

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) 09-30-2012	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): 11-23-2012
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Project Indicators (This Quarter)**1. Please describe significant project accomplishments completed during this quarter (600 words or less).**

In the first quarter of the third year of the Nevada Broadband Telemedicine Initiative (NBTI) Award Period [3Q12], our organization completed the following:

ADMINISTRATIVE

- Weekly calls with National Telecommunications and Information Administration (NTIA) Federal Program Officer to update project status and ensure federal grant program compliance.
- Conducted regular project status and review meetings with project participants to ensure progress.
- Submission of quarterly reporting for local jurisdictions and state agencies related to licensing and taxation compliance.

PROJECT DEPLOYMENT

- Initiation of phased network construction and fiber deployment.
- Equipment installed in the Las Vegas and Reno Data Centers.
- Ongoing equipment installation in collocation facilities and member hospitals located at 200 S. Virginia in Reno, SNAP in Las Vegas and 1409 E. Lake Mead Blvd. in Las Vegas (North Vista Hospital).
- Initiation of project testing on the Zayo IRU fibers and for equipment at 200 S. Virginia in Reno, SNAP in Las Vegas and 1409 E. Lake Mead Blvd. in Las Vegas (North Vista Hospital).

ENGINEERING

- Network Construction from Reno to Carson City has been initiated and is approximately 60% complete.
- Alcatel Transport Equipment has been installed at the Data Centers at 200 S. Virginia in Reno and SNAP in Las Vegas.
- Alcatel Transport Equipment has been installed at North Vista Hospital in Las Vegas. This represents one out of thirty-six member hospitals installed.
- Silver Springs and Yerington POP sites are under construction. Silver Springs is 5% complete and Yerington is 70% complete. This represents two out of eight regenerator/shelter site locations.
- Continued new route design utilizing fiber on existing facilities and termination locations for the network.
- Continued development of Service Level Agreements (SLA) for site specific locations related to State Agencies.
- Continued outside plant (OSP) engineering surveys, return to sites to conduct surveys and design for inside plant (ISP).
- Execution of pole attachment and fiber swap agreements with multiple facility owners and utility providers.
- Completed application processes necessary (franchise or other city/jurisdiction) requirements for each network build area.
- Selection of subcontractors for lateral and site building conduit and cable construction work from Reno-to-Carson City, Carson City-to-Silver Springs, and the Carson City Metro Ring. Bid issued for Arden Substation-to-Pahrump and Pahrump-to-Valley Switch.
- Ongoing delivery of fiber optic cable necessary for project deployment.
- Executed Dark Fiber provider Master Service Agreements (MSA) and Service Orders to ensure network connectivity.
- Received initial orders for OSP materials, ISP materials and equipment, transmission equipment and standalone equipment shelters.
- Bids issued for laterals in major build areas. Permit approvals pending to begin work.

OUTREACH/SUSTAINABILITY

- Conducted multiple meetings/conference calls with Nevada Hospital Association (NHA) Broadband Oversight Committee consisting of hospital representatives.
- Conducted meeting with NHA General Membership consisting of hospital representatives.
- Conducted meetings with Community Anchor Institutions in the funded service areas.
- Conducted meetings with hospitals to discuss service definitions, pricing and timeline for network connectivity.
- Conducted meetings with the Yerington Paiute Tribe.
- Attended Community Outreach meetings to discuss project status updates and collaboration opportunities with incumbent service providers and other Broadband Initiatives Program / Broadband Technology Opportunity Program (BTOP) awardees.
- Attended Health Insight and Connect Nevada task force meetings.
- Circulation of MSA's to member hospital facilities.
- Circulation of NBTI newsletter to member hospital facilities.

FINANCE/GRANT COMPLIANCE/REPORTING

- American Recovery and Reinvestment Act (ARRA), Federal Financial Report (FFR), and Performance Progress Report (PPR) Federal Reporting submitted for quarter ending June 30, 2012.
- Attended BTOP drop in calls and webinars.
- Submission of necessary Award Action Requests related to project modifications and fiber swap agreements.
- Completed quarterly audit of subrecipient as prescribed by NHA.

ENVIRONMENTAL ASSESSMENT

- Continued consultations with Federal and State agencies related to original network design.
- Ongoing preparation for Easement related to Walker River Paiute Tribe land related to original network design.
- Submitted Right-of-Way (ROW) application related to network deployment over Yerington Paiute Tribe land related to network route modifications.
- Ongoing preparation for Easement related to Timbisha Shoshone Tribe related to original network design.
- Received Finding of No Significant Impact (FONSI) from Bureau of Reclamation related to original network design.

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	34	Progress pending network design modifications, completion of fiber delivery in 4Q12, and finalization of Right-of-Way agreements with agencies and Tribal entities.
2b.	Environmental Assessment	95	Progress pending issuance of federal agency and Bureau of Indian Affairs easements and Right-of-Way agreements.
2c.	Network Design	95	The budget for "Network Design" activities are part of the "Professional Engineering Services" budget line item. This budget line also covers project management costs. Therefore, network design has been a qualitative, estimated percentage complete, not a budget consumption calculation. A revised estimate for network design is 95% which reflects current pending route modifications, as well as changes in design requirements from utility companies and state agencies.
2d.	Rights of Way	38	Progress pending approval of Rights-of-Way from Bureau of Land Management, various Tribal entities, and acceptance of attachment applications.
2e.	Construction Permits and Other Approvals	20	Progress pending ongoing negotiations with landowners, some of which are out of State and slow to respond.
2f.	Site Preparation	5	Pending approval of engineering redesign (route modifications).
2g.	Equipment Procurement	62	Time frame of procurement modified to ensure the extension of equipment warranty period during actual deployment.
2h.	Network Build (all components - owned, leased, IRU, etc)	1	Progress pending acceptance of necessary attachment applications and completion of fiber delivery in 4Q12.
2i.	Equipment Deployment	8	Progress pending granting of access to member hospitals, as well as installation of shelters at sites near substations.
2j.	Network Testing	5	Network testing timeline substantially impacted by project deployment schedule.
2k.	Other (please specify):	0	N/A

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 Nevada Hospital Association (NHA) encountered challenges in executing final agreements with network partners in the timeframe previously projected. Additionally, a delay in fiber cable delivery meaningfully altered the anticipated project timeline. Fiber delivery is expected to be complete in 4Q12. NHA is actively working through this matters to ensure timely project progress.

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	18	Network deployment timeline altered due to modified fiber delivery schedule and delayed execution of utility provider agreements.
New network miles leased	145	Network deployment timeline altered due to modified fiber delivery schedule and delayed execution of utility provider agreements.
Existing network miles upgraded	0	N/A
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	18	Network deployment timeline altered due to modified fiber delivery schedule and delayed execution of utility provider agreements.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	1	Network deployment timeline altered due to modified fiber delivery schedule and delayed execution of utility provider agreements.

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	2
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	3
Average term of signed agreements (in quarters)	12

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:

Valley Electric Association
Mason Valley QuickNet

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:

Dedicated Internet Access
Ethernet Transport

*See pricing attachment

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 Quality of Service standards needed to ensure sustainability.

- Formulate Construction Management specifications.
- Conduct Contractor evaluation and selection.
- 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.
- Review, and where necessary, recalculate the network budget.
- Incorporate leased or Indefeasible Right of Use facilities into overall Network design and pursue agreements with dark fiber providers 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:

10100 W. Charleston Blvd.
 Suite 160
 Las Vegas, NV 89135

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

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

Data Center
Point-to-Point Ethernet Private Line
IRU

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

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

N/A

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).

In the second quarter of the third year of the Nevada Broadband Telemedicine Initiative (NBTI) Award Period [4Q12], our organization plans to complete the following:

ADMINISTRATIVE

- Participate in regular calls with subrecipient, engineering and construction to ensure project progress.
- Conduct meetings/conference calls with Nevada Hospital Association (NHA) Broadband Oversight Committee and General Membership consisting of hospital representatives.
- Continue review of project plans, agreements and status with Federal Program Officer.

PROJECT DEPLOYMENT

- Turn up of lit services at member hospitals and continued network testing.
- Continuous network construction and fiber deployment.
- Continuous installation of equipment in collocation facilities and member hospitals.
- Continuous project testing with the Zayo IRU fibers in Reno and Las Vegas. Equipment testing will occur as MSA's are signed and equipment can be installed at hospitals.

ENGINEERING

- Complete delivery of 647 miles of fiber optic cable necessary for project deployment.
- Finalization of routes as included in Award Action Request, currently under National Telecommunications and Information Administration (NTIA) review.
- Coordinate upgrades to routes to support lit services including design and construction of new regeneration sites.
- Complete permitting for lateral construction in major build areas; issue Request for Quotes (RFQ) and award contracts for construction of laterals.

- Coordinate route development, engineering design and permitting and materials procurement for southern Nevada routes.

KEY PROJECT INDICATOR PROJECTIONS

- New network miles deployed: 81
- New network miles leased: 155
- Total CAI subscribers served (CAIs connected): 3
- Number of signed agreements with broadband wholesalers or last mile providers: 2

OUTREACH/SUSTAINABILITY

- Coordinate with media outlets to promote network deployment and community awareness of NBTI.
- Continued development and distribution of NBTI newsletter (quarterly).
- Conduct meetings / conference calls with NHA Broadband Oversight Committee consisting of hospital representatives.
- Conduct meeting with NHA Board of Directors and NHA Policy Development Committee consisting of hospital representatives.
- Execute 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.
- Execute backhaul transport contracts with service providers in unserved and underserved areas.
- Continue participation in Broadband Taskforce and relevant State, Telecom, and Medical Industry meetings/events to promote the NBTI.

FINANCE/GRANT COMPLIANCE/REPORTING

- Submit American Recovery and Reinvestment Report, Federal Financial Report, and Quarterly Performance Progress Report for quarter ending September 30, 2012 per Special Award Conditions.
- Receive approval of necessary Award Action Requests related to project modifications and fiber swap agreements.
- Participate in Broadband Technology Opportunities Program webinars and drop-in calls.
- Continue making drawdowns in compliance with grant specifications.
- Conduct Subrecipient Monitoring Site Visit for review of Grants Files, award requirements, and federal guidelines/compliance.
- Complete Office of Environmental and Historic Preservation (EHP) review.

ENVIRONMENTAL ASSESSMENT

- Receive Right-of-Way (ROW) authorization from Bureau of Land Management related to original network design.
- Receive ROW from U.S. Forest Service related to original network design.
- Receive ROW from Bureau of Indian Affairs (BIA) for Yerington Paiute Tribe as related to network route design modifications.
- Receive easement from BIA for Walker River Paiute Tribe as related to original network design.
- Receive acceptance of Service Level Agreement from BIA for Timbisha Shoshone Tribe as related to original network design.
- Receive additional Letter of Concurrence from U.S. Fish and Wildlife Service as related to network route design modifications.
- Receive additional Letter of Concurrence from State Historic Preservation Office as related to network route design modifications.

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	46	Projected progress meaningfully altered due to previous delay in fiber delivery, as well as agreement with utility providers. However, fiber delivery anticipated to be complete in 4Q12. Right-of-Way agreements with Tribal entities and approval of design modifications also anticipated to be received in 4Q12.
2b.	Environmental Assessment	100	No variance from baseline plan.
2c.	Network Design	100	No variance from baseline plan.
2d.	Rights of Way	60	Progress pending approval of Rights-of-Way from Bureau of Land Management, various Tribal entities, and acceptance of attachment applications.
2e.	Construction Permits and Other Approvals	40	Progress pending ongoing negotiations with landowners, some of which are out of State and slow to respond.
2f.	Site Preparation	20	Progress pending approval of engineering redesigned (route modifications).

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2g.	Equipment Procurement	90	Timeframe of procurement modified to ensure the extension of equipment warranty period through project deployment.
2h.	Network Build (all components - owned, leased, IRU, etc.)	10	Projected progress meaningfully altered due to previous delay in fiber delivery, as well as agreement with utility providers. However, fiber delivery anticipated to be complete in 4Q12. Right-of-Way agreements with Tribal entities and approval of design modifications also anticipated to be received in 4Q12.
2i.	Equipment Deployment	15	Progress pending granting of access to member hospitals, as well as installation of shelters at sites near substations.
2j.	Network Testing	10	Projected progress meaningfully altered due to delay in network deployment in previous quarter.
2k.	Other (please specify):	0	N/A

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).

In the second quarter of the third year of the NBTI (4Q12), no further delays are anticipated.

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	\$1,452,699	\$309,929	\$1,142,770	\$770,245	\$164,330	\$605,915	\$860,245	\$183,531	\$676,714
b. Land, structures, right-of-ways, appraisals, etc.	\$5,186,778	\$1,170,020	\$4,016,758	\$1,993,495	\$425,307	\$1,568,188	\$3,112,067	\$663,951	\$2,448,116
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$2,333,889	\$497,929	\$1,835,960	\$2,299,148	\$490,517	\$1,808,631	\$2,333,889	\$497,929	\$1,835,960
e. Other architectural and engineering fees	\$1,740,318	\$371,292	\$1,369,026	\$1,516,570	\$323,556	\$1,193,014	\$1,606,570	\$342,757	\$1,263,813
f. Project inspection fees	\$1,832,629	\$390,986	\$1,441,643	\$167,149	\$35,661	\$131,488	\$632,649	\$134,974	\$497,675
g. Site work	\$663,264	\$315,425	\$347,839	\$0	\$0	\$0	\$132,653	\$28,301	\$104,352
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$10,548,955	\$3,763,638	\$6,785,317	\$75,021	\$16,004	\$59,017	\$1,054,896	\$225,059	\$829,837
j. Equipment	\$4,225,003	\$1,520,599	\$2,704,404	\$2,599,462	\$586,930	\$2,012,532	\$3,802,502	\$811,253	\$2,991,249
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$27,983,535	\$8,339,818	\$19,643,717	\$9,421,090	\$2,042,305	\$7,378,785	\$13,535,471	\$2,887,755	\$10,647,716
m. Contingencies									
n. TOTALS (sum of l and m)	\$27,983,535	\$8,339,818	\$19,643,717	\$9,421,090	\$2,042,305	\$7,378,785	\$13,535,471	\$2,887,755	\$10,647,716

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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