

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) 06-30-2011	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 Amber Orrock	7c. Telephone (area code, number and extension) X
	7d. Email Address aorrock@broadbandgroup.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 08-05-2011
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Project Indicators (This Quarter)**1. Please describe significant project accomplishments completed during this quarter (600 words or less).**

In the fourth quarter of the Nevada Broadband Telemedicine Initiative award period [2Q11], our organization completed the following:

ADMINISTRATIVE

Conducted subrecipient monitoring site visit to review compliance documentation, grants file, internal control, policies and procedures.
Conducted regular project status and review meetings with project participants to ensure project progress.
Conducted call with Federal EA team to provide updates on Environmental Assessment consultations and progress against priority Special Award Conditions (SAC).
Weekly conference calls with Federal Program Officer/NTIA to update project status and to ensure federal grant program compliance.
Meetings/conference calls with Nevada Hospital Association (NHA) Broadband Oversight Committee consisting of hospital representatives.
Contract negotiations to execute a Phase II agreement encompassing the construction phase of the project.
Developed website content for the project.

ENGINEERING

Prepared revised network designs and supporting detailed route summaries for project modifications approval with NTIA.
Development of detailed route evaluation, including specific construction types.
Conducted route feasibility analysis identifying appropriate routes and termination locations.
Contacted private/other rights of way owners to pursue alternatives to high cost, high environmental impact construction.
Identified initial requirements and pricing for outside plant materials.
Reviewed system design and pursued modifications to increase system reliability and survivability.
Conducted field engineering surveys, identified data centers, and drove network routes.
Ongoing negotiations with wholesale dark fiber providers to negotiate leasing of fiber facilities.
Conducted complete engineering surveys at member hospital facilities.
Ongoing discussions with providers regarding aerial routes, fiber cost estimates, use of rights of way, lit services and permitting assistance for network routes.
Met with State agencies related to collaboration along identified network routes.
Negotiations with California Broadband Cooperative to identify proposed solutions on project overlap areas.
Hired resources for systems engineering effort, including adding resources in engineering and CAD support.

OUTREACH/SUSTAINABILITY

Prepared Letter of Intent for NHA member hospitals and conducted follow up site visits at individual facilities.
Conducted meetings with Community Anchor Institutions in the funded service areas.
Held briefings with Congressional Delegation, Governor's office, and state Department of Health and Human Services.
Conducted meetings with Nevada School Districts.
Defined network electronic specifications and capabilities; structured the product development process including service definitions and pricing schedule.
Review of Cloud Service solutions and initial development of service delivery business case.
Provided project status report to NHA membership.
Conducted meeting with rural association to develop a timeline for rural hospital Electronic Health Record readiness to implement Phase I of the meaningful use requirements.

FINANCE/GRANT COMPLIANCE/REPORTING

ARRA Reporting, Federal Financial Reporting, and Performance Progress Reporting completed and submitted for quarter ending March 31, 2011 per Special Award Conditions.
Prepared/submitted project modifications to support the Award Action Request seeking formal approval by NTIA for proposed route redesign.
Refined long-term business plan.
Development of sustainability and operating structure for the network.
Review of OMB Circular A-133 NHA audit report conducted by independent auditor for the year ending December 31, 2010 to ensure grant compliance and internal controls. No federal award findings or questioned costs. Filed audit with the Federal Audit Clearinghouse.
Prepared/submitted Match Analysis matrix to the Federal Program Officer/NTIA.

ENVIRONMENTAL ASSESSMENT

Continued consultations and meetings with Federal and State agencies, specifically US Fish & Wildlife Service, State Historic Preservation Office, Bureau of Land Management, and Tribal Organizations.
Prepared and submitted SF-299 Application for Federal Rights of Way for Telecommunications Projects.
Drafting of the Biological Assessment as required for the formal Section 7 consultation.
Ongoing discussions with Federal EA staff to review progress with EA consultations and ensure compliance with environmental SAC's.
Drafting of Performance Improvement Plan, providing NTIA a detailed project and schedule describing how completion of all the terms

of the environmental SAC will be resolved.

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	7	Progress pending final approval of proposed project route modifications affecting final FONSI approval.
2b.	Environmental Assessment	26	Progress pending final approval of proposed project route modifications.
2c.	Network Design	71	Progress pending finalizing agreements with fiber providers and final approval of proposed project route modifications.
2d.	Rights of Way	0	Progress pending final approval of proposed project route modifications.
2e.	Construction Permits and Other Approvals	0	Progress pending final approval of proposed project route modifications.
2f.	Site Preparation	0	Progress pending final approval of proposed project route modifications.
2g.	Equipment Procurement	0	Progress pending final approval of proposed project route modifications.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	Progress pending final approval of proposed project route modifications.
2i.	Equipment Deployment	0	Progress pending final approval of proposed project route modifications.
2j.	Network Testing	0	Progress pending final approval of proposed project route modifications.
2k.	Network Other (please specify): Management/ Operations	0	Progress pending final approval of proposed project route modifications.

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. The challenges faced during this project quarter included the preparation of, and revisions to, the network map, project routes, financial exhibits, and supporting project plan seeking formal approval by NTIA for proposed route changes. The NTIA facilitated the review, providing key support for the proposed project modifications.

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 was executed this project quarter, thereby assisting in the EA review and approval process.

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 final approval of proposed project route modifications affecting final FONSI approval.
New network miles leased	0	Progress pending final approval 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 final approval of proposed project route modifications affecting final FONSI approval.

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Number of new wireless links	0	Progress pending final approval of proposed project route modifications affecting final FONSI approval.
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	Progress pending final approval of proposed project route modifications affecting final FONSI approval.

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 third party operates (600 words or less).

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.
	Total subscribers served	0	Progress pending final approval of proposed project route modifications affecting final FONSI approval.
	Subscribers receiving new access	0	Progress pending final approval of proposed project route modifications affecting final FONSI approval.
	Subscribers receiving improved access	0	Progress pending final approval of proposed project route modifications affecting final FONSI approval.
Residential / Households	Please identify the speed tiers that are available and the number of subscribers for each	0	No activity this quarter.
	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

Execute formal contract for Phase II agreement encompassing the construction phase of the project.
 Seek and confirm NTIA approval for proposed project modifications.
 Complete subrecipient monitoring for review of Grants Files, Award requirements, and federal guidelines/compliance.
 Participate in regular calls with subrecipient, 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.
 Continue calls with Federal EA team to ensure progress on priority SAC's, specifically related to the EA.

ENGINEERING

Finalize route design and initiate contacts with rights of way owners for access and use of existing facilities.
 Conduct in depth survey of hospital facilities' Outside Plant and Inside Plant.
 Issue formal RFQ's for project equipment and materials.
 Execute agreements and initiate activation of Data Center(s).
 Engineer routes and determine placement of regeneration sites; execute agreements for use of conduit.
 Coordinate upgrades to routes to support lit services including design and construction of new regeneration sites; execute agreement for use of conduit along these routes.
 Execute agreements for fiber leases where applicable.
 Complete permitting for lateral construction in major build areas; issue RFQ's and award contracts for construction of laterals.
 Begin deployment of fiber laterals in major build areas.
 Coordinate route development, engineering design, permitting, and materials procurement for southern Nevada routes.
 Coordinate with California Broadband Cooperative on overlap route permitting and construction scheduling.

OUTREACH/SUSTAINABILITY

Finalize service definitions inclusive of technical service descriptions focused on wholesale transport, direct internet access, data center, and ethernet private line solutions.
 Execute letters of interest and service contracts with NHA member hospital facilities for connectivity to the network.
 Continue to work with Community Anchor Institutions in each service area to maximize participation and secure benefits to target populations.
 Continue outreach to Nevada School Districts.
 Conduct meetings with Nevada Association of Counties and Nevada League of Cities.
 Collaborate with Native American tribal health facilities for possible connectivity to the network.

FINANCE/GRANT COMPLIANCE/REPORTING

Submit ARRA Report, Federal Financial Report and Performance Progress Report for quarter ending June 30, 2011 per Special Award Conditions.
 Finalize a working budget to complete the network design, engineering, operation, maintenance, and QoS standards needed to ensure sustainability.
 Determine and memorialize a long-term operating structure for the network.

ENVIRONMENTAL ASSESSMENT

Finalize and submit Performance Improvement Plan, providing NTIA a detailed project and schedule describing how completion of all the terms of the environmental SAC will be resolved.
 Finalize and submit the Biological Assessment as required for the formal Section 7 consultation.
 Prepare and submit final Environmental Assessment and secure appropriate approvals resulting from such assessment.

Draft Finding of No Significant Impact (FONSI) and submit for signature, for completed National Environmental Policy Act (NEPA) documents.
 Receive FONSI, complete NEPA process.

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	11	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	15	Progress limited by project route design timeline and final FONSI approval.
2e.	Construction Permits and Other Approvals	5	Progress limited by project route design timeline and final FONSI approval.
2f.	Site Preparation	2	Progress limited by project route design timeline and final FONSI approval.
2g.	Equipment Procurement	2	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).

Challenges next quarter may include timeline of review for the final EA, approval of proposed project route modifications, as well as potential delays related to the execution of agreements pursuant to management changes at certain State agencies.

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	\$128,236	\$28,826	\$99,410	\$149,236	\$31,839	\$117,397
b. Land, structures, right-of-ways, appraisals, etc.	\$25,000	\$5,334	\$19,666	\$0	\$0	\$0	\$3,750	\$800	\$2,950
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	\$765,840	\$164,784	\$601,056	\$1,520,728	\$324,443	\$1,196,285
e. Other architectural and engineering fees	\$1,712,850	\$365,432	\$1,347,418	\$802,236	\$166,270	\$635,966	\$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	\$8,180	\$1,745	\$6,434
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	\$4,000	\$853	\$3,147
j. Equipment	\$8,776,597	\$1,872,462	\$6,904,135	\$0	\$0	\$0	\$175,532	\$37,449	\$138,083
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	\$1,696,312	\$359,880	\$1,336,432	\$2,702,443	\$576,558	\$2,125,884
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	\$1,696,312	\$359,880	\$1,336,432	\$2,702,443	\$576,558	\$2,125,884

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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