Applicant Name: RONAN TELEPHONE CO

Project Title: Montana West

Project Type: Comprehensive Community Infrastructure

Executive Summary

Background-- A look at the geography of Northwestern and Western Montana quickly points out that the Rocky Mountains have a profound effect on the placement of towns, cities, and population growth. Because of the mountainous terrain, population centers are scattered fairly far apart, and tend to cluster in the valleys where rivers come out of the mountains. The difficulties created by the rugged terrain have caused a scarcity of providers of long-haul communications facilities between those towns on the West side of the Divide and the East side. Burlington Northern Santa Fe Railway (BNSF) is a notable exception in that they have recently placed fiber along their right of way between Whitefish and Conrad, through Glacier National Park and the Blackfeet reservation. Recognizing the lack of connectivity options for the Health Care industry in this region, the Health Information Exchange of Montana Consortium (HIEM) based out of the Kalispell Regional Medical Center in Kalispell, applied for and won an award in 2006 from the Rural Health Care Division of the United Service Fund, to develop and install a region-wide network to connect many of the hospitals and clinics in Northwestern Montana. This is an ongoing project for HIEM and they have already contracted with BNSF for a 30-year lease of fiber facilities between Whitefish and Conrad. This is only the first part of their network, as they are planning on a new fiber build between Kalispell and Libby at the Northwest corner of the state with work scheduled to start the summer of 2010. As part of their overall plan, HIEM needs to connect with hospitals in Whitefish and Missoula from Kalispell. This project will complete these connections for HIEM. Ronan Telephone Company (RTC) is a small Independent Local Exchange Carrier in Ronan, Montana, in the middle of the Mission Valley. Our exchange is located entirely with the boundaries of the Flathead reservation, and as such, the Confederated Salish and Kootenai Tribes is our largest customer. RTC has placed fiber throughout the Mission Valley, connecting St. Ignatius, Charlo, Ronan, Pablo, and Polson, but to date, geography has made it uneconomical to connect the Tribe's outlying communities of Elmo, Big Arm, Hot Springs and Arlee. RTC has also entered into a partnership with the Blackfeet Tribe with a jointly-owned business, Oki Communications, to provide wireless Internet services to the residents of the reservation. Oki has been operational for three years, and is providing service to the communities of East Glacier, Browning, and Cut Bank along with the Eastern flank of the reservation. The Blackfeet Tribe wants to extend this service to Heart Butte, 25 miles south of Browning, and to the St. Mary Valley, 40 miles to the Northwest, but Oki has been unable to move forward as a result of lack of funding and affordable backhaul choices. This project is an opportunity to extend fiber to Heart Butte and the St. Mary Valley and provide this valuable service to the residents and businesses in those outlying locations. Montana West will build a 342 mile, high-speed middle mile fiber backbone between Conrad and Missoula, Montana. It will include some existing fiber from the Health Information Exchange
of Montana (HIEM), from Ronan Telephone Company (RTC), and from Hot Springs Telephone Company (HSTC), and connect with new fiber that will be installed by the project. In-place fiber that is currently unused, will be dedicated to the project as an in-kind match. This project will meet the critical needs of many anchor institutions for a high-bandwidth, low cost Internet connection alternative. The Blackfeet Tribe will get a fiber connection to the communities of Heart Butte, St. Mary and Babb and other Tribal programs in Browning, as well as the HIEM connection to the hospital. The Salish and Kootenai Tribes on the Flathead Reservation will be provided with exclusive fiber to the outlying towns of Elmo, Big Arm, Hot Springs, and Arlee and network the entire reservation into the Internet at the fiber hotel in Missoula. HIEM will be able to complete their links between Whitefish and Kalispell, and from Kalispell through the Mission Valley, and on into Missoula to the Health Care Institutions there. High-speed Connections are planned for Community Colleges, Hospitals and Health Care Institutions, School Districts, Libraries, Public Safety Institutions and local governments. High-speed wireless Internet using the 700Mhz license acquired by RTC in 2002, will be installed in Arlee, Evaro, Elmo/Big Arm, St. Mary/Babb, and Heart Butte.