

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) 12-31-2012	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): 02-15-2013
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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 third year of the Nevada Broadband Telemedicine Initiative (NBTI) Award Period (4Q12), our organization completed the following:

ADMINISTRATIVE

- Weekly calls with National Telecommunications and Information Administration (NTIA) Federal Program Officer (FPO) 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 jurisdiction and state agencies related to licensing and taxation compliance.
- Conducted regular finance/budget vendor monitoring meeting.

PROJECT DEPLOYMENT

- 316,594 feet of cable placed between Reno - Carson City (158,118 Feet) and Carson City - Silver Springs (158,476 Feet) route segments.
- Ongoing constructions in Carson City, Silver Springs and Yerington POP sites.

ENGINEERING

- Ongoing fiber installation. The network construction from Reno - Carson City and Carson City – Silver Springs route segments are approximately 90% complete.
- Ongoing construction in Carson City, Silver Springs and Yerington POP sites. The Civil Build for the Carson City POP is 90% complete, Silver Springs POP is 50% complete and Yerington POP is 100 % complete. The equipment installation will schedule to commence once the fiber optic cable installation is close to its completion for these locations. This represents three of out five POP sites on the network. There are 5 regenerator/shelter site locations where work is scheduled to start pending approval of the Bureau of Land Management (BLM) Right-of-Way (ROW) and approval of AAR #2 (Route Change Award Action Request).
- Ongoing approval of permits from utility providers related to fiber installation.
- Ongoing Outside Plant (OSP) engineering surveys on routes that requires to be re-designed due to issues with easements or lack of structural integrity of some pole lines. Design for Inside Plant (ISP) has been completed.
- Franchise Agreement for City of North Las Vegas has been approved.
- The selection of the subcontractor for aerial cable installation and splicing for all segments between Silver Springs to Las Vegas (SNAP) and from Arden to Amargosa Henderson has been completed.
- Received orders for OSP and ISP materials and equipment required to meet the current construction schedule.
- Bid issued for laterals in major build areas. Permit approvals pending to begin work.
- Created Nevada Energy (NVE) Distribution Pole Permit Tracker and AT&T Permit Tracking Log.

OUTREACH/SUSTAINABILITY

- Continued to request execution of Master Service Agreements, Service Orders, and Letters of Commitment with grant-named hospitals.
- Participated in Connect Nevada meetings in counties throughout the State promoting economic development impact from the network.
- Continual review of pricing structure and service definitions for member hospitals and Community Anchor Institutions (CAIs).
- Identified and pursuing significant Department of Defense opportunity at Creech Air Force Base in Indian Springs, NV.
- Conducted meetings with CAIs in the funded service areas to pre-sell services and identify member hospital network needs and requirements.
- Ongoing discussion regarding collaboration with HealthIE Nevada and Department of Health and Human Services State HIE.
- Continued research and analysis into other potential state, federal and private funding initiatives.
- Conducted multiple meetings/conference calls with Nevada Hospital Association (NHA) Broadband Oversight Committee consisting of hospital representatives.
- 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.
- Circulation of MSA's to member hospital facilities.
- Investigation of alternatives methods of serving I-80 corridor.

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 September 30, 2012.
- Attended BTOP drop in calls and webinars.
- Conducted monthly financial/budget vendor monitoring meeting.

ENVIRONMENTAL ASSESSMENT

- Continuous consultation with Federal agencies.
- Submission of response to NTIA EHP Review.

- Received a completed survey and a revised appraisal related to Walker River Paiute Tribe (WRPT), preparation for easement is ongoing.
- Received Service Line Agreement (SLA) and Concurrence Letter related to Timbisha Shoshone Tribe.
- Received concurrence letter from U.S. Fish and Wildlife Service (USFWS) related to route modifications.
- Received concurrence letter from State Historic Preservation Office related to route modifications.
- Ongoing development of Yerington Paiute Tribe (YPT) Right-of-Way (ROW) application.

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	36	Progress pending approval of permits with utility providers related to fiber installation, and slow process in executing final agreements with federal agencies and Tribes related to Right-of-Way.
2b.	Environmental Assessment	95	Progress pending issuance of Rights-of-Way from federal agencies and Tribes.
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. An estimate for network remains 95% which reflects current pending route modifications.
2d.	Rights of Way	28	Progress pending approval of Rights-of-Way from Bureau of Land Management, Bureau of Reclamation, U.S. Forest Service and Tribal entities. The ROA percent went down from 38% in Q3 2012 to 28% in Q4 2012 because of the grant funds being returned related to Zayo - Reno IRU.
2e.	Construction Permits and Other Approvals	40	Progress pending approval of permits with utility providers and other Federal agencies.
2f.	Site Preparation	18	Pending approval of engineering re-designed (route modifications).
2g.	Equipment Procurement	79	Time frame of procurement modified to ensure the extension of the equipment warranty period during actual deployment.
2h.	Network Build (all components - owned, leased, IRU, etc)	4	Progress pending approval of permits with utility providers related to fiber installation.
2i.	Equipment Deployment	8	Time frame of equipment deployment modified due to pending approval of permits with utility providers, federal agencies and Tribal entities.
2j.	Network Testing	20	Network testing time line substantially impacted by the delay in project deployment schedule during the previous previous quarter. Pending approval of permits with utility providers, federal agencies and Tribal entities also meaningfully altered the project progress.
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 acquiring permits from utility providers related to fiber installation. Additionally, a delay on approval of final agreements with federal agencies and Tribes related to Right-of-Way significantly altered the project time line. NHA is actively working through these matters with the relevant agencies to meet substantial project completion time lines.

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	42	Network deployment time line altered due to progress pending approval of permits with utility providers. Additionally, the delay on the approval of final agreements with federal agencies and Tribes related to ROW significantly affected the network deployment time line.
New network miles leased	145	Network miles leased in 3Q12 = 145 miles. This represents the total miles to be leased during the entirety of the project. There are no other leased fibers that are planned for the grant network installation.
Existing network miles upgraded	0	N/A
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	42	Network deployment time line altered due to progress pending approval of permits with utility providers. Additionally, the delay on the approval of final agreements with federal agencies and Tribes related to ROW significantly affected the network project time line.
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 time line altered due to progress pending approval of permits with utility providers. Additionally, the delay on the approval of final agreements with federal agencies and Tribes related to ROW significantly affected the network project time line.

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	1
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	4
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:

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).

- 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	1	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

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	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).

Ethernet Transport
Dedicated Internet Access (DIA)
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 third quarter of the third year of the Nevada Broadband Telemedicine Initiative (NBTI) Award Period 1Q13, our organization plans to complete the following:

ADMINISTRATIVE

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

PROJECT DEPLOYMENT

- Continuous network construction and fiber installation.
- Conduct bidding to select subcontractors for the remaining work in Carson City - Gardnerville and Goldfield - Lida Junction segments.
- Completion of fiber installation in Reno – Carson City – Silver Springs route segments.

ENGINEERING

- Finalization of routes included in Award Action Requests, currently under 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 laterals.
- Coordinate route development, engineering design and permitting and materials procurement for southern Nevada routes.

KEY PROJECT INDICATOR PROJECTIONS

- New network miles deployed: Estimated 210 miles
- New network miles leased: 0
- Total CAI subscribers served (CAIs connected): 0
- Number of signed agreements with broadband wholesalers or last mile providers:2

OUTREACH/SUSTAINABILITY

- Continuous requests for executed Master Service Agreements, Service Orders, and Letters of Commitment from NHA member hospitals.
- Continuous marketing to CAIs to maximize participation and set foundation for economic development.
- Issue NBTI press release and rollout structured statewide marketing campaign.
- Conduct meetings / conference calls with Nevada Hospital Association (NHA) Broadband Oversight Committee consisting of hospital representatives.
- Execute backhaul transport and broadband service contracts with service providers in unserved and underserved areas.
- Continuous 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 and annual Performance Progress Report for quarter ending December 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.
- Anticipating approval on NHA response to NTIA Environmental and Historic Preservation (EHP) review.
- Continuous financial/budget vendor monitoring meeting.

ENVIRONMENTAL ASSESSMENT

- Anticipating approval of ROW authorization from U.S. Forest Service (USFS).
- Anticipating NTIA approval on NHA's response to EHP Review.
- Anticipating approval of easements for private land owners.
- Anticipating approval of ROW authorization from Bureau of Land Management.
- Anticipating approval of Easements/ROW from pending Tribal entities.

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	63	Projected progress meaningfully altered due to delay in acquiring permits from utility providers related to fiber installation. Additionally, a delay on the approval of final agreements with federal agencies and Tribes related to ROW significantly affected the network project time line. However, the approval of route modifications is anticipated in 1Q13 and approval of pending ROW applications are expected to be received. It is also expected that utility providers will approve pending permits.
2b.	Environmental Assessment	100	No variance from baseline plan
2c.	Network Design	100	No variance from baseline plan
2d.	Rights of Way	75	Progress pending approval of Rights-of-Way from US Forest Service, Bureau of Land Management, Bureau of Reclamation and various Tribal entities.
2e.	Construction Permits and Other Approvals	70	Projected progress meaningfully altered due to delay in acquiring permits from utility providers related to fiber installation. Additionally, a delay on the approval of final agreements with federal agencies and Tribes related to ROW significantly affected the network project time line.
2f.	Site Preparation	30	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	Time frame of procurement modified to ensure the extension of equipment warranty period through project deployment.
2h.	Network Build (all components - owned, leased, IRU, etc.)	40	Projected progress meaningfully altered due to delay in acquiring permits from utility providers related to fiber installation. Additionally, a delay on the approval of final agreements with federal agencies and Tribes related to ROW significantly affected the network project time line. However, the approval of route modifications and ROW applications are anticipated in 1Q13. Pending permits from the utility providers are also expected to be released.
2i.	Equipment Deployment	15	Projected progress meaningfully altered due to delay in acquiring permits from utility providers related to fiber installation. Additionally, a delay on the approval of final agreements with federal agencies and Tribes related to ROW significantly affected the network project time line. However, the approval of route modifications and ROW applications are anticipated in 1Q13. Pending permits from the utility providers are also expected to be released.
2j.	Network Testing	30	Projected progress meaningfully altered due to delay in acquiring permits from utility providers related to fiber installation. Additionally, A delay on the approval of final agreements with federal agencies and Tribes related to ROW significantly affected the network project time line. However, it is anticipated that Reno-Silver Springs will be tested in the next 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 first quarter of the third year of the NBTI (1Q13), 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	\$784,496	\$167,370	\$617,126	\$874,496	\$186,571	\$687,925
b. Land, structures, right-of-ways, appraisals, etc.	\$5,186,778	\$1,170,020	\$4,016,758	\$1,477,900	\$315,305	\$1,162,595	\$3,890,083	\$829,938	\$3,060,145
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	\$2,299,082	\$490,503	\$1,808,579	\$2,333,889	\$497,929	\$1,835,960
e. Other architectural and engineering fees	\$1,740,318	\$371,292	\$1,369,026	\$1,522,503	\$324,822	\$1,197,681	\$1,612,502	\$344,023	\$1,268,479
f. Project inspection fees	\$1,832,629	\$390,986	\$1,441,643	\$353,259	\$75,367	\$277,892	\$725,658	\$154,817	\$570,841
g. Site work	\$663,264	\$315,425	\$347,839	\$0	\$0	\$0	\$198,980	\$42,452	\$156,528
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$10,548,955	\$3,763,638	\$6,785,317	\$404,721	\$92,869	\$311,852	\$4,219,582	\$900,236	\$3,319,346
j. Equipment	\$4,225,003	\$1,520,599	\$2,704,404	\$3,362,102	\$749,637	\$2,612,465	\$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	\$10,204,063	\$2,215,873	\$7,988,190	\$17,657,692	\$3,767,219	\$13,890,473
m. Contingencies									
n. TOTALS (sum of l and m)	\$27,983,535	\$8,339,818	\$19,643,717	\$10,204,063	\$2,215,873	\$7,988,190	\$17,657,692	\$3,767,219	\$13,890,473

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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