

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) 12-31-2010	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): 02-18-2011
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Project Indicators (This Quarter)

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

In the second quarter of the Nevada Broadband Telemedicine Initiative award period [4Q10], our organization completed the following:

- Participated in Federal Program Officer Desk Review to provide a status report on each of the Special Award Conditions and project startup activities.
- Established an organizational structure to manage and monitor the project.
- Established financial accounting/auditing systems to manage project funds and federal grant expenditures.
- Established grants file.
- Prepared and submitted 6-month budget in accordance with Special Award Conditions.
- Prepared and submitted Baseline Project Plan and Baseline Report to meet requirements of the Special Award Conditions.
- Prepared and submitted Environmental Assessment Milestone Tracker.
- Reviewed and updated existing procurement policies and company code of conduct for compliance with federal regulations.
- A formal RFP was issued, and e-Care Nevada, Inc. selected, as a subrecipient to operate/manage project implementation.
- Completed review of Award requirements and federal guidelines/compliance with subrecipient.
- Established a subrecipient Monitoring System.
- Reassessed project timeline and feasibility based on Special Award Conditions, specifically related to the Environmental Assessment.
- Launched regular review meetings with project participants.
- A formal RFP was issued and an EA firm tentatively selected to meet requirements of the Special Award Conditions.
- Preliminary route engineering design considerations provided for the EA.
- 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.
- Initial research identifying existing broadband facilities that might be leased or purchased.
- Initial discussions with other ARRA awardees - Arizona Nevada Tower Corporation and Digital 395 to identify potential project overlap in network design.
- Initial discussions with Nevada Department of Transportation on identifying ROW issues and permits.
- Initial discussions with Nevada System of Higher Education on proposed collaboration related to educational network infrastructure.
- Conducted meetings/conference calls with NHA Broadband Oversight Committee consisting of hospital representatives.
- Drafted 4Q10 ARRA Report, 4Q10 Federal Financial Report and 4Q10/Annual Performance Progress Report in accordance with the Special Award Conditions.

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	3	A formal RFP was issued and subrecipient was selected to operate/ manage project implementation, however the formal contract was not executed until 1Q11.
2b.	Environmental Assessment	0	A formal RFP was issued and an EA firm tentatively selected, however formal contract was not finalized until 1Q11.
2c.	Network Design	1	Final route designs pursuant to Final EA approval.
2d.	Rights of Way	0	No activity this quarter.
2e.	Construction Permits and Other Approvals	0	No activity this quarter.
2f.	Site Preparation	0	No activity this quarter.
2g.	Equipment Procurement	0	No activity this quarter.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	No activity this quarter.
2i.	Equipment Deployment	0	No activity this quarter.
2j.	Network Testing	0	No activity this quarter.
2k.	Other (please specify): Network Management/ Operations	0	No activity this 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 most challenging aspect of this quarter was readjusting project timelines based on evolving requirements and the timing needed to secure approvals to proceed with the project. This included:

- Clarifying and understanding differences between award period and physical receipt of Award Package.
- Clarification from agencies related to EA response dates.
- Under federal procurement policies, performed a formal RFP process to select a network operator/manager, thus consuming a portion of the award acceptance period.
- Adjustments to project implementation plan to address Special Award Conditions, specifically the Environmental Assessment.

Our organization successfully navigated these issues and will be submitting a draft EA by the February 1, 2011 deadline outlined in the Award SAC.

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	No activity this quarter.
New network miles leased	0	No activity this quarter.
Existing network miles upgraded	0	N/A
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	0	No activity this quarter.
Number of new wireless links	0	No activity this quarter.
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	No activity this quarter.

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	0
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, a formal RFP was issued and e-Care Nevada, Inc. was selected to manage, engineer, design, and operate the network. This entity would function as a subrecipient of the grant and be 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 all 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 services into overall Network design and pursue agreements with dark fiber and wholesale rates for lit services.
- Construction Oversight.
- Management and Operation of the Network including management supervision, general operations, maintenance, network monitoring and control, customer service/sales and marketing.

e-Care Contact Information:

900 South Pavilion Center Drive
 Las Vegas, NV 89144
 treiman@ecarenevada.com
 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.
	Providers with signed agreements receiving improved access	0	No activity this quarter.
	Providers with signed agreements receiving access to dark fiber	0	No activity this quarter.
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	No activity this quarter.
	Subscribers receiving new access	0	No activity this quarter.
	Subscribers receiving improved access	0	No activity this quarter.
Residential / Households	Please identify the speed tiers that are available and the number or subscribers for each	0	No activity this quarter.
	Entities passed	0	N/A
	Total subscribers served	0	N/A

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Businesses	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
	Please identify the speed tiers that are available and the number of subscribers for each	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).

- Contact Federal and State agencies, specifically FWS, SHPO, and the Shoshone Paiute Tribe.
- Prepare and submit draft EA by the February 1, 2011 date specified in Award SAC.
- Execute formal contract with e-Care Nevada, Inc. as a subrecipient to operate/manage project implementation.
- Participate in weekly progress conference calls with subrecipient, FPO, engineering, and construction to ensure progress on priority SAC's, specifically related to the EA.
- Conduct meetings/conference calls with NHA Broadband Oversight Committee consisting of hospital representatives.
- Conduct a route feasibility analysis identifying appropriate routes and termination locations for the network.
- Continue discussions with Nevada System of Higher Education on proposed collaboration related to educational network infrastructure.
- Increased participation and collaboration with other ARRA awardees to identify and address overlap issues.
- Continue discussions with other ARRA awardees - Arizona Nevada Tower Corporation and Digital 395 to identify potential project overlap in network design.
- Identify potential vendors for equipment and pre-qualifications in anticipation of FONSI approval.
- Draft informational white paper on essential network elements for member facilities.
- Draft community outreach plan for additional community anchor institutions.
- Identify requirements for Outside Plant materials.

- On site visits with individual member hospital facilities.
- Continued community outreach to inform other community facilities of progress on project.
- Initial development of pricing structure and service definition for member hospital facilities and community anchor institutions.
- Contact potential customers and identify types of services needed, estimated costs for these services, and obtain letters of interest.
- Continue to work with community institutions in each service area to maximize participation and benefits to target populations.
- Initial development of technical specifications for the design of the network.
- Identify lease vs build options including facilities available from existing carriers.
- Draft service contracts with member hospital facilities for connectivity to the network.
- Continue negotiations with Nevada Department of Transportation related to potential Right of Way access and use of fiber facilities.
- Continue review of project plans, agreements, and status with Federal Program Officer.
- Submit 4Q10 ARRA Quarterly Report, 4Q10 Federal Financial Report and 4Q10/Annual Performance Progress Report for year ending December 31, 2010 in accordance with the Special Award Conditions.
- Draft1Q11 ARRA Quarterly Report, 1Q11 Federal Financial Report and 1Q11 Performance Progress Report in accordance with the Special Award Conditions.

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	No variance from Baseline Plan.
2b.	Environmental Assessment	50	Progress pending Final FONSI approval.
2c.	Network Design	30	Progress pending Final EA approval.
2d.	Rights of Way	0	Progress pending Final network/route designs.
2e.	Construction Permits and Other Approvals	0	Progress pending Final network/route designs.
2f.	Site Preparation	0	Progress pending Final network/route designs.
2g.	Equipment Procurement	0	Progress pending Final network/route designs.
2h.	Network Build (all components - owned, leased, IRU, etc.)	0	Progress pending Final network/route designs.
2i.	Equipment Deployment	0	Progress pending Final network/route designs.
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 the outcomes of the draft EA.

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	\$77,718	\$17,471	\$60,248	\$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	\$36,125	\$9,101	\$27,024	\$820,728	\$175,100	\$645,628
e. Other architectural and engineering fees	\$1,712,850	\$365,432	\$1,347,418	\$521,971	\$100,598	\$421,373	\$1,541,017	\$328,772	\$1,212,245
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	\$635,814	\$127,170	\$508,645	\$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	\$635,814	\$127,170	\$508,645	\$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