



To: Department of Commerce
National Telecommunications and Information Administration (NTIA)

From: Nevada Hospital Association

Subject: Broadband Technology Opportunities Program (BTOP) Extension Request,
Nevada Broadband Telemedicine Initiative (Award ID: NT10BIX5570103) for
Award Period from August 2010 to July 31, 2013

Date: July 29, 2013

To Whom It May Concern:

Nevada Hospital Association (NHA) requests a period of performance extension to a requested end date of September 30, 2014 to continue the successful implementation of our Broadband Technology Opportunities Program (BTOP) award. This request includes this project's extension rationale and provides supporting documentation as attachments to the Award Action Request (AAR).

- 1) **Reason(s) for Extension Request:** NHA has experienced circumstances that have caused the need for an extension beyond the original project end date. The narrative below provides an explanation of how the project-specific circumstances resulted in the need for a period of performance extension; our proposed plan for addressing any outstanding issues; and the project benefits that will be delivered during the extension period.

NHA requests a no-cost extension to September 30, 2014. This extension is necessitated by extended environmental reviews, delayed issuance of pole permits, delays in receiving Bureau of Land Management (BLM) permits, remaining right-of-way access issues as well as the request by *e-Care Nevada (e-Care)* to withdraw as the sub-recipient.

NHA has initiated a process to secure a new sub-recipient. Since notification last year of the *e-Care's* inability to complete the project, NHA has been working with a number of parties interested in taking over construction and eventual operation of the network. Atlantic Tele-Networks (ATN) has expressed the most interest in taking over the project. Through their Commnet of Nevada subsidiary they have a substantial infrastructure and customer base in Nevada. ATN has another subsidiary company Sovernet Communications which already operates fiber networks and currently works with a BTOP project. ATN's experience in operating fiber networks and their business interests in Nevada make them a desirable partner. ATN has agreed to complete the due diligence process within four weeks in order that NHA can either move forward with finalizing an agreement to transfer the sub recipient responsibilities or NHA can undertake a process to secure other interested parties.

NHA is drafting an Invitation to Negotiate (ITN) in order to invite wider participation in the offer to take over *e-Care's* responsibilities. The ITN will provide an open and competitive process for the assumption of the sub recipient responsibilities. The ITN will be released immediately upon notice of ATN's decision whether to negotiate assumption of *e-Care's* role or not. The ITN will be released no later than mid-August with responses scheduled to be due September 30th. Under this scenario

NHA hopes to secure a final agreement with ATN prior to September 30th or select a new partner who will take over by the end of October.

The network crosses large areas of federal land which requires extensive environmental review. BLM has yet to issue the last permit for access to BLM land in Northern Nye County. We have secured commitments from BLM to process the remaining permit within the next two months.

The project also relies heavily on the use of existing utility infrastructure requiring many pole permits. Securing pole licenses has gone especially slow due to extensive engineering requirements for the poles along the route. In some cases this has resulted in the need for rerouting of the network backbone. We continue to work with the pole owners to secure the necessary permits. We anticipate securing all pole permits by October 2013.

The Nevada Broadband Telemedicine Initiative was originally designed to serve 37 hospitals throughout the state of Nevada. As mentioned earlier, Optica Network Technologies is working to scale the project back to a minimum of 11 sites. In addition we are developing estimates to expand the number of non-hospital Community Anchor Institutions (CAIs) using the funds that will be saved due to the elimination of urban hospitals and several other facilities that have obtained fiber connections since the grant was awarded three years ago. There is significant interest on the part of Native American tribes located along the backbone route of the network to be included as CAIs. We anticipate working to resolve the service issues with the tribes before the end of 2013. This will necessitate some route changes for laterals and deletion of currently planned routes requiring an AAR submission. NHA will submit the AAR in November 2013.

NHA is committed to ensuring the federal grant funds are being spent in the areas of greatest need, including the following: Lyon County, Nye County, Mineral County, Esmeralda County and White Pine County. The extension of the grant period will allow the project to deliver a much improved level of service to the community such as schools, libraries and local governments especially in Lyon, Mineral, Nye and White Pine counties—the most underserved areas of the state. Additionally, the use of grant funds in Clark County and Washoe County will be reduced as commercial alternatives are readily available in these counties.

The new schedule calls for revising and expanding the CAI list, redesign of laterals in Lyon, Mineral, Nye and White Pine Counties along with elimination of laterals in Washoe and Clark County, securing additional funding from a new partner and resuming construction by 4Q of 2013.

The result of the extension will be a project that delivers a much broader community benefit especially in underserved communities and a more efficient use of federal funds.

2) **Supporting Documentation:** NHA submits the following documentation to assist NTIA with the review of this extension request. The attached materials have been updated according to revised project plans for an extended award period and reflect the narrative provided above.

- **Revised SF-424C Budget and associated narrative** (documentation of how remaining Federal and match funds in each SF-424C category will be used)
- **Project Plan** (updated timeline/milestones needed to achieve benefits within the extension period)
- **Revised Performance Projections** (table below)

Revised Performance Projections

Performance Indicator	Revised Project Goals
New Network Miles Deployed	554.54
New Network Miles Leased	0
Existing Network Miles Upgraded	572.2
Existing Network Miles Leased	63
CAIs Receiving New Access	37
CAIs Receiving Improved Access	0

- **For recipients requesting an extension beyond September 30, 2013, a breakdown of planned expended award funding (table below)**

Funding Period	Planned Federal Amount	Planned Match Amount
Actual Funding Spent to Date and Planned <u>Expended</u> Funding to Sept. 30, 2013	\$7,989,440	\$2,214,623
Planned Funding Needed Beyond Sept. 30, 2013	\$11,654,277	\$3,112,927

Nevada Hospital Association understands that it must continue to comply with all statutory and programmatic requirements and that this is a no-cost period of performance extension request only (i.e., no additional BTOP funding will be provided under this extension request).

Sincerely,



Bill M. Welch
 President/CEO
 Nevada Hospital Association