

Growing Economies in Indian Country

Taking Stock of Progress and Partnerships
August 30, 2011 Billings, MT Crowne Plaza Hotel

Effective Multi-Sector Collaborations: Case Study

Oki Communications



Blackfeet Reservation, Montana

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Case Study: Telecommunications Sector



Issues:

- Limited choices for services
- Telecom connection from community provided by monopoly vendor
- All existing vendors operated from outside community
- Quality of telecom service lags national standards
- Prices for service higher than national average

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Solution:

A Tribally Affiliated Internet Provider

Partnership: Siyeh Corp. 51% / CommunityTel 49% (Ronan Tel.)

History:

- 2001: Idea from FCC Tribal Land Bidding Credit led to agreement between Blackfeet Tribe and Ronan Telephone Co.
- 2002 spectrum auction: successfully purchased 700 Mhz (C Block)
- Business planning until 2006 (two unfunded grant applications)
- 2006 Tribe and CommunityTel committed \$400,000 to launch
- 2007 commercial service offered
- 2007–mid 2010 enterprise required added capital of \$330,000 to sustain in addition \$400,000 initial capital, provided by CommunityTel



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Oki Today

- Oki serving 500 users
- Oki can serve 75% of Blackfeet population
- Oki is now covering cash expenses
- Oki is not covering all financial costs
- A successful completion of FCC Tribal Land Bidding Credit Program
- Oki is a factor in \$13.5M Stimulus Fiber Optic infrastructure award to serve Blackfeet and Flathead Reservations

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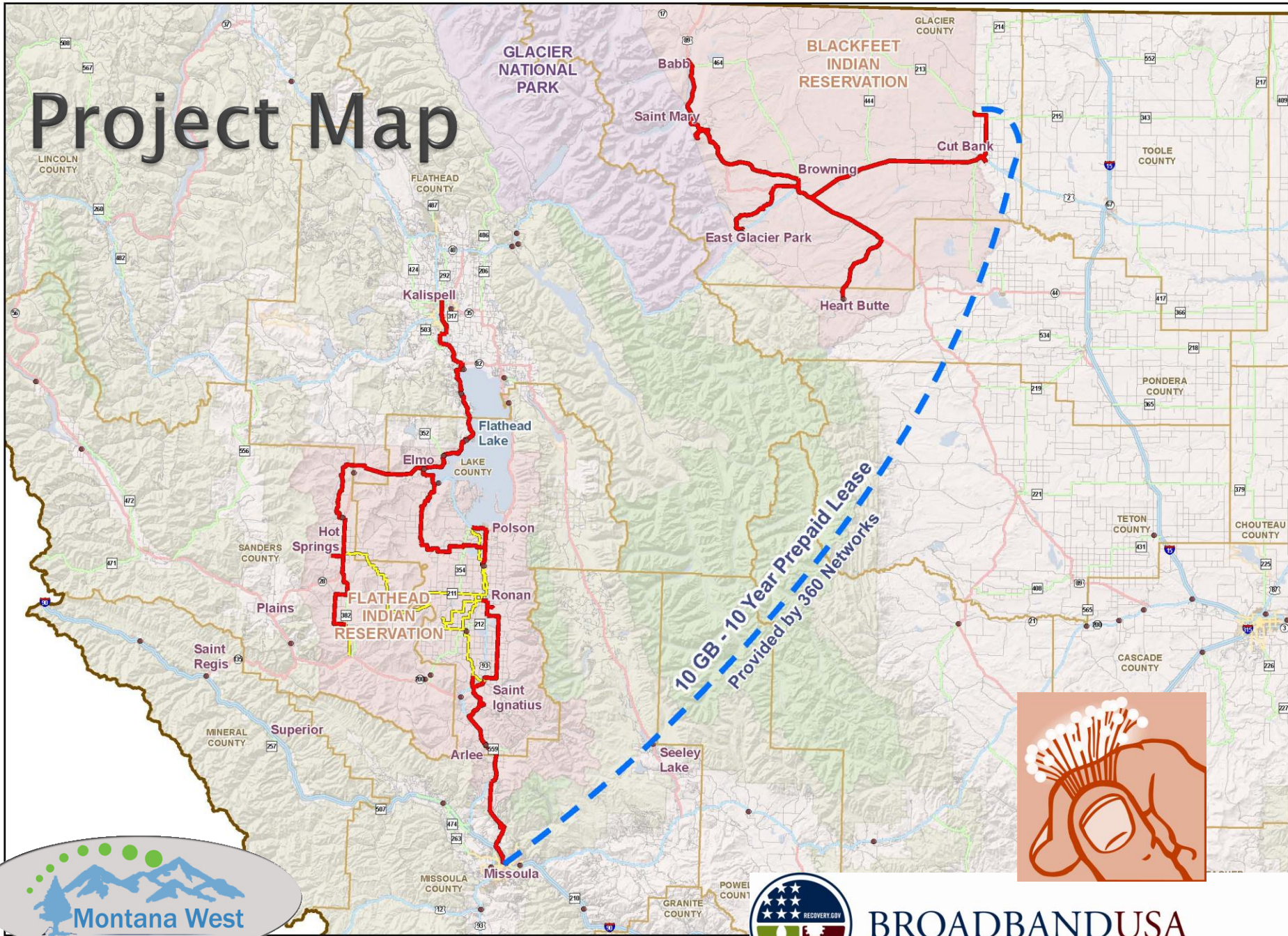
Case Study: Telecommunications Sector



BROADBANDUSA
CONNECTING AMERICA'S COMMUNITIES



Project Map



BROADBANDUSA
CONNECTING AMERICA'S COMMUNITIES

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Economic Implications:
Wholesale Transport Prices

\$25/MB
per month



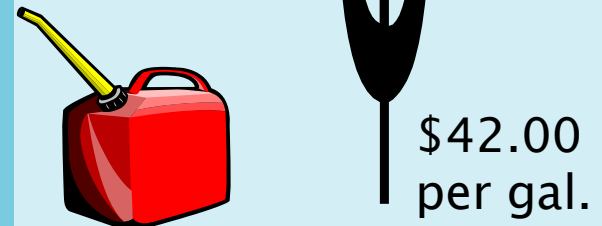
Seattle

\$50/MB
per month



Missoula

\$300/MB
per month



Browning



HIGH SPEED WIRELESS INTERNET



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Policy Challenges:

- Shortage of capital
- Federal paternalism
 - Examples:
 - BIA Loan Guarantees – impractical for Tribal/private partnerships
 - Rural Utility Service (RUS) – monopoly funding model
- Tribal politics – local disputes are caused by lack of resources rather than lack of resources caused by local controversy

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Thank you

Questions ?