELATIONS

- Complete Demand/Marketing Studies for Network growth and use; obtain appropriate letters of interest and commitment from Member Hospitals, ancillary facilities, last mile service providers, and other related anchor institutions.
- Finalize pricing structure and service definitions for member hospital facilities and Community Anchor Institutions.
- Contact additional customers and identify types of services needed, estimated costs for such services, and obtain letters of initial commitment.
- Continue to work with community institutions in each service area to maximize participation and secure benefits to target populations.
- Complete community outreach and marketing plan for additional Community Anchor Institutions.
- Complete all on site visits with individual member hospital facilities.
- Execute service contracts with member hospital facilities for connectivity to the network.
- Conduct meetings with Nevada School Districts to determine opportunities for collaboration.
- Conduct meetings with Nevada Association of Counties and Nevada League of Cities.
- Work related to possible service to native American tribal facilities where practical either through the Nevada Tribal Health Centers or directly with the tribal governments.

FINANCE/GRANT COMPLIANCE/REPORTING

- Develop a working budget to complete network design, engineering, operation, maintenance, and QoS standards needed to ensure sustainability.
- Submit 1Q11 ARRA Quarterly Report, 1Q11 Federal Financial Report and 1Q11 Performance Progress Report in accordance with the Special Award Conditions.

ENVIRONMENTAL ASSESSMENT

- Prepare and submit Biological Assessment as required for the formal Section 7 consultation.
- Prepare and submit Federal Rights of Way Application - SF299 Form to state BLM office.
- Prepare and submit final Environmental Assessment and secure appropriate approvals resulting from such assessment.

PROJECT OVERLAP ISSUES

- Finalize agreement with California Broadband Cooperative addressing collaboration along the Hwy 395 corridor.
- Continue discussions with other ARRA awardees - Arizona Nevada Tower Corporation and KeyOn Communications to identify and address overlap issues and any potential collaboration opportunities.

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	10	Progress limited by project route design timeline and final FONSI approval.
2b.	Environmental Assessment	100	No variance from Baseline Plan.
2c.	Network Design	100	No variance from Baseline Plan.
2d.	Rights of Way	0	Progress limited by project route design timeline and final FONSI approval.
2e.	Construction Permits and Other Approvals	0	Progress limited by project route design timeline and final FONSI approval.
2f.	Site Preparation	0	Progress limited by project route design timeline and final FONSI approval.
2g.	Equipment Procurement	0	Progress limited by project route design timeline and final FONSI approval.
2h.	Network Build (all components - owned, leased, IRU, etc.)	0	Progress limited by project route design timeline and final FONSI approval.
2i.	Equipment Deployment	0	Progress limited by project route design timeline and final FONSI approval.
2j.	Network Testing	0	No variance from Baseline Plan.
2k.	Other (please specify): Network Management/ Operations	0	No variance from Baseline Plan.

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).

Potential delays and challenges next quarter may occur based on comments and review of the draft EA as well as any proposed project route modification approvals.

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	\$258,125	\$55,070	\$203,055	\$114,693	\$25,114	\$89,579	\$138,540	\$29,557	\$108,983
b. Land, structures, right-of-ways, appraisals, etc.	\$25,000	\$5,334	\$19,666	\$0	\$0	\$0	\$0	\$0	\$0
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$2,591,513	\$552,892	\$2,038,621	\$350,247	\$76,118	\$274,128	\$1,520,728	\$324,443	\$1,196,285
e. Other architectural and engineering fees	\$1,712,850	\$365,432	\$1,347,418	\$661,005	\$129,501	\$531,503	\$841,017	\$179,429	\$661,588
f. Project inspection fees	\$63,961	\$13,646	\$50,315	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$408,975	\$87,254	\$321,721	\$0	\$0	\$0	\$0	\$0	\$0
h. Demolition and removal	\$29,750	\$6,347	\$23,403	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$9,469,288	\$2,020,246	\$7,449,042	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$8,776,597	\$1,872,462	\$6,904,135	\$0	\$0	\$0	\$0	\$0	\$0
k. Miscellaneous	\$1,635,208	\$348,867	\$1,286,341	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$24,971,267	\$5,327,550	\$19,643,717	\$1,125,945	\$230,733	\$895,210	\$2,500,285	\$533,429	\$1,966,856
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$24,971,267	\$5,327,550	\$19,643,717	\$1,125,945	\$230,733	\$895,210	\$2,500,285	\$533,429	\$1,966,856

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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