



FIRST PERFORMANCE PROGRESS REPORT First Quarter 2010

1. Recipient Organization (Name and complete address including zip code) First Step Internet, LLC 1420 S. Blaine St. Moscow, Idaho 83843	2. Award Identification Number NT10BIX5570051
3. Performance Narrative (Q1) <i>Please describe your project activities and progress for the first quarter of 2010. This should include a description of federal expenditures to date, key milestones, the primary activities needed to accomplish those milestones, significant project accomplishments, and any delays or challenges. Please use the milestone categories provided in your baseline report (e.g., environmental assessment, design, rights of way) to structure your answer. (500 words or less)</i>	
<p>First Step Internet was granted the award 3/16/2010, just before the end of the 1st quarter. As such, our 1st quarter activity were very limited. The activities of the 1st quarter included, getting registered for the various Federal financial and reporting websites and working our way through the acceptance of the award. We also began the process of bringing our local communities up to speed on what we were going to be doing now that the award was official. We started the processes of applying for conditional use permits and making sure the First Step team was assembled and ready to go in the 2nd quarter. There was no direct federal expenditure of funding in Q.1.</p>	
4. Performance Projections (Q2) <i>Please describe your anticipated project activities and progress for the next quarter. This should include a description of federal expenditures, key milestones, the primary activities needed to accomplish those milestones, significant project accomplishments, and any potential delays or challenges you foresee. Please use the milestone categories provided in your baseline report (e.g., environmental assessment, design, rights of way) to structure your answer. (500 words or less)</i>	
<p>In Q2, First Step will begin the grant process in earnest. In order to ensure full compliance with the purchasing and procurement rules of the NTIA, First Step is reviewing and evaluating our current procurement procedures and policies. First Step is currently evaluating and reviewing competitive bids received from qualified firms to assist with the completion of our required Environmental Assessment. We will be working with the selected firm to assist in the preparation of the EA. Contacts will be made with USFWS (US Fish and Wildlife Service) to start to process of informal consultation. We will review and finalize any network design changes that need to be made. Applications and meetings concerning our Conditional Use Permits will be filed. We hope to have final CUP decisions on all locations by the end of the quarter. All necessary land lease agreements will be finalized and signed with the property owners. Our purchasing processes and policies will be reviewed and adjusted if necessary to ensure our required compliance. We anticipate project expenditures of ~\$50,000 for the quarter. This will be project M&A expenses as well as the fees associated with the hiring of the EA consultant.</p>	
5. 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.	
5a. Typed or Printed Name and Title of Authorized Certifying Official Kevin W. Owen - President	5c. Telephone (area code, number and extension) 208-882-8869 5d. Email Address kowen@fsr.com
5b. Signature of Authorized Certifying Official	5e. Date Report Submitted (Month, Day, Year) 04/28/2010

According to the Paperwork Reduction Act, as amended, no person is required to respond to, nor shall any person be subject to penalty for failure to comply with, a collection of information subject to the requirements of the PRA, unless that collection of information displays a currently valid OMB control number. Public reporting burden for this collection of information is estimated to average 1 hour and 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Anthony G. Wilhelm, Director, Broadband Technology Opportunities Program, Office of Telecommunications and Information Applications, National Telecommunications and Information Administration, U.S. Department of Commerce (DOC), 1401 Constitution Avenue, N.W., HCHB, Room 4887, Washington, D.C. 20230.