



UNITED STATES DEPARTMENT OF COMMERCE
National Telecommunications and
Information Administration
Washington, DC 20230

Memorandum for: Arlene Simpson-Porter, Director, Grants Management Division
National Oceanic and Atmospheric Administration (NOAA)

From: Douglas Kinkoph *DK*
Broadband Technology Opportunities Program (BTOP)

Subject: First Step Internet, LLC (First Step), Grant Award # NT10BIX5570051 –
Request to Lift Award Suspension

Date: December 5, 2014

The National Telecommunications and Information Administration (NTIA) recommends that the NOAA Grants Office lift the suspension of First Step's BTOP award. First Step has demonstrated progress in addressing NTIA's concerns. Most importantly, First Step addressed outstanding compliance concerns with Environmental and Historic Preservation (EHP) requirements. In light of these efforts, reinstating First Step's award will ensure that the anticipated project benefits are fully realized.

On September 23, 2013, following a request by NTIA, the NOAA Grants Office placed First Step's award on immediate suspension and imposed a Corrective Action Plan (CAP) under the Department of Commerce Uniform Administrative Requirements at 15 C.F.R. Part 14.62. The reason for the suspension was that First Step did not comply with the terms of the EHP Special Award Condition to which it had agreed when it accepted its award. First Step failed to identify the connection of approximately 35 community anchor institutions (CAIs) in its Environmental Assessment (EA) and subsequent route modifications submitted to NTIA. First Step also failed to notify and receive approval from NTIA for these additional activities after the submission of the EA and issuance of the Finding of No Significant Impact. The CAP required First Step to explain why it failed to meet a number of the requirements of its award, to provide a complete inventory of all sites at which BTOP funds had been expended for construction, improvement, and colocation, and to provide an overview of current operations and operational readiness. First Step has addressed all of these concerns and adequately documented its compliance with these issues.

Going forward, and as part of its final EHP approval, First Step will mitigate one outstanding EHP issue, in compliance with the State Historic Preservation Office. To permit First Step to continue project activities and move towards project completion, I request that the NOAA Grants Office lift the suspension of First Step's award. While NTIA believes that First Step will comply with its award terms and conditions, I request that First Step remain on reimbursement only status for Automated Standard Application for Payment (ASAP) requests. These actions offer the best chance for project success while ensuring vigilant grant management.