



*Why Doing Business in Indian Country is Unique
and What Providers Should Understand*

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Developing Broadband in Indian Country

*The Broadband Expo
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Agenda

- **Tribal market characteristics & business and regulatory conditions**
- **Funding and business opportunities for Broadband deployment on Tribal Lands**
- **NTUA-Commnet BTOP grant and wireless partnership**



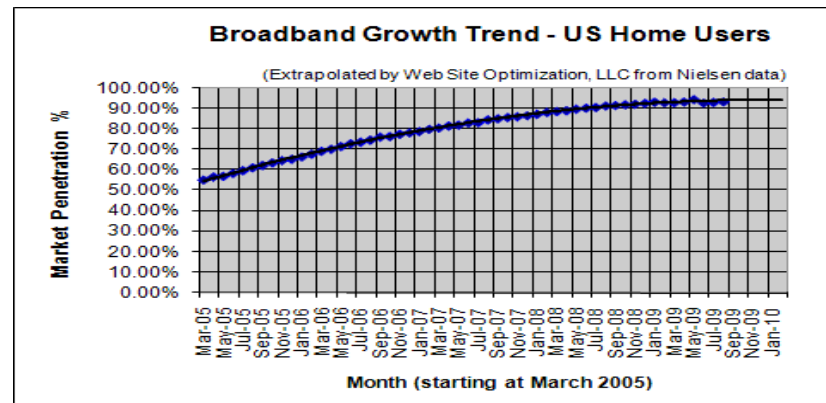
Commnet Wireless Overview

- Originally a wholesale-only provider established in 1999; over 600 base stations deployed in the USA with over 2,000,000 MOU and 175 GB of Data Daily across 14 states.
- Wholly-owned subsidiary of Atlantic Tele-Network, Inc. with ability to leverage balance sheet, economy of scale, and executive management experience.
- Tower/network construction , Maintenance, 24 Hour NOC, and engineering/accounting throughout multiple rural markets.
- Holder of numerous FCC Spectrum Licenses (850, PCS, 700, MW Common Carrier)
- Launching retail product for wireless pre-paid and post-paid services in rural New Mexico and Nevada in late 2011.
- Pursuing Telemedicine/E-Rate Business as well as providing Wholesale Backhaul Services to third parties such as Qwest



Fewer than 10% of Tribal land residents have access to Terrestrial broadband, and penetration is estimated at 5%. (2007 FCC Study)

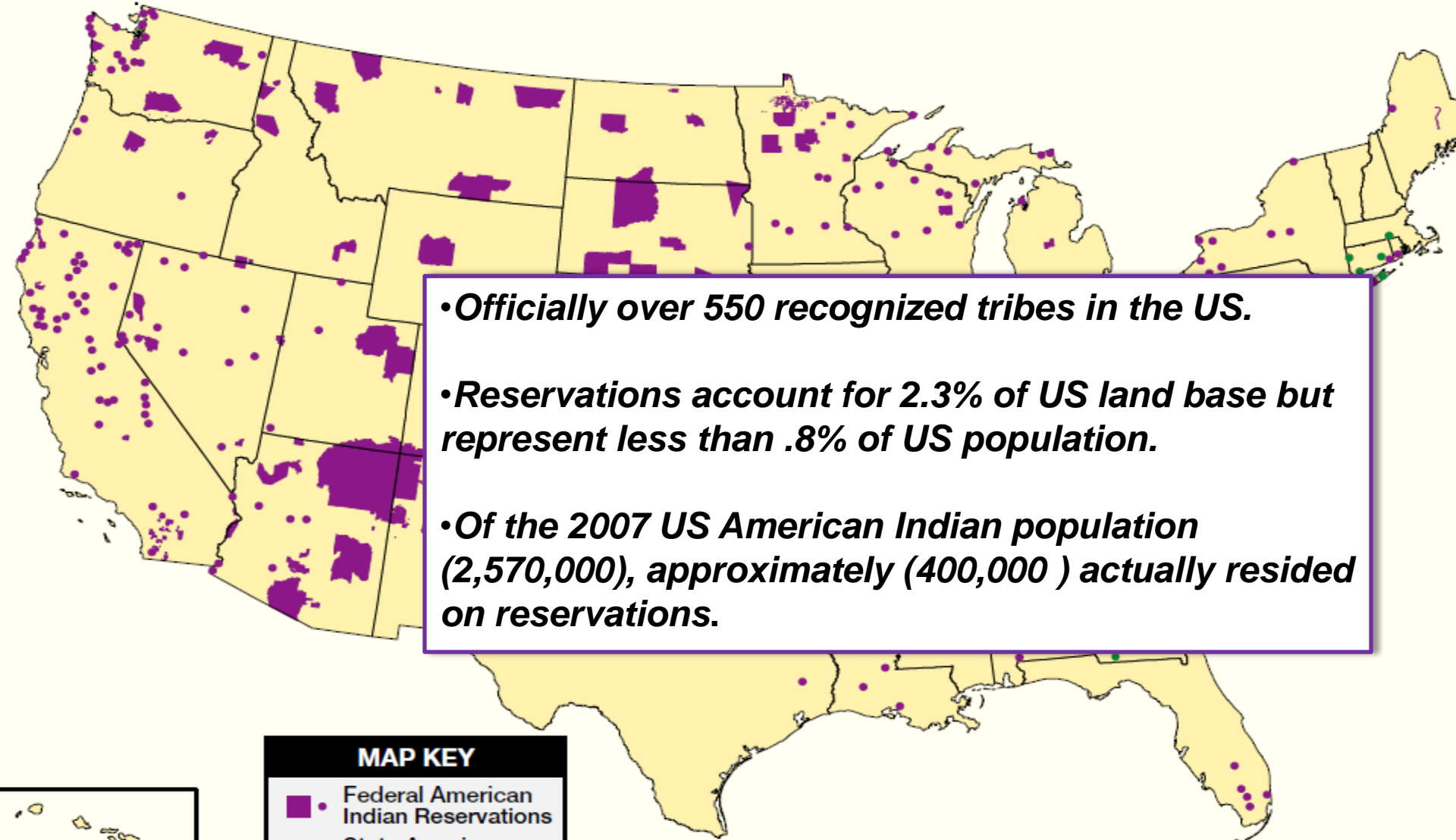
US Broadband Penetration increased to 93.52% in August 2009



US is ranked 22nd in the World for Broadband Penetration



American Indian Reservations



- ***Officially over 550 recognized tribes in the US.***
- ***Reservations account for 2.3% of US land base but represent less than .8% of US population.***
- ***Of the 2007 US American Indian population (2,570,000), approximately (400,000) actually resided on reservations.***

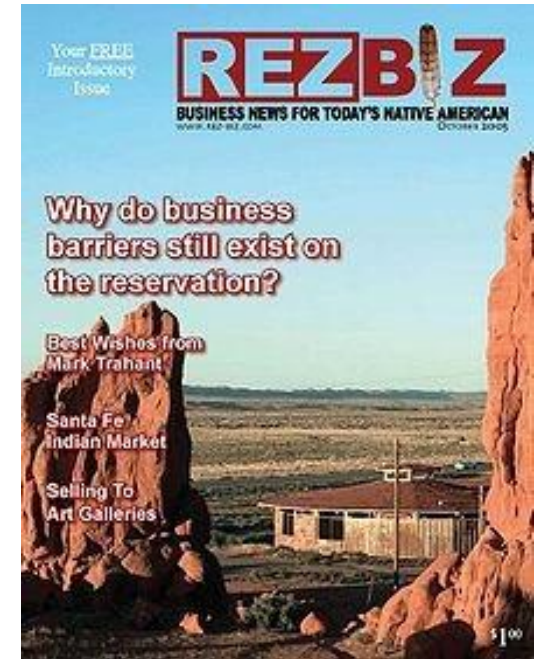
MAP KEY

- • Federal American Indian Reservations
- State American Indian Reservations

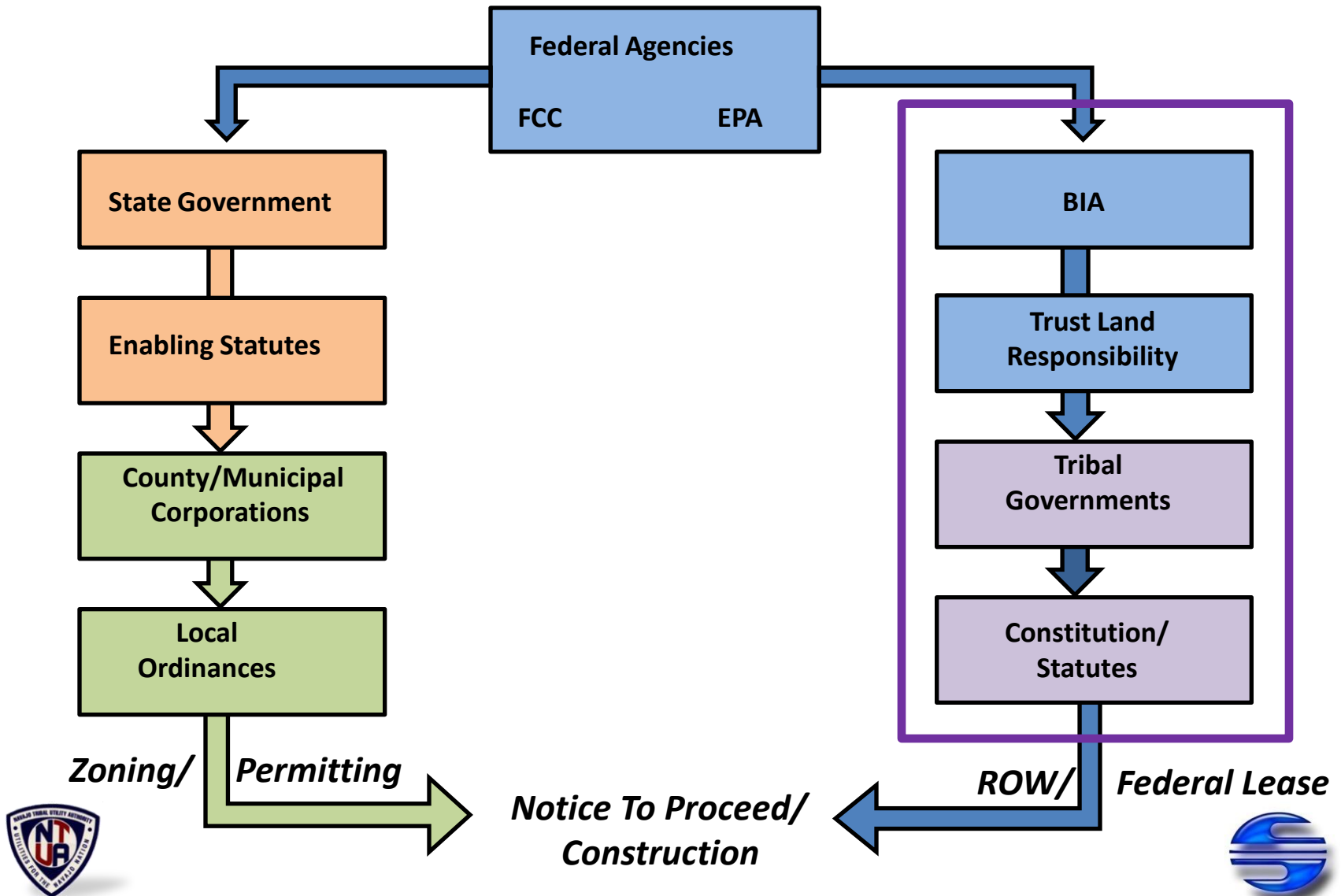


Tribal Economic and Regulatory Barriers

- *There are exceptions, with some tribal enterprise success-stories, most notably Indian Gaming..*
- Low-density population increases cost of basic services and facilities. (E911)
- Federal grant funding restrictions.
- Tribal trust land system and federal stewardship hinder private Investment and business development.
- Tribal governments lack the benefit of state enabling legislation and resources; are in general poorly served by the BIA for services and regulatory cooperation on the use and development of trust Lands.

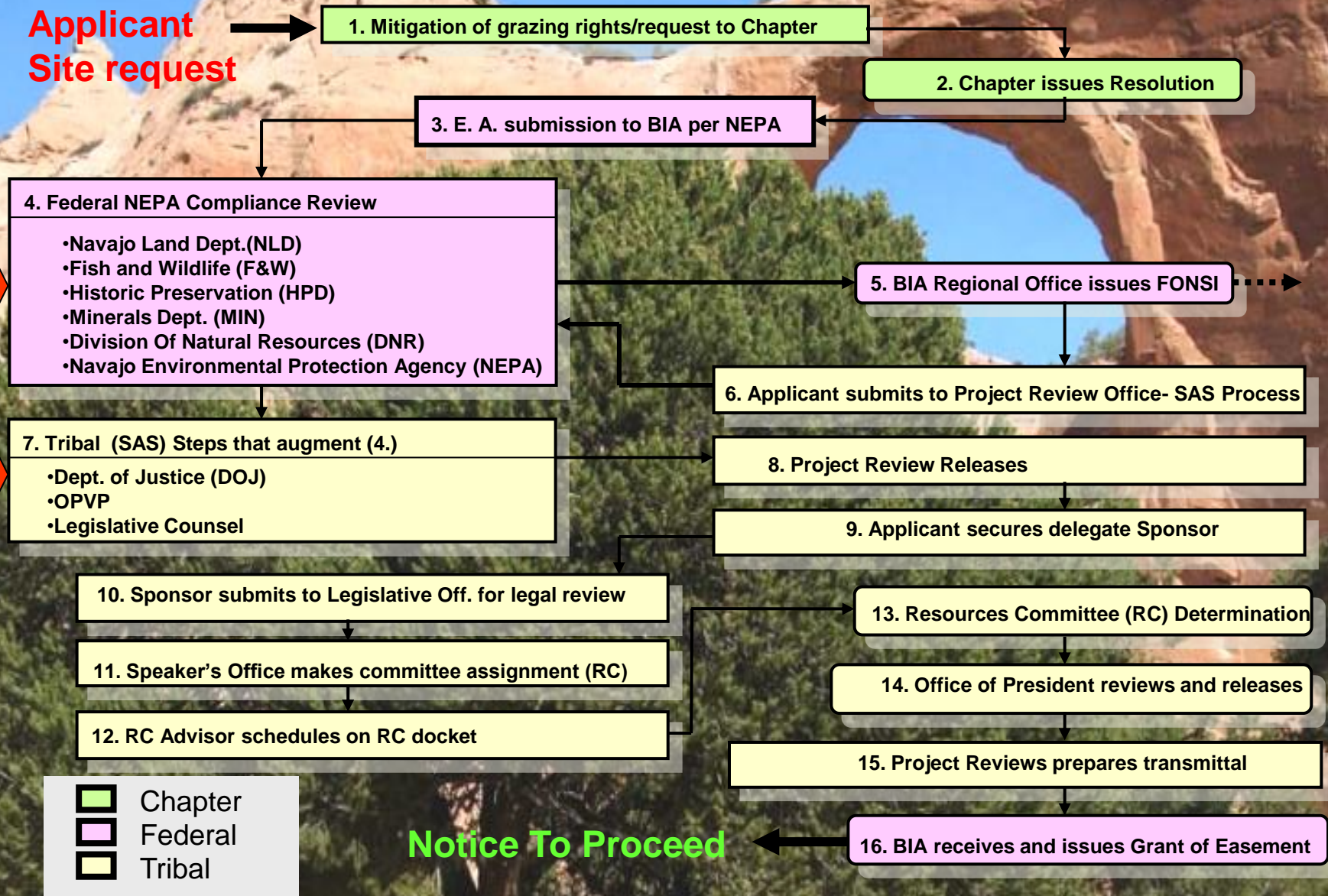


Tribal Sovereignty and Permitting



NAVAJO NATION ROW APPLICATION PROCESS- Pre 2007

Applicant Site request



Broadband Conditions and Drivers on Tribal Lands

● Household/Personal Trends:

- DSL penetration is increasing but far below non-tribal trends.
- Satellite services are viable but expensive.
- Wireless 3G and/or WISP providers offer best means for reaching more remote residents.

● Institutional/Government Trends:

- Government/Institution E-Rate.
- Telemedicine and other IA medical services.
- Tribal sponsored computer centers and other subsidized programs.
- There are currently (8) tribally-owned phone companies operating.



Federal Response to Tribal Broadband Needs

● ARRA Broadband Stimulus

RUS (BIP) and Dept. of Commerce (BTOP) broadband grant/loan and grant programs



● National Broadband Plan

USF Reforms:

- (1) Community Connect
- (2) E-Rate

{Increasing incentives for spectrum Bidding credits and development.}



Partnering Opportunity Tracks

● Technology Grants:

- Providing technical/ writing/ administrative assistance and/or matching funds

● Telecommunications Contractor :

- Providing management and/or technical consulting services

● Business Enterprise Investment:

- Tribal LEC
- Tribal utility
- LLC via tribal government or utility



NTUA-Commnet Wireless ARRA Grant:



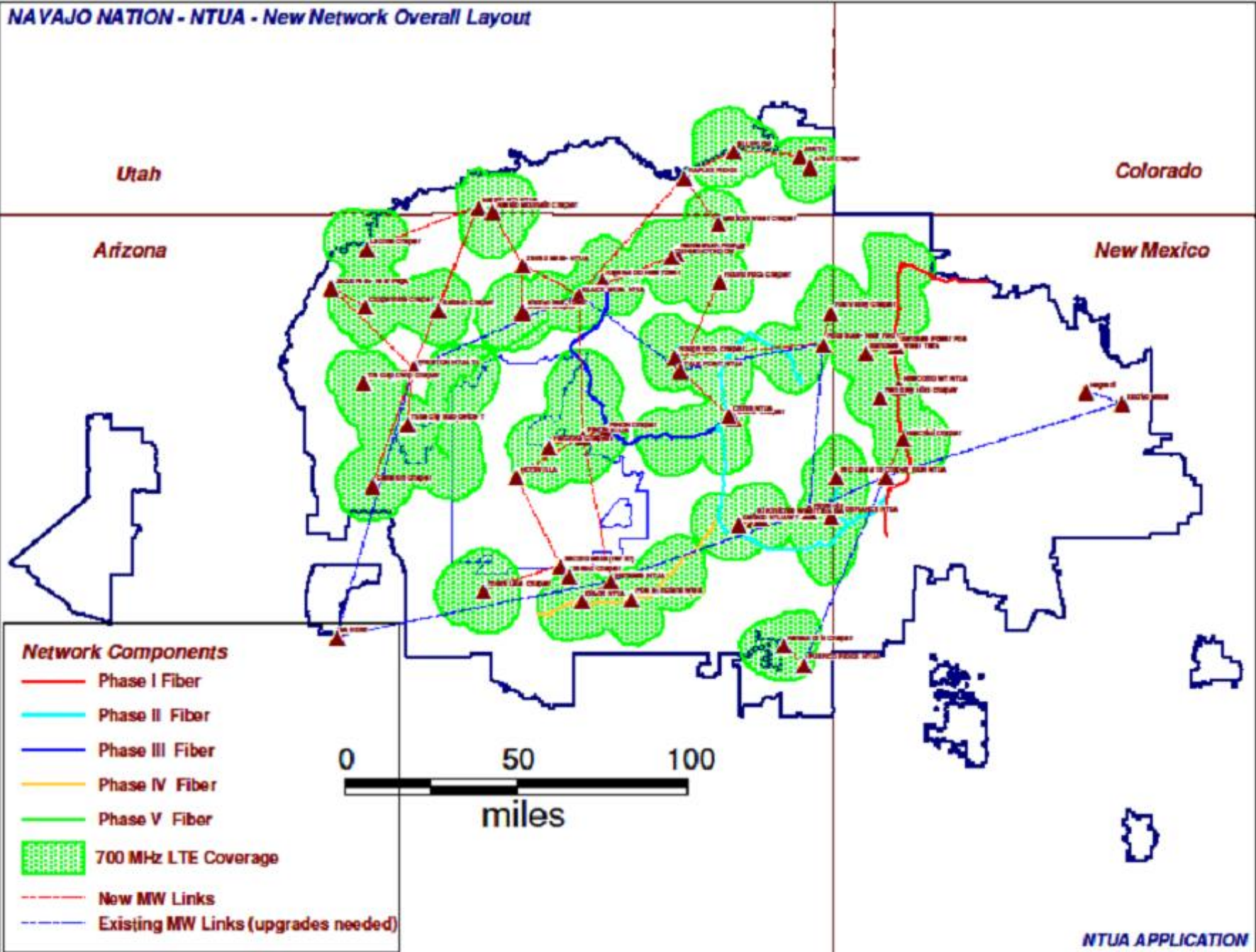
\$46M BTOP Award



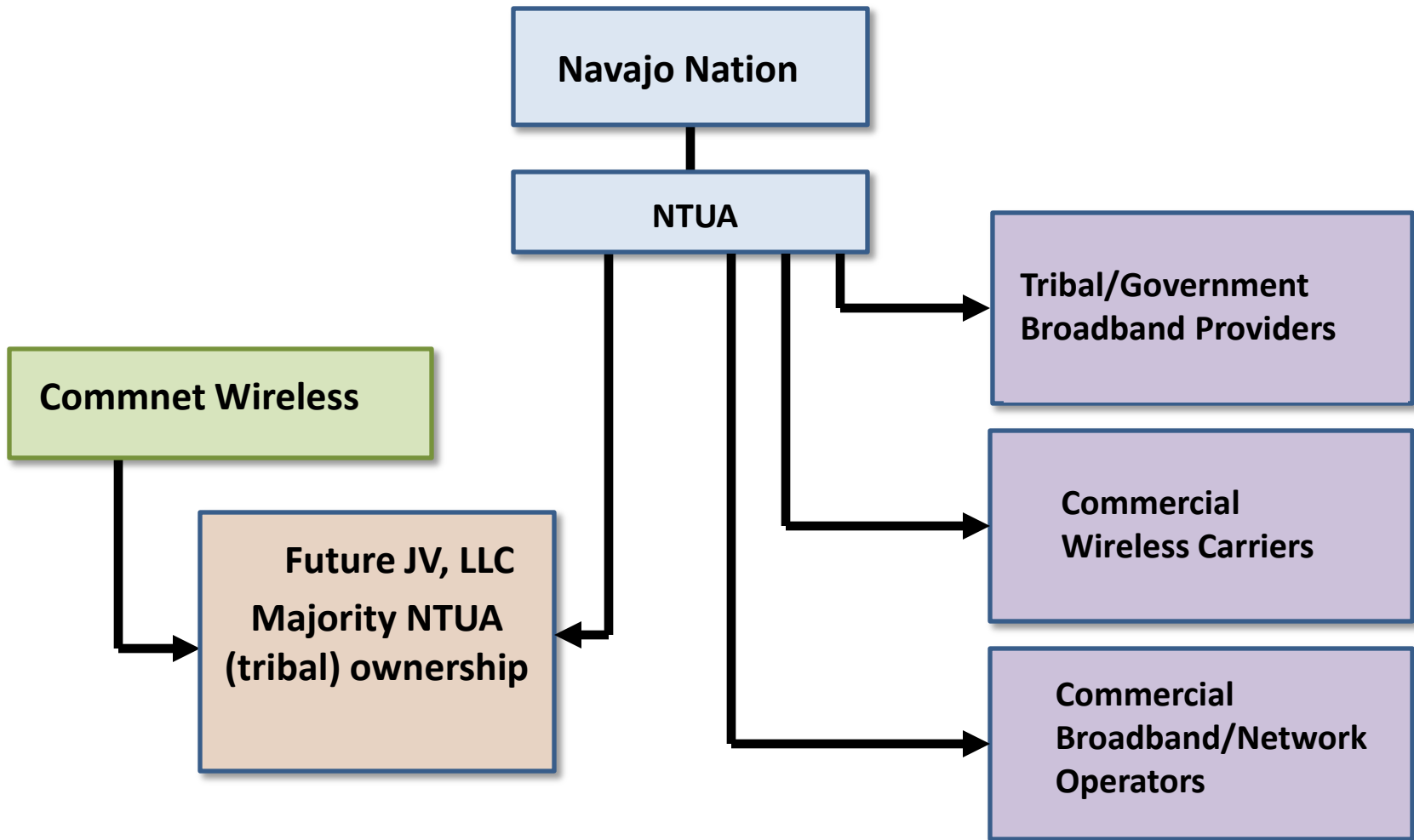
1. **Fiber backbone across utilizing NTUA electrical infrastructure to offer data transport services to support the core utility operations and needs of the Navajo Nation.**
2. **Development of middle-mile (backbone) consisting of aerial fiber (100 GB capacity) and licensed microwave -OC3 (155 Mbps); and last-mile- 4G Fixed or wireless broadband based on LTE 700 Mhz.**
3. **Network Business Products-**
 - **Network Transport services- Pt to Pt, WAN services.**
 - **Retail Broadband – Home, SOHO, Business.**
 - **Wireless Voice services- Retail prepaid; Lifeline subsidized services.**
4. **Foundation for public-private equity partnership between NTUA and Commnet Wireless.**

	<i>Total Grant Budget</i>	<i>% of Total Budget</i>	<i>Grant Award</i>	<i>%</i>	<i>Grant Match</i>	<i>%</i>
Total Grant	\$ 45,985,810.05	100%	\$ 32,190,067.04	70%	\$ 13,795,743.02	30%

NAVAJO NATION - NTUA - New Network Overall Layout



NTUA Open Access Network



Joint Venture Benefits

- **Fulfills BTOP Stimulus grant requirement.**
- **Anchor customer on NTUA towers and middle mile network for sustainability.**
- **Increases broadband access to residents and businesses.**
- **Competitive cellular offering (including subsidized *Lifeline* offering) and ownership by the Navajo Nation.**
- **Local training opportunities and job creation on Navajo Lands.**
- **Tribal-ownership in telecommunications enterprise.**



Final Observations

- Tribal governance reforms may occur slowly.
- Foreign corporations should understand their obligations and rights.
- Tribal governments are under pressure to deliver jobs and short-term lease revenue.
- Funding opportunities will be more limited and business models must be more sustainable.
- Tribes want/deserve a piece of the “business” action.



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