

**NATIVE AMERICAN COMMUNITY DEVELOPMENT CORPORATION'S  
STIMULUS BROADBAND GRANT APPLICATION  
FOR THE COMMUNITIES OF ST.MARY AND BABB  
OF THE BLACKFEET TRIBE**

**Executive Summary**

This project is being developed by a partnership between the **Native American Community Development Corporation (NACDC)**, and **Oki Communications**. NACDC is the non-profit affiliate of the Native American Bank and its executive offices are located in Browning, Montana. Oki Communications is a business venture formed in 1996 between the Blackfeet Tribe and CommunityTel, Inc., a telecommunications holding company, and its principal asset is Ronan Telephone Company (RTC), an Independent Telecommunications Company located in Ronan, Montana. This new venture, **Oki Communications, LLC** is an Internet Service Provider (ISP). Oki is 51% tribally owned with 49% owned by CommunityTel, Inc. (Oki is a Blackfeet term, a colloquial greeting).

Oki Communications has grown the number of served customers in Browning, East Glacier and the Eastern flank of the Reservation to over 400 during the last two and a half years since it began operations in November 2006. Oki intends to expand high-speed broadband services to the rest of the communities on the Reservation over time.

NACDC, a non-profit organization, partnered with Oki Communications for the purpose of providing broadband internet service to the western side of the Blackfeet Reservation or the St Mary/Babb communities.

St. Mary and Babb are presently in an unserved, rural, remote area of the Reservation with only dial-up and satellite services available to the residents in the valley. According to the census 2000 statistics, there are 180 households, and 548 people living in the area. Our frequency coverage model shows that we could serve 166 of the households and 506 of the residents within the service area that would be created with a strategically placed 700Mhz wireless base station.

A plan has been developed to carry broadband traffic to and from the St. Mary Valley using microwave radio technology with a repeater site on Divide Mountain, located immediately South of the valley and with line of sight to the water tank in Browning, where Oki has its main base station and Internet connection. These microwave links would be the Middle Mile project part of our grant application. Oki would also install a 700Mhz base station at the water tank in St. Mary Valley for distribution of broadband to the residents in both St. Mary and Babb. This is the Last Mile part of our grant application. This plan has been stalled due to the high cost of two microwave radio hops and related equipment to provide this service in such a remote area. Lack of funding is the principle reason for the stoppage. The high costs for equipment and related installation services have suspended the plan indefinitely until funding can be found.

We have done our homework. Projected subscribers, equipment, engineering and installation costs, cash flows, and implementation timelines are included in our grant request. We expect to

start with 10 subscribers per month with 5 additional per month until we reach our projected market of 100 customers in the St. Mary Valley. Sustainability is possible with a projected customer base of 100 households with a 1.5Mb/512Mb service rate, and a subscriber fee of \$29.95 per month. Once the subscriber base reaches 100, monthly revenue stabilizes at \$3348.09 and projected expenses (backhaul, maintenance travel, etc.) level out at \$2300.00, which results in a positive cash flow of \$1048.09 per month. According to this model, cash flow turns positive in the 11<sup>th</sup> month of operation, and the venture turns profitable in month 25. The above information is included in detail in our grant request in the form of a spreadsheet cash flow/projection model, and a project plan with resources needed, costs, and timelines for scheduled implementation.

### **Native American Community Development Corporation Overview**

In 2001, as part of an overall goal to achieve “economic” sovereignty to match tribal political sovereignty, 12 tribes and Native Alaska corporations established Native American Bank, NA (NABNA) and capitalized it on their own. The intent was to create a vehicle through which Indian funds could be invested and leveraged to support economic development in Indian communities. This vision is being realized as the bank continues to grow and experience success. There are now 26 Tribes, tribal entities and Native Alaskan corporations and villages who are the owners of Native American Bank

The founding tribes of NAB and others critical to the bank’s creation recognized that while the availability of financial capital was important, its presence alone would not be enough to overcome what in many cases were generations of economic distress. As a result they established Native American Community Development Corporation (NACDC) as a national non-profit affiliate to work with Native communities to address underlying factors that inhibit economic development and the productive use of available financial capital.

NACDC’s ongoing work includes the development services that are needed to create a viable market for home mortgages and sustainable economic development as well as putting in place the financing for business startups and expansion and sourcing financing for housing development/home mortgages, land acquisition and supporting and Indian farmers and ranchers in their asset development strategies.

Under its mission umbrella, NACDC is charged with developing and implementing five initiatives. Financial literacy is at the heart of each of NACDC’s initiatives:

- The Promotion of Financial Literacy
- Housing Development and Financing
- Small Business Development and Finance
- Recovery and Utilization of Native Lands
- Enhancement of Native Farming and Ranching

NACDC uses a community organizing approach when it is invited into a Native community. The process commences with a community assessment conducted in collaboration with community leaders and proceeds to a strategic planning effort and then to an action plan

developed by local leadership. Both the community and NACDC sign a document that commits each collaborator to the completion of activities and objectives.

As an expression of NACDC's mission, a short overview of NACDC's complimentary initiatives are:

- The Indian Lands initiative has created the Indian Land Capital Company, LLC (ILCC) in co-ownership with Indian Land Tenure Foundation. ILCC provides capital to Tribes for acquisition of lands lost through allotment and other governmental processes. NACDC, through the generous multi-year support from the National Rural Funders Collaborative, and in partnership with the Indian Land Tenure Foundation, taken the planning and action concept behind the Small Business and Capacity-Building Initiative funded by W.K.Kellogg Foundation and expanded its objectives to include the Recovery and Effective Utilization of Native Lands Initiative in Eastern Montana and at MHA Nation in North Dakota.
- NACDC provides technical expertise to Home Mortgage Program at Native American Bank. NACDC developed the Program and ran it successfully for one year. Since April of 2007 the Program has brought thirty Indian customers to closing. There are another twenty applications in the pipeline and several families who are receiving intensive credit counseling in preparation for applying for a mortgage. The Program uses the HUD Guaranteed 184 Program, a competitively priced 15 or 30-year mortgage product with no mortgage insurance charged.
- The Small Business and Capacity-Building Initiative, with support from the W.K. Kellogg Foundation and Tzo'-Nah, and through an integrated community planning and action process has created a Specialized Small Business Services Center in Browning, Montana at the Blackfeet Nation. The Center currently has over twenty clients and has attracted twelve volunteer business experts who assist in providing guidance in the areas of bookkeeping, business planning, taxes, accessing capital and expansion of successful businesses. NACDC will develop an additional Center in 2009 to be located either in Idaho or in eastern Montana.
- NACDC began working with the Blackfeet Manpower Program in May 2009 to assist TANF clients for training for the upcoming stimulus jobs. The Blackfeet Manpower Program, as a "Nit-Sit-Tah-Poh-Tahk-Kaaks", Working Friends One-Stop Center, provides activities that increase employability through education, training, case management, advocacy and support services to the General Public and those with disabilities living within the boundaries of the Blackfeet Reservation and the surrounding areas. The main objectives are to 1) increase occupational skill attainment; 2) improve the quality of the workforce; 3) reduce welfare dependency; 4) enhance productivity and competitiveness of the Blackfeet Nation's economy; and 5) secure a degree of self-sufficiency which meets each individual's personal requirement for health, well-being and quality of life. While the program of services is to be generally directed toward employment, it must be recognized that what represents a comfortable standard of living is not the same for everyone. Blackfeet cultural values and beliefs may differ from the

- In 1996 NACDC established the Blackfeet Financial Literacy/Mini Bank Program at the Browning Middle School. The concept of introducing the banking experience in the schools was to encourage children to save. Students open a savings account with their Social Security card and \$3.00. They have sole ownership of the account and are responsible for its maintenance. The Blackfeet Mini Bank Program has expanded to six different schools on the Blackfeet Reservation with approximately 300 savings accounts and a total of over \$30,000 in these accounts. Due to the success and smooth transition process of the financial literacy/mini bank model, NACDC has expanded to the Fort Hall Reservation in Idaho (4), and the Cortez School District in Colorado serving the Ute Mountain Ute Tribe (2). NACDC has also implemented the program in other Montana schools including one on the Fort Peck Reservation at the Wolf Point School District. NACDC anticipates that by the end of the 2009/2010 school year, these programs will be implemented in 2 schools on the Fort Peck Reservation, 6 on the Fort Belknap; and 4 on the Rocky Boys Reservation for a total of 11 schools.
- NACDC will be providing financial literacy, credit counseling and business technical assistance to the Blackfeet Tribal Employment Rights (TERO) Contractor and Apprentice Program for workforce development. NACDC in partnership with TERO hosted an SBA 8(a) workshop in Browning on August 5, 2009.
- NACDC has forged a relationship with the Native American Development Corporation (NADC) in Billings, Montana. The NADC is a 501(C) (3) non-profit organization established in 1996. The organization has 7 Board of Directors; all are American Indian and were raised in reservation communities. NADC is located in Billings, Montana has 8 fulltime employees and operates a center to provide free professional employment development training skills to Indian people entering the workforce and business development support to Tribes and individual entrepreneurs. NADC is a well-known organization that serves as a clearing house for economic development projects in tribal communities across Montana and Wyoming. Currently, the NADC provides technical assistance services to small businesses, tribal programs and other community organizations owned by American Indians and operates two income generating subsidiaries; a catering company with a traditional menu and Desk Top Services expertise under contract with the Government. NADC is also a certified Community Development Financial Institution (CDFI) and operates a revolving business loan fund that was capitalized for \$500,000 by the Economic Development Agency in 1998.

NACDC is in good shape financially as regards most of its programmatic work. Private foundations, Native American Bank, individuals and Tribes and tribal enterprises have seen the strides that NACDC has made in partnership with Indian communities and generously supported its efforts.

## **Oki Communications, LLC Operational details**

Oki Communications LLC was formed in the summer of 2006 by a partnership between the Blackfeet Tribe, through its business arm Siyeh Corporation, and CommunityTel, Incorporated, based in Ronan, Montana. Oki's initial offering to the residents of Browning was high-speed wireless Internet. A base station radio was installed on the water tower in the center of town, with a connection to the Internet at that location. A customer receives a radio/antenna and a modem, which enables a wireless Internet connection to the base station.

To date, Oki has installed approximately 400 subscribers in the Browning and East Glacier communities, and has installed another base station in Cut Bank which will provide wireless Internet to the Eastern flank of the Reservation as well. Long range plans are to provide voice service through the high-speed broadband being installed initially.

Direction for Oki is provided by a five-person management committee composed of three members of the Tribe, representing Siyeh Corporation, and two members representing CommunityTel, Inc.

Oki has an office at 109 North Public Square in Browning, with two full time employees, and two half-time employees, who are shared with Starlink, the Tribal cable company. The customer database, accounting and billing functions are performed by Ronan Telephone Company, a subsidiary of CommunityTel located in Ronan Montana. The front office staff in Browning answers incoming calls, enters new installs into the data base with online terminals, creates trouble tickets for maintenance and service, and takes care of customers who come into the office. The general manager and technician are based out of the same office and perform the installs, and handle trouble tickets and general maintenance of the system.

The data base is updated on a daily basis by the front office staff using online terminals, so that when the billing run is done in Ronan, usually around the 26<sup>th</sup> of the month, the data is up to date. The customer bills are sent via the Internet to Browning, printed out there and the physical mailing of the bills is done in Browning by the front office staff.

Oki has a bank account at Native American Bank in Browning and cash accounting (receivables and payables) is managed by staff at Siyeh in Browning. Siyeh accounting and personnel departments manage the payroll, vacation and sick leave, insurance and related overhead functions for Oki employees. The accounting staff in Ronan reviews intercompany financial transfers, performs the bank account reconciliation, reviews and produces financial statements and produces the final annual tax return. Additionally, Oki has a line of credit at NAB, guaranteed by CommunityTel, to draw on when needed for operating expenses.

The entire Blackfeet Reservation is a rural area. It is Oki's intention to provide high-speed wireless broadband to the rest of the Reservation beyond Browning and East Glacier, and add more Tribal employees, once funding is obtained.