

**Regarding Question #50**  
**Financial Assumptions**

**Operating Revenues:**

\*For all operating revenue and expenses subcategories, line items were adjusted to include project completion impacts. In year 1, project completion is estimated to be 35% completed, thus impacting revenue and expenses alike. In year 2, project completion is estimated to be 70% completed and in year 3, project completion is estimated to be 100% complete. This assumption will be known as the “project completion factor” in reference to revenue and expenses narrative.

Dark Fiber Revenue:

Transport Rates - Revenue computed by multiplying annualized monthly rate of \$300 for 10Mbps by 500 customers and project completion factor.

Interconnection Maintenance - Revenue computed by multiplying annualized monthly rate of \$100 per fiber mile for 100 customers and project completion factor.

Network Transport and IA Access:

Government and Public Institutions - Based on historical information, customer class increases 0.6% every year. Of the customer class number, it is estimated 25% of customer class will utilize Network Transport and IA Access services the first year and will increase 10% each year after year 1. Revenue is calculated by multiplying customer count by annualized monthly rate of \$500 for 20Mbps (Reference Attachment B) and project completion factor.

Commercial Carriers – Revenue computed by multiplying annualized monthly rate of \$7,500 per 100Mbps (Reference Attachment B) for two customers, Sacred Wind and Commnet, and project completion factor. Commnet Wireless Last Mile Operating revenue included in this line item with annual revenue of \$1.536 million and project completion factor.

Network Real Estate

Tower Space Rental – Revenue computed by multiplying annualized monthly rate of \$3,600 for 50 towers and project completion factor.

**Operating Expenses:**

Operations and Maintenance – Expenses include annual fiber expense calculated by 550 miles at \$100 per mile and project completion factor. Annual tower expense calculated by 50 towers at \$8,000 per tower and project completion factor. Commnet Wireless Last Mile Operating expenses included in this line item and relates to revenue received in Network Transport and IA Access Commercial Carrier’s line item. The revenue and expense is a pass through.

Administrative and General – Expenses calculated based on historical relation to O&M expenses at 89.4% for direct fiber and tower expenses and project completion factor.

Customer Accounts and Sales – Expenses calculated based on historical relation to O&M expenses at 41.6% for direct fiber and tower expenses and project completion factor.

Amortization – Based on annual contribution in year 1 through year 3, contributions are amortized over a 30 year period.

Scenario 1 – Based on 70% grant and 30% NTUA contribution, totaling \$45 million, and project completion factor.

Scenario 2 – Based on 37.5% grant, 37.5% RUS loan, and 25% NTUA contribution, totaling \$45 million, and project completion factor.

Interest Expense – Based on Scenario 2, where 37.5% of project will be funded by RUS at a 3% blended rate and project completion factor.

Depreciation Expense – Based on final completion of project in year 3, project will depreciate over a 30 year period.

**ATTACHMENT C - COMPETITOR TABLE - LAST MILE**

Navajo Nation Last Mile Services				
Service Area (Chapters)	Last Mile Services Provider	Technology Platform		Service Tier
<b>Sheep Springs, Shiprock, and Tuba City Chapters</b>	<b>Frontier Communications</b>			
		ADSL		Entry Level Plan
		ADSL		Highest Speed Plan
				Other plans (e.g., Mid-Tier Plan)
	<b>Alltel</b>	EVDO	REV 0	Entry Level Plan
				Highest Speed Plan
				Other plans (e.g., Mid-Tier Plan)
	<b>Verizon</b>	EVDO	REV 0	Entry Level Plan
				Highest Speed Plan
				Other plans (e.g., Mid-Tier Plan)
Service Area (Chapters)	Last Mile Services Provider	Technology Platform		Service Tier
<b>St. Michael's Chapter</b>	<b>Frontier Communications</b>			
		ADSL		Entry Level Plan
		ADSL		Highest Speed Plan
				Other plans (e.g., Mid-Tier Plan)
	<b>Alltel</b>	EVDO	REV 0	Entry Level Plan
				Highest Speed Plan
				Other plans (e.g., Mid-Tier Plan)
	<b>Verizon</b>	EVDO	REV 0	Entry Level Plan
				Highest Speed Plan
				Other plans (e.g., Mid-Tier Plan)
Service Area (Chapters)	Last Mile Services Provider	Technology Platform		Service Tier
<b>Aneth, Beclabito, Bodaway, Chilchinbeto, Chinle, Cornfields, Dennehotso, Dilcon, Forest Lake, Fort Defiance, Ganado</b>	<b>Frontier Communications</b>			
		ADSL		Entry Level Plan
		ADSL		Highest Speed Plan
				Other plans (e.g., Mid-Tier Plan)

<b>Fort Defiance, Ganado, Greasewood, Houck, Kaibeto, Kayenta, Kinlichee, Klagetoh, Lechee, Leupp, Low Mountain, Lukachukai, Lupton, Many Farms, Nahatadzil, Naschitti Oak Springs, Pinon, Red Lake, Red Valley, Rock Point, Round Rock, Sawmill, St. Michael's, Steamboat, Teec Nos Pos, Tsaile-Wheatfields, Whippoorwill, White Cone, Wide Ruins Chapters</b>			Other plans (e.g., Mid-Tier Plan)	
	Alltel	EVDO	REV 0	Entry Level Plan
				Highest Speed Plan
				Other plans (e.g., Mid-Tier Plan)
	Verizon	EVDO	REV 0	Entry Level Plan
				Highest Speed Plan
				Other plans (e.g., Mid-Tier Plan)

Service Area (Chapters)	Last Mile Services Provider	Technology Platform		Service Tier
<b>Bird Springs, Black Mesa, Cameron, Coalmine Mesa, Coppermine, Crystal, Hard Rock, Indian Wells, Inscription House, Jeddito, Mexican Water, Navajo, Nazlini, Oljato, Red Mesa, Rough Rock, Sanostee, Shonto, Sweetwater, Tachee, Teesto, Tolani Lake, Tonalea, Tselani, Two Grey Hills Chapters</b>	Frontier Communications			
		ADSL		Entry Level Plan
		ADSL		Highest Speed Plan
				Other plans (e.g., Mid-Tier Plan)
	Alltel	EVDO	REV 0	Entry Level Plan
				Highest Speed Plan
				Other plans (e.g., Mid-Tier Plan)
	Verizon	EVDO	REV 0	Entry Level Plan
				Highest Speed Plan
				Other plans (e.g., Mid-Tier Plan)

**Navajo Nation Middle Mile Services**

Service Area (Chapters)	Last Mile Services Provider	Technology Platform		Service Tier
<b>Aneth, Beclabito, Bodaway, Chilchinbeto, Chinle, Cornfields, Dennehotso, Dilcon, Forest Lake, Fort Defiance, Ganado, Greasewood, Houck, Kaibeto, Kayenta, Kinlichee, Klagetoh, Lechee, Leupp, Low Mountain,</b>	Frontier Communications			
		ADSL		Entry Level Plan
		ADSL		Highest Speed Plan
				Other plans (e.g., Mid-Tier Plan)
	Alltel	EVDO	REV 0	Entry Level Plan
				Highest Speed Plan
				Other plans (e.g., Mid-Tier Plan)

<b>Lukachukai, Lupton, Many Farms,  Nahatadzil, Naschitti Oak Springs,  Pinon, Red Lake, Red Valley,  Rock Point, Round Rock, Sawmill,  St. Michael's, Steamboat, Teec Nos  Pos, Tsaile-Wheatfields,  Whippoorwill, White Cone, Wide  Ruins, St. Michael's, Sheep Springs,  Shiprock, Tuba City, Bird Springs,  Black Mesa, Cameron, Coalmine  Mesa, Coppermine, Crystal, Hard  Rock, Indian Wells, Inscription  House, Jeddito, Mexican Water,  Navajo, Nazlini, Oljato, Red Mesa,  Rough Rock, Sanostee, Shonto,  Sweetwater, Tachee, Teesto, Tolani  Lake, Tonalea, Tselani, Two Grey  Hills Chapters</b>	Alltel			Other plans (e.g., Mid-Tier Plan)
	Verizon	EVDO	REV 0	Entry Level Plan
				Highest Speed Plan
				Other plans (e.g., Mid-Tier Plan)




**NO BROADBAND SERVICE AVAILABLE**

**NO BROADBAND SERVICE AVAILABLE**

Advertised Residential Offering		Advertised Business Offering		Other
Downstream Speed (Mbps)	Price	Downstream Speed (Mbps)	Price	

**NO BROADBAND SERVICE AVAILABLE**

**NO BROADBAND SERVICE AVAILABLE**

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Advertised Residential Offering		Advertised Business Offering		Other
Downstream Speed (Mbps)	Price	Downstream Speed (Mbps)	Price	

**NO BROADBAND SERVICE AVAILABLE**

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**NO BROADBAND SERVICE AVAILABLE**



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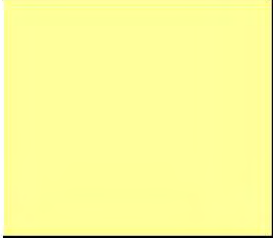
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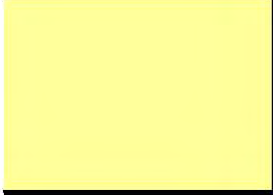
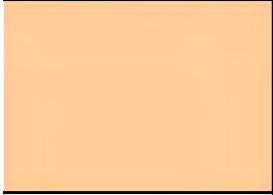
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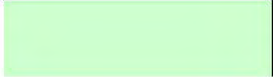
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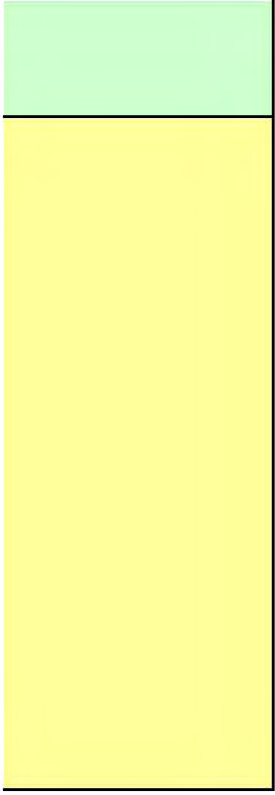



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## Attachment B – Proposed Middle Mile Service Offerings

Service Offering	Distance Band or Point to Point	Minimum Peak Load Network Bandwidth Capacity (Mbps)	Monthly/Yearly Pricing (\$)	Other
Dark Fiber	Point to Point	45 Mbps	\$4500/Month	Lease of Dark Fibers @ 100/FiberMile Plus maintenance
	Point to Point	45 Mbps	\$7500/Month	Lease of Dark Fibers @ 100/FiberMile plus maintenance
Bandwidth	Point to Point	10 Mbps	\$200-400/Month	
	Point to Point	20 Mbps	\$250-650/Month	
	Point to Point	45 Mbps	\$4000-6000/Month	
	Point to Point	100 Mbps	\$7000-9000/Month	

Attachment Q

Not applicable

Attachment J

Not Applicable

Attachment I

Not Applicable

Time Period	Quarter	List All Relevant Milestones	Support for Reasonableness/Data Points
Year 0	-	Fiber Optic Engineering Design (Phase 1) Complete Microwave Fixed PTP Design Complete Mobile LTE Design	Detailed Engineering Design for 160 Miles of FO Completed, MW Design Completed, LTE Network design Completed. Staff training done Note: Some wireless installation will take place on existing tower infrastructure.
Year 1	Qtr. 1	Fiber Optic Build-out (50 Miles Completed) Electronics (Design, RFP for Electronics,) Tower Build-Out ( 6 ) Middle Mile Microwave Links (4 upgrades) Last Mile Electronics -(2 -4G Wireless Sites)	Propose to do 3 to 4 miles a day Building main priority towers related phase I and also to bring most needed MW links
	Qtr. 2	Fiber Optic Build-out (65 Miles Completed) Electronics (Installation) Middle Mile Microwave Links (12 news) Last Mile Electronics -(2-4G Wireless Sites)	Propose to do 3 to 4 miles a day Completing main backbone for MW maximizing use of existing structure and new towers
	Qtr. 3	Fiber Optic Build-out (60 Miles Completed) Electronics (Installation) Last Mile Electronics -(2-4G Wireless Sites)	Propose to do 3 to 4 miles a day
	Qtr. 4	Fiber Optic Build-out (35 Miles Completed) Electronics (Installation) Last Mile Electronics -(2-4G Wireless Sites)	Winter Weather Build-Out Schedule
Year 2	Qtr. 1	Fiber Optic Build-out (50 Miles Completed) Electronics (Installation) Tower Build-Out (13 ) Middle Mile Microwave Links (1 upgrade) Last Mile Electronics- (4-4G Wireless Sites)	Propose to do 3 to 4 miles a day Complete second stage of tower build out to support new microwave links
	Qtr. 2	Fiber Optic Build-out (65 Miles Completed) Electronics (Installation) Middle Mile Microwave Links (14 news) Last Mile Electronics- (4-4G Wireless Sites)	Propose to do 3 to 4 miles a day Complete second stage of new microwave links
	Qtr. 3	Fiber Optic Build-out (60 Miles Completed) Electronics (Installation) Last Mile Electronics- (4-4G Wireless Sites)	Propose to do 3 to 4 miles a day
	Qtr. 4	Fiber Optic Build-out (35 Miles Completed) Electronics (Installation) Last Mile Electronics- (4-4G Wireless Sites)	Winter Weather Build-Out Schedule
	Qtr. 1	Fiber Optic Build-out (50 Miles Completed) Electronics (Installation) Tower Build-Out ( 13 ) Middle Mile Microwave Links (1 upgrade) Last Mile Electronics- (4-4G Wireless Sites)	Propose to do 3 to 4 miles a day Complete third stage of tower build out to support new microwave links
	Qtr. 2	Fiber Optic Build-out (65 Miles Completed) Electronics (Installation) Middle Mile Microwave Links (12 news)	Propose to do 3 to 4 miles a day Complete third stage of new microwave links

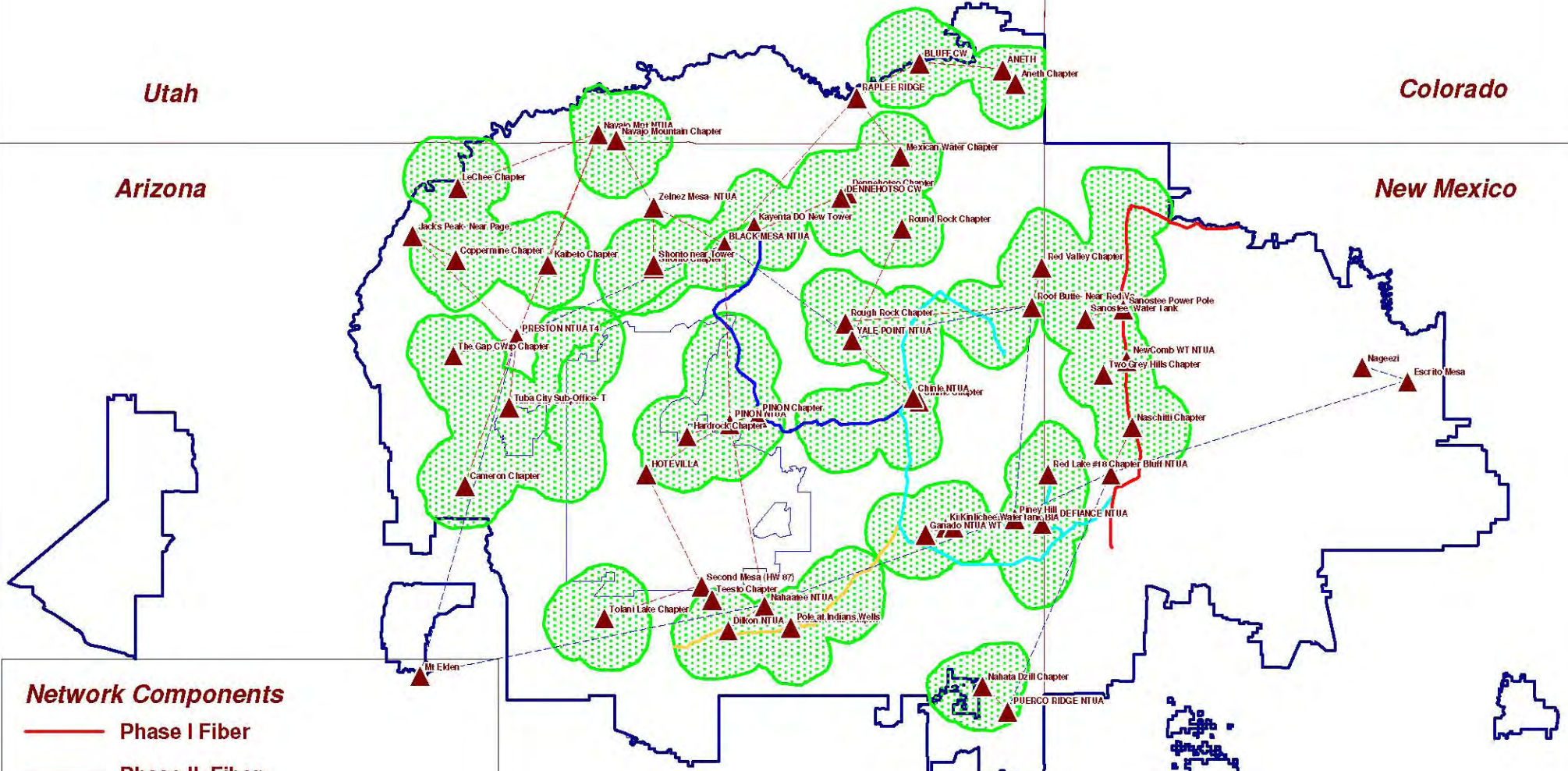


Year 3		Last Mile Electronics- (4-4G Wireless Sites)	
	Qtr. 3	Fiber Optic Build-out (60 Miles Completed) Electronics (Installation) Middle Mile Microwave Links (4 upgrades) Last Mile Electronics- (4-4G Wireless Sites) Middle-Mile Construction Completed	Propose to do 3 to 4 miles a day Complete Microwave network for backup links to gateways
	Qtr. 4	Electronics (Installation) Last Mile Electronics- (4-4G Wireless Sites)	

Service Area A	The Navajo Nation Middle/Last Mile Project: Quality Broadband for the Navajo People					
	YEAR 0	YEAR 1				Qtr. 1
		Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	
Infrastructure Funds						
Infrastructure Funds Advanced (estimate)		\$ 4,654,582.66	\$ 4,570,680.62	\$ 3,452,335.32	\$ 3,420,266.28	\$ 5,510,372.86
Percentage of Total Funds		10.1%	9.9%	7.5%	7.4%	12.0%
Entities Passed & %						
Households		3,107	3,051	2,304	2,283	3,678
Percentage of Total Households		10.1%	9.9%	7.5%	7.4%	12.0%
Businesses		101	99	75	74	120
Percentage of Total Businesses		10.1%	9.9%	7.5%	7.4%	12.0%
Strategic Institutions (Comm. Anchor, Public Safety, etc)		105	103	78	77	125
Percentage of Total Institutions		10.1%	9.9%	7.5%	7.4%	12.0%

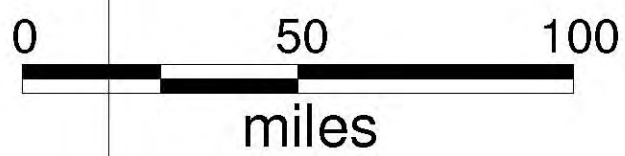
YEAR 2			YEAR 3			
Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4
\$ 4,241,256.40	\$ 3,232,433.32	\$ 3,113,319.74	\$ 4,335,698.09	\$ 4,208,824.92	\$ 3,551,301.20	\$ 1,694,738.59
9.2%	7.0%	6.8%	9.4%	9.2%	7.7%	3.7%
2,831	2,158	2,078	2,894	2,476	2,037	1,799
9.2%	7.0%	6.8%	9.4%	8.1%	6.6%	5.9%
92	70	68	94	81	66	59
9.2%	7.0%	6.8%	9.4%	8.1%	6.6%	5.9%
96	73	70	98	84	69	61
9.2%	7.0%	6.8%	9.4%	8.1%	6.6%	5.9%

# NAVAJO NATION - NTUA - New Network Overall Layout

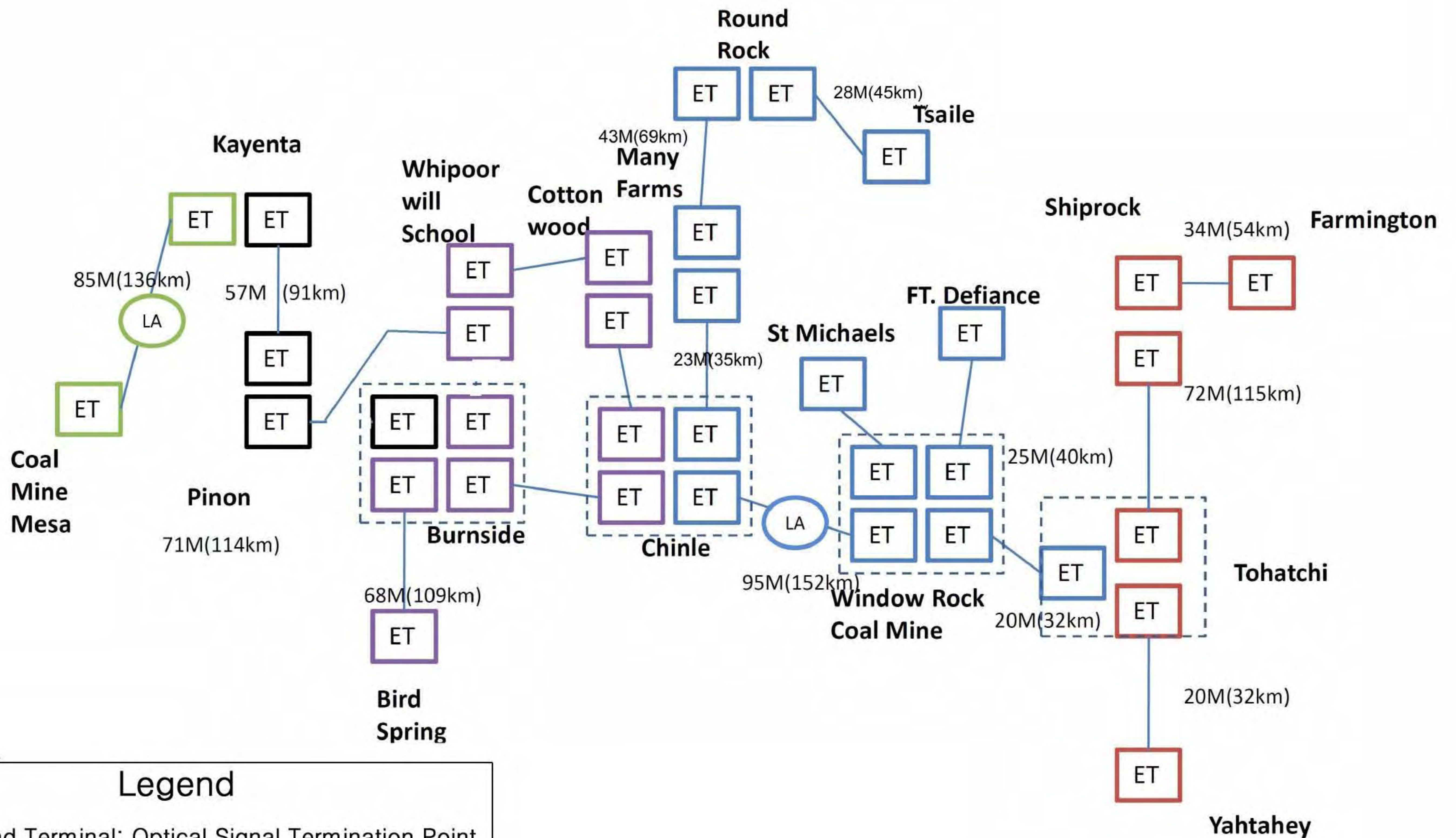


## Network Components

- Phase I Fiber
- Phase II Fiber
- Phase III Fiber
- Phase IV Fiber
- Phase V Fiber
- 700 MHz LTE Coverage
- New MW Links
- Existing MW Links (upgrades needed)



# NTUA WDM NETWORK DESIGN

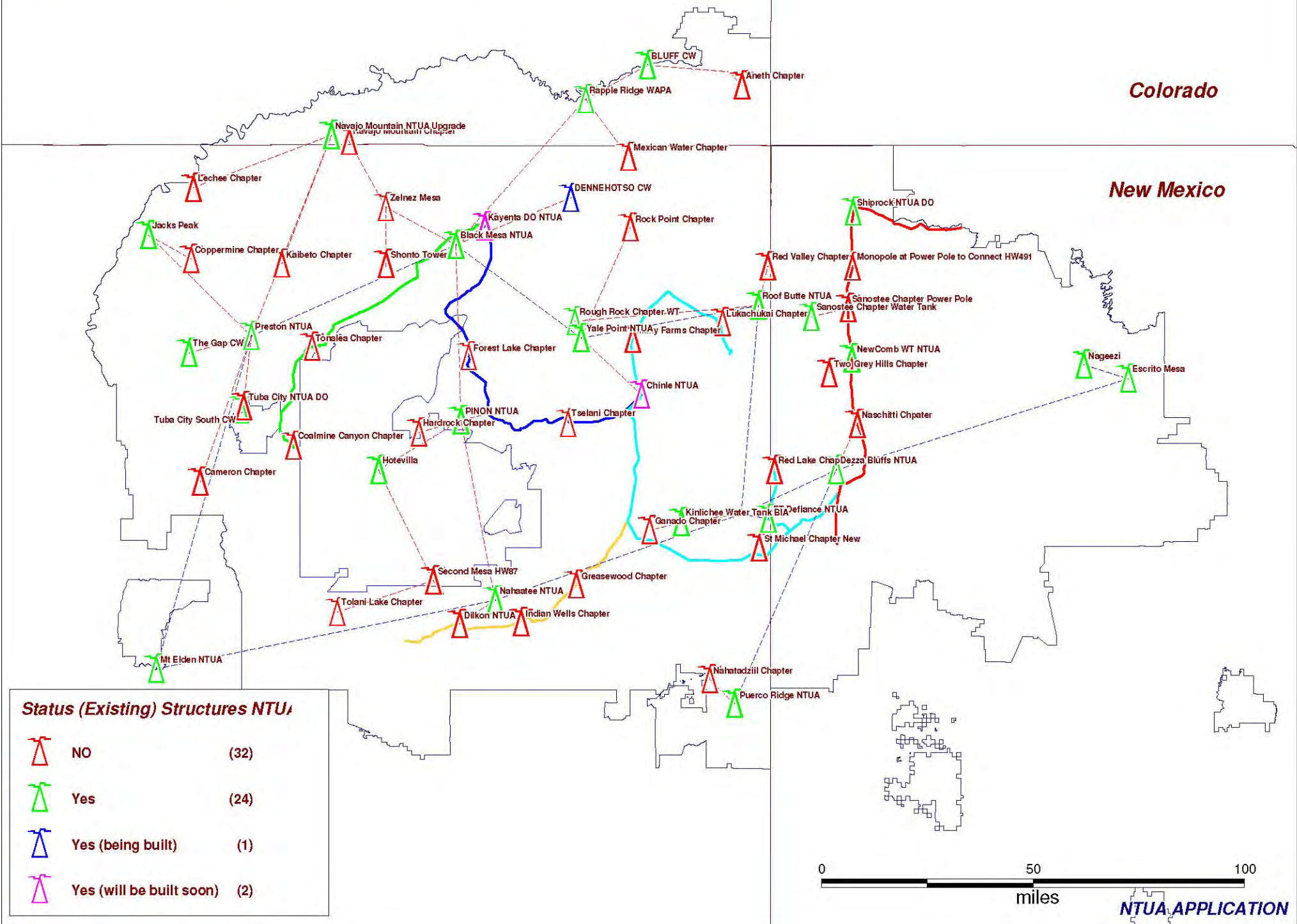


## Legend

ET – End Terminal: Optical Signal Termination Point  
 LA – Line Amplifier

ET (Red box)	Phase I	ET (Black box)	Phase III
ET (Blue box)	Phase II	ET (Purple box)	Phase IV
ET (Green box)	Phase V		

# NAVAJO NATION - NTUA - Status Structures (Tower, Water Tanks and Poles)



Colorado

New Mexico

**Status (Existing) Structures NTUA**

- NO (32)
- Yes (24)
- Yes (being built) (1)
- Yes (will be built soon) (2)

0 50 100 miles

**NTUA APPLICATION**

**Section 44.**

Equipment Category	Grant Request	30% Equity Match	Debt	Bonds	Other Funding	Total
Network & Access Equipment (switching, routing, transport, access)	\$ 5,280,945	\$ 2,263,262				\$ 7,544,207
Outside Plant (cables, conduits, ducts, poles, towers, repeaters, etc.)	\$ 19,874,614	\$ 8,517,691				\$ 28,392,305
Buildings and Land – (new construction, improvements, renovations, lease)	\$ 1,724,800	\$ 739,200				\$ 2,464,000
Customer Premise Equipment (modems, set-top boxes, inside wiring, etc.)	\$ 1,318,100	\$ 564,900				\$ 1,883,000
Billing and Operational Support Systems (IT systems, software, etc.)	\$ 175,000	\$ 75,000				\$ 250,000
Operating Equipment (vehicles, office equipment, other)	\$ -	\$ -				\$ -
Engineering/ Professional Services (engineering design, project management, consulting, etc.)	\$ 3,080,209	\$ 1,320,089				\$ 4,400,298
Testing (network elements, IT system elements, user devices, test generators, lab furnishings, servers/computers, etc.)	\$ -	\$ -				\$ -
Site Preparation	\$ 603,400	\$ 258,600				\$ 862,000
Other	\$ 133,000	\$ 57,000				\$ 190,000
<b>Total Broadband System</b>	<b>\$ 32,190,068</b>	<b>\$ 13,795,742</b>				<b>\$ 45,985,810</b>

# Income Statement

	Historical		Forecast Period				
	2007	2008	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Revenues</b>							
Network Services Revenues:							
Local Voice Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Broadband Data	\$ -	\$ -	\$ 4,099,410	\$ 9,520,980	\$ 15,427,800	\$ 16,807,800	\$ 18,202,200
Video Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Network Access Service Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Universal Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Toll Service/Long Distance Voice	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Installation Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating Revenues	\$ 85,010,276	\$ 95,283,869	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenues	\$ 832,706	\$ 579,328	\$ -	\$ -	\$ -	\$ -	\$ -
Uncollectible Revenues	\$ 152,651	\$ 646,454	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 85,690,331</b>	<b>\$ 95,216,743</b>	<b>\$ 4,099,410</b>	<b>\$ 9,520,980</b>	<b>\$ 15,427,800</b>	<b>\$ 16,807,800</b>	<b>\$ 18,202,200</b>
<b>Expenses</b>							
Backhaul	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Network Maintenance/Monitoring	\$ -	\$ -	\$ 159,250	\$ 318,500	\$ 455,000	\$ 455,000	\$ 455,000
Utilities	\$ 36,476,984	\$ 40,028,401	\$ -	\$ -	\$ -	\$ -	\$ -
Leasing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales/Marketing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Care	\$ 5,896,241	\$ 5,921,512	\$ 66,267	\$ 132,534	\$ 189,334	\$ 189,334	\$ 189,334
Billing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate G&A	\$ 12,401,074	\$ 12,626,222	\$ 142,405	\$ 284,809	\$ 406,870	\$ 406,870	\$ 406,870
Other Operating Expense	\$ 14,161,418	\$ 14,222,114	\$ 537,600	\$ 1,075,200	\$ 1,536,000	\$ 1,536,000	\$ 1,536,000
<b>Total</b>	<b>\$ 68,935,717</b>	<b>\$ 72,798,249</b>	<b>\$ 905,522</b>	<b>\$ 1,811,043</b>	<b>\$ 2,587,204</b>	<b>\$ 2,587,204</b>	<b>\$ 2,587,204</b>
<b>EBITDA</b>	<b>\$ 16,754,614</b>	<b>\$ 22,418,494</b>	<b>\$ 3,193,888</b>	<b>\$ 7,709,937</b>	<b>\$ 12,840,596</b>	<b>\$ 14,220,596</b>	<b>\$ 15,614,996</b>
Depreciation	\$ 9,419,667	\$ 10,199,320			\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Amortization	\$ -	\$ -	\$ 367,500	\$ 735,000	\$ 1,050,000	\$ 1,050,000	\$ 1,050,000
<b>Earnings Before Interest and Taxes</b>	<b>\$ 7,334,947</b>	<b>\$ 12,219,174</b>	<b>\$ 3,561,388</b>	<b>\$ 8,444,937</b>	<b>\$ 12,390,596</b>	<b>\$ 13,770,596</b>	<b>\$ 15,164,996</b>
Interest Expense - New RUS Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense - Existing RUS Debt	\$ 1,908,458	\$ 1,836,130	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Income Before Taxes</b>	<b>\$ 5,426,489</b>	<b>\$ 10,383,044</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Income</b>	<b>\$ 5,426,489</b>	<b>\$ 10,383,044</b>	<b>\$ 3,561,388</b>	<b>\$ 8,444,937</b>	<b>\$ 12,390,596</b>	<b>\$ 13,770,596</b>	<b>\$ 15,164,996</b>

## Statement of Cash Flows

	Historical		Year 1	Year 2	Year 3	Year 4	Year 5
	2007	2008					
<b>Beginning Cash</b>	<b>\$ 3,605,981</b>	<b>\$ 2,341,626</b>	<b>\$ -</b>	<b>\$ 4,099,410</b>	<b>\$ 12,238,819</b>	<b>\$ 25,084,186</b>	<b>\$ 38,464,392</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>							
Net Income	-	-	3,561,388	8,444,937	13,890,596	13,770,596	15,164,996
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>							
Add: Depreciation	-	-	-	-	-	1,500,000	1,500,000
Add: Amortization	-	-	367,500	735,000	1,050,000	1,050,000	1,050,000
<i>Changes in Current Assets and Liabilities:</i>							
Marketable Securities	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	476,049	771,390	840,390	910,110
Inventory	-	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-	-
Other Current Assets	-	-	-	-	-	-	-
Accounts Payable	-	-	905,522	905,521	776,161	-	-
Other Current Liabilities	-	-	-	-	-	-	-
<b>Net Cash Provided (Used) by Operations</b>	<b>\$ 13,317,857</b>	<b>\$ 22,533,342</b>	<b>\$ 4,099,410</b>	<b>\$ 8,139,409</b>	<b>\$ 12,845,367</b>	<b>\$ 13,380,206</b>	<b>\$ 14,704,886</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>							
Notes Receivable	-	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-	-
Principal Payments	-	-	-	-	-	-	-
New Borrowing	-	-	-	-	-	-	-
Additional Paid-in Capital	-	-	(11,025,000)	(11,025,000)	(9,450,000)	-	-
Additions to Patronage Capital Credits	-	-	-	-	-	-	-
Payment of Dividends	-	-	-	-	-	-	-
<b>Net Cash Used by Financing Activities</b>	<b>\$ (17,017,582)</b>	<b>\$ (15,075,731)</b>	<b>\$ (11,025,000)</b>	<b>\$ (11,025,000)</b>	<b>\$ (9,450,000)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>							
Capital Expenditures	-	-	15,750,000	15,750,000	13,500,000	-	-
Amortizable Asset (Net of Amortization)	-	-	-	-	-	-	-
Long-Term Investments	-	-	(4,725,000)	(4,725,000)	(4,050,000)	-	-
<b>Net Cash Provided by Investing Activities</b>	<b>\$ (6,016,201)</b>	<b>\$ 493,519</b>	<b>\$ 11,025,000</b>	<b>\$ 11,025,000</b>	<b>\$ 9,450,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Increase (Decrease) in Cash</b>	<b>\$ (1,264,355)</b>	<b>\$ (500,441)</b>	<b>\$ 4,099,410</b>	<b>\$ 8,139,409</b>	<b>\$ 12,845,367</b>	<b>\$ 13,380,206</b>	<b>\$ 14,704,886</b>
<b>Ending Cash</b>	<b>\$ 2,341,626</b>	<b>\$ 1,841,185</b>	<b>\$ 4,099,410</b>	<b>\$ 12,238,819</b>	<b>\$ 25,084,186</b>	<b>\$ 38,464,392</b>	<b>\$ 53,169,278</b>



# Balance Sheet

<b>Assets</b>	<b>Historical</b>		<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
	<b>2007</b>	<b>2008</b>					
<b>Current Assets</b>							
Cash	\$ 2,341,626	\$ 1,841,185	\$ 4,099,410	\$ 12,238,819	\$ 25,084,186	\$ 38,464,392	\$ 53,169,278
Marketable Securities	\$ 4,185,313	\$ 10,250,305	-	-	-	-	-
Accounts Receivable	\$ 15,464,294	\$ 15,551,345	-	\$ 476,049	\$ 1,247,439	\$ 2,087,829	\$ 2,997,939
Notes Receivable	\$ 1,289,535	\$ 2,451,647	-	-	-	-	-
Inventory	\$ 5,195,725	\$ 5,449,649	-	-	-	-	-
Prepayments	\$ 552,996	\$ 574,785	-	-	-	-	-
Other Current Assets	\$ 1,682,095	\$ 738,720	-	-	-	-	-
<b>Total Current Assets</b>	<b>\$ 30,711,584</b>	<b>\$ 36,857,636</b>	<b>\$ 4,099,410</b>	<b>\$ 12,714,868</b>	<b>\$ 26,331,625</b>	<b>\$ 40,552,221</b>	<b>\$ 56,167,217</b>
<b>Non-Current Assets</b>							
Long-Term Investments	\$ 2,103,147	\$ 2,101,895	-	-	-	-	-
Amortizable Asset (Net of Amortization)	-	-	-	-	-	-	-
Plant in Service	\$ 709,740,855	\$ 753,334,692	\$ 15,750,000	\$ 31,500,000	\$ 45,000,000	\$ 45,000,000	\$ 43,500,000
Less: Accumulated Depreciation	\$ 322,526,383	\$ 343,328,274	-	-	-	\$ 1,500,000	\$ 1,500,000
Net Plant	\$ 387,214,472	\$ 410,006,418	\$ 15,750,000	\$ 31,500,000	\$ 45,000,000	\$ 43,500,000	\$ 42,000,000
Other	\$ 1,921,988	\$ 1,578,510	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>\$ 391,239,607</b>	<b>\$ 413,686,823</b>	<b>\$ 15,750,000</b>	<b>\$ 31,500,000</b>	<b>\$ 45,000,000</b>	<b>\$ 43,500,000</b>	<b>\$ 42,000,000</b>
<b>Total Assets</b>	<b>\$ 421,951,191</b>	<b>\$ 450,544,459</b>	<b>\$ 19,849,410</b>	<b>\$ 44,214,868</b>	<b>\$ 71,331,625</b>	<b>\$ 84,052,221</b>	<b>\$ 98,167,217</b>
<b>Liabilities and Owners' Equity</b>							
<b>Liabilities</b>							
<b>Current Liabilities</b>							
Accounts Payable	\$ 9,473,016	\$ 10,286,178	\$ 905,522	\$ 1,811,043	\$ 2,587,204	\$ 2,587,204	\$ 2,587,204
Notes Payable	\$ 1,000,000	-	-	-	-	-	-
Current Portion - Total RUS Debt	\$ 1,552,006	\$ 1,653,178	-	-	-	-	-
Current Portion - Other Debt	-	-	-	-	-	-	-
Other Current Liabilities	\$ 12,384,921	\$ 11,550,548	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>\$ 24,409,943</b>	<b>\$ 23,489,904</b>	<b>\$ 905,522</b>	<b>\$ 1,811,043</b>	<b>\$ 2,587,204</b>	<b>\$ 2,587,204</b>	<b>\$ 2,587,204</b>
<b>Long-Term Liabilities</b>							
Existing RUS Debt	\$ 36,466,320	\$ 34,789,584	-	-	-	-	-
Proposed RUS Debt	-	-	-	-	-	-	-
Existing non-RUS Debt	-	-	-	-	-	-	-
Other Long-Term Liabilities	\$ 281,137,926	\$ 301,944,935	\$ 10,657,500	\$ 20,947,500	\$ 29,347,500	\$ 28,297,500	\$ 27,247,500
<b>Total Long-Term Liabilities</b>	<b>\$ 317,604,246</b>	<b>\$ 336,734,519</b>	<b>\$ 10,657,500</b>	<b>\$ 20,947,500</b>	<b>\$ 29,347,500</b>	<b>\$ 28,297,500</b>	<b>\$ 27,247,500</b>
<b>Total Liabilities</b>	<b>\$ 342,014,189</b>	<b>\$ 360,224,423</b>	<b>\$ 11,563,022</b>	<b>\$ 22,758,543</b>	<b>\$ 31,934,704</b>	<b>\$ 30,884,704</b>	<b>\$ 29,834,704</b>
<b>Owner's Equity</b>							
Capital Stock	-	-	-	-	-	-	-
Additional Paid-In Capital	\$ 79,937,002	\$ 90,320,036	\$ 8,286,388	\$ 21,456,325	\$ 39,396,921	\$ 53,167,517	\$ 68,332,513
Patronage Capital Credits	-	-	-	-	-	-	-
Retained Earnings	-	-	-	-	-	-	-
<b>Total Equity</b>	<b>\$ 79,937,002</b>	<b>\$ 90,320,036</b>	<b>\$ 8,286,388</b>	<b>\$ 21,456,325</b>	<b>\$ 39,396,921</b>	<b>\$ 53,167,517</b>	<b>\$ 68,332,513</b>
<b>Total Liabilities and Owner's Equity</b>	<b>\$ 421,951,191</b>	<b>\$ 450,544,459</b>	<b>\$ 19,849,410</b>	<b>\$ 44,214,868</b>	<b>\$ 71,331,625</b>	<b>\$ 84,052,221</b>	<b>\$ 98,167,217</b>

## **Government and Other Key Partnerships**

The Navajo Nation, through the Office of the President and Vice-President, the Navajo Nation Telecommunications Regulatory Commission (NNTRC), and the Navajo Nation Broadband Work Group (NNBWG) made up of representatives staff from various Navajo Nation Division and Departments, has been a key partners in facilitating all aspects of the “Navajo Nation Middle/Last Mile Project: Quality Broadband for the Navajo People,” including governmental support and developing policy for broadband infrastructure on the Navajo Nation, planning of the Project, fostering public and private relationships with telecom companies, other Indian tribes (Hopi Tribe), and state and local governments, and in addressing environmental compliance and federal rights-of-way issues. The Navajo Area Indian Health Service, the Tuba City Regional Health Care Corp., Dine College, Northern & Western Navajo Agency Councils, Navajo Nation Public Safety Dep't. and Navajo Nation Dept. of Fire & Rescue Services have all participated in the planning efforts and can attest to the project benefits. Letters of support are attached to this application from each of them, as well as from Gov. Richardson of New Mexico, Conterra, BNI, Sacred Winds Communications and Hopi Telecommunications Inc.

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# The Navajo Nation

*DR. JOE SHIRLEY, JR.*  
President

*BEN SHELLY*  
Vice President

July 31, 2009

Administrator  
Rural Utilities Service  
U.S. Department of Agriculture  
Washington, D.C. 20250-1500

Assistant Secretary  
National Telecommunications and Information Administration  
U.S. Department of Commerce  
Washington, D.C. 20230

**Re: Applications to RUS and NTIA for BIP and BTOP Funding for Navajo Nation Broadband Projects**

Dear Sir/Madam:

There is a crucial need for broadband infrastructure on the Navajo Nation ("Nation") just to meet the basic requirements of government, public safety, education, and health institutions, as well as to provide broadband services to homes and businesses for economic development and job growth. Pursuant to Resolution IGRJ-002-09 of the Intergovernmental Relations Committee of the Navajo Nation Council, the Office of the President and Vice-President formed the Navajo Nation Broadband Workgroup ("Workgroup") and tasked the Workgroup with developing a plan for critical broadband infrastructure build-out on the Navajo Nation utilizing funds available under the American Recovery and Reinvestment Act of 2009 (ARRA), Public Law 111-5. Part of the Workgroup's mandate was to build relationships and to coordinate with the Nation's enterprises and with other private and public partners in any applications made for ARRA broadband funds. Over the last several months, the Workgroup has made every effort to reach all potential public and private partners of the Nation and in coordinating a Navajo Nation-wide broadband plan. The Workgroup has now finalized a plan that is supported by the Navajo Nation Telecommunications Regulatory Commission, the regulatory body of the Navajo Nation responsible for approving build-out of telecommunications infrastructure pursuant to 21 N.N.C. § 510, of the Navajo Nation Code.

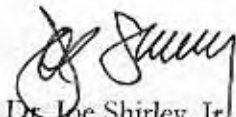
The Nation therefore supports those Partners of the Nation who accepted the Nation's invitation for a cooperative effort in obtaining ARRA broadband funding, who have worked closely with the Workgroup to develop a comprehensive and integrated plan to meet the Nation's broadband needs, and who intend to facilitate that plan by applying jointly or separately for broadband funds from the Rural Utility Service ("RUS"), U.S. Department of Agriculture, and/or the National

Telecommunications and Information Administration ("NTIA"), U.S. Department of Commerce, under the RUS Broadband Initiatives Program (BIP) and the NTIA Broadband Technology Opportunities Program (BTOP). These Partners are: the Navajo Tribal Utility Authority, Commnet Wireless LLC, Sacred Wind Communications, and Hopi Telecommunications, Inc.

Consistent with the purposes of the ARRA, one of the essential objectives of the Navajo Nation and the Workgroup has been to ensure that any broadband network that is built-out on the Navajo Nation with ARRA funds will be open-architecture and open-access, and will spur competition and innovation by providing wholesale access to bandwidth and dark fiber as well as providing tower co-location for competing wireless technologies. The Navajo Nation therefore also supports other applicants for BIP and BTOP funds who seek to provide critical broadband services to the Navajo Nation and the Navajo people, for either "middle mile" or "last mile" infrastructure, *provided, those proposals must allow for competition and innovation, must not be duplicative of the Nation's plan, and must not negatively affect the viability of the Nation's plan or the success of the applications of the Nation's Partners.* For all projects on the Navajo Nation, priority of applications to RUS and NTIA for BIP and BTOP funds should be given to the Partners who have worked cooperatively and in concert with the Nation and the Workgroup.

The Navajo Nation appreciates the monumental efforts of RUS and NTIA in administering the BIP and BTOP programs. The Navajo Nation also appreciates your consideration of the Nation's priorities in regard to BIP and BTOP applications for proposed broadband projects within the territorial jurisdiction of the Navajo Nation. If you need further clarification in this matter or have questions about a particular application, please contact Mr. Deswood Tome, Executive Director of the Navajo Nation Telecommunications Regulatory Commission and Chairman of the Navajo Nation Broadband Workgroup, at 928-380-4783.

Sincerely,



Dr. Joe Shirley, Jr., President  
**THE NAVAJO NATION**



**THE  
NAVAJO  
NATION**

**Telecommunications Regulatory Commission**

*Office Of The President and Vice President*

Post Office Box 9000, Window Rock, Arizona 86515 \* Phone: 928-871-7854 \* Facsimile: 928-871-7856

**Dr. Joe Shirley, Jr.**  
President

**Ben Shelly**  
Vice President

Deswood Tome  
Acting Executive Director

Thomacita White  
Administrative Assistant

\*\*\*\*\*

Steven L. Grey  
Chairperson

Marlene A. Lynch  
Vice Chairperson

Bobby Begaye  
Commissioner

Leland Leonard  
Commissioner

Stephen Nez  
Commissioner

Johnny Platero  
Commissioner

August 11, 2009

Rural Utilities Service  
Department of Agriculture  
1400 Independence Ave SW  
Washington, DC 20250-0747

National Telecommunications Information Administration  
Department of Commerce  
1401 Constitution Ave. NW  
Washington, DC 20230

**Re: Broadband Penetration in the Navajo Lands; American Recovery & Reinvestment Act of 2009 ("Recovery Act")**

To Whom It May Concern:

The Navajo Nation Telecommunications Regulatory Commission ("NNTRC") is the agency within the government of the Navajo Nation, which oversees and regulates all matters pertaining to the telecommunications industry on lands under the jurisdiction of the Navajo Nation ("Navajo Indian Country"). The NNTRC also oversees the growth and development of the telecommunications industry in Navajo Indian Country. This letter is written to address the question of whether, and to what extent, Navajo Indian Country remains an unserved area, as that term is defined in the Recovery Act. More specifically, it is written to address that issue with respect to the proposed last-mile service area for which Sacred Wind Communications, Inc. ("Sacred Wind") seeks Recovery Act funding, all of which last-mile service area lies within Navajo Indian Country.

Based upon the information collected by the NNTRC, the proposed Sacred Wind last-mile service area is unserved, because, although portions of that area have broadband service available, the broadband penetration of the proposed service area is below ten percent (10%). To the extent that any provider of services contends otherwise, such other provider is mistaken. For purposes of this letter, the NNTRC defines broadband service as "two-way data transmission with advertised speeds of at least 768 kilobits per second (kbps) downstream and at least 200 kbps upstream to end users," consistent with the definition in the Notice of Funds Availability.

Accordingly, the NNTRC as the Navajo tribal government agency with jurisdiction, requests that the Sacred Wind proposal be found eligible for Recovery Act funding, and that any protest alleging the contrary be rejected.


As FCC Commissioner Copps said in his July 28, 2009 speech in Rapid City, South Dakota:

Until all of Indian Country is connected to a Twenty-First Century telecommunications grid, its residents can only fall further behind the rest of the country, while the country falls further behind the rest of the world. Things can't be allowed to stay the same.

On a separate note, NNTRC understands that the proposed funded reliable service areas of the Sacred Wind application do not always cover an entire census block, and that in some instances, a single last-mile service area may not have uninterrupted reliable service coverage throughout the particular service area, as defined by the applicant. NNTRC supports a waiver of the requirement to provide coverage to all portions of all census blocks for Sacred Wind. Navajo Indian country constitutes a vast geographic area, with certain households being very remote. It would be infeasible and a waste of scarce ARRA funding resources to build additional last-mile infrastructure to cover every square inch of the involved territory. Sacred Wind has crafted a carefully balanced proposal, which attempts to cover all populated areas without expending funds to cover every remote area which is either unoccupied, or perhaps lightly occupied with a very low population density, even by reservation standards. We are advised that the ultimate goal is to serve all residents; however, to require such 100% coverage within the contemplated 3-year time frame is infeasible. Accordingly, the waiver is warranted here.

The NNTRC hopes that Recovery Act funding can be awarded to support capital investment in broadband infrastructure to serve the Navajo Nation.

Sincerely,



Deswood Tome  
Acting Executive Director



## Northern Navajo Agency Council

P.O. Box 3810 & P.O. Box 2219 - SHIPROCK, NEW MEXICO 87420-3810

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Email: [shiprock@navajochapter.org](mailto:shiprock@navajochapter.org) - (505) 368-1081 & (505) 368-5328 - Fax: (505) 368-1092

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August 6, 2009

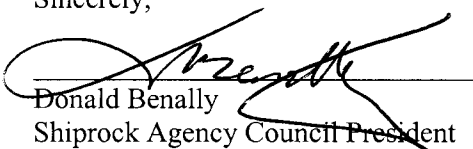
To Whom It May Concern:

I am the President of the Northern Navajo Agency Council of the Northern Navajo Government. Our agency, one of five on the Navajo Nation represents the interest of twenty-two chapters of the Navajo Nation government. Each of these chapters, in turn, represents the voices of those Navajo individuals living within their chapter communities. This letter is offered on behalf of the Navajo people residing in the Shiprock Agency and the Shiprock Agency chapters to support the application of the Navajo Nation for broadband "stimulus funds" through the Nation's wholly owned enterprise, the Navajo Tribal Utility Authority (NTUA).

NTUA is currently applying for broadband infrastructure grant monies from the National Telecommunications Information Administration (NTIA), U.S. Department of Commerce, and the Rural Utilities Service (RUS) of the United States Department of Agriculture (USDA), through the RUS Broadband Initiatives Program (BIP) and the NTIA Broadband Technology Opportunities Program (BTOP). NTUA is a tribally owned non-profit enterprise established by the Navajo Nation Council, and since 1959 has been the owner and operator of the bulk of essential utilities infrastructure on the Navajo Nation. For half a century, NTUA has provided natural gas, electricity, water and wastewater treatment facilities, and photovoltaic (solar power) services to the Navajo Nation. As part of its utilities operations, NTUA has also owned and operated its own internal communications network. NTUA is uniquely qualified to provide sustainability to open-architecture, open-access, broadband infrastructure on the Navajo Nation, as is so critically needed in the Shiprock Agency and elsewhere on the Navajo Nation.

Most of the chapter communities within the Shiprock Agency are completely unserved by broadband. Those few communities within broadband are underserved. As a result, the people in our communities suffer in regard to education, health services, public safety, including emergency medical, fire and police services, and other basic and critical daily needs, which depend on the digital information highway. The lack of broadband infrastructure in the Shiprock Agency is also a critical factor impairing economic development in our communities. NTUA has the most viable plan for a broadband build out in our communities, created in collaboration with the Navajo Nation government with the best interests of the Navajo people in mind. On behalf of the chapter communities in our agency, Shiprock Agency therefore gives its full support to the application of NTUA.

Sincerely,

  
Donald Benally  
Shiprock Agency Council President

cc: Chrono file

President Joe Shirley, Office of the President, Navajo Nation – Window Rock, Arizona

---

PRESIDENT  
Donald Benally

VICE-PRESIDENT  
David John

SECRETARY  
Lucinda Bennalley



**WESTERN NAVAJO AGENCY COUNCIL**

**PO Box 35**

**Tuba City, Arizona 86045**

**Telephone: (928) 283-3340**

**Fax: (928) 283-3345**

**Thomas L. Cody**  
**President**

**Yvonne Bigman**  
**Vice – President**

**Louise Kerley**  
**Secretary**

---

August 06, 2009

To Whom It May Concern:

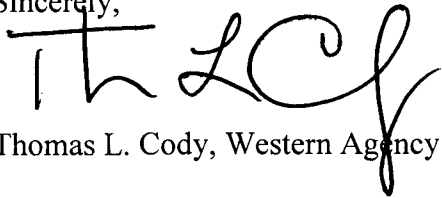
I am the President of the Western Agency Council of the Navajo Nation government. Our agency, one of five on the Navajo Nation, represents the interests of eighteen chapters of the Navajo Nation government. Each of those chapters, in turn, represents the voices of those Navajo individuals living within their chapter communities. This letter is offered on behalf of the Navajo people residing in the Western Agency in support of the application of the Navajo Nation for broadband “stimulus funds” through the Nation’s wholly owned enterprise, the Navajo Tribal Utility Authority (NTUA).

NTUA is currently applying for broadband infrastructure grant monies from the National Telecommunications Information Administration (NTIA), U.S. Department of Commerce, and the Rural Utilities Service (RUS) of the United States Department of Agriculture (USDA), through the RUS Broadband Initiatives Program (BIP) and the NTIA Broadband Technology Opportunities Program (BTOP). NTUA is a tribally owned non-profit enterprise established by the Navajo Nation Council, and since 1959 have been the owner and operator of the bulk of essential utilities infrastructure on the Navajo Nation. For half a century, NTUA has provided natural gas, electricity, water and waste water treatment facilities, and photovoltaic (solar power) services to the Navajo Nation. As part of its utilities operations, NTUA has also owned and operated its own internal communications network. NTUA is uniquely qualified to provide sustainability to open-architecture, open-access, broadband infrastructure on the Navajo Nation, as is so critically needed in the Western Agency and elsewhere on the Navajo Nation.

Most of the chapter communities within the Western Agency are completely unserved by broadband. As a result, the people in our communities suffer in regard to education, health services, public safety, including emergency medical, fire and police services, and other basic

and critical daily needs which depend on the digital information highway. The lack of broadband infrastructure in the Western Agency is also a critical factor impairing economic development in our communities. NTUA has the most viable plan for a broadband build out in our communities, created in collaboration with the Navajo Nation government with the best interests of the Navajo people in mind. On behalf of the chapter communities in our agency, Western Agency therefore gives its full support to the application of NTUA.

Sincerely,

A handwritten signature in black ink, appearing to read 'Th L Cody'. The signature is fluid and cursive, with the first name 'Th' and last name 'Cody' clearly distinguishable.

Thomas L. Cody, Western Agency President

Cc: Chronofile

Joe Shirley, President, Office of the President; Navajo Nation- Window Rock, AZ



## Eastern Navajo Agency Executive Council

Johnny Johnson  
PRESIDENT

Charles Long  
VICE-PRESIDENT

Dorothy Rogers  
SECRETARY

August 7, 2009

Re: Support Letter

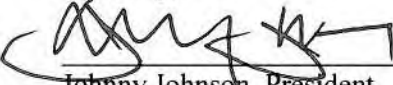
To Whom It May Concern:

The Eastern Navajo Agency is one (1) of five (5) Agencies on the Navajo Nation that represents the interests of thirty one (31) chapters of the Navajo Nation government. Each of these chapters, in turn, represents the voices of those individual Navajos living within their respective chapter/communities. This letter is offered on behalf of the Navajo people residing within the Eastern Navajo Agency in support of the application of the Navajo Nation for broadband "stimulus funds" through the Nation's wholly owned enterprise, the Navajo Tribal Utility Authority (NTUA).

NTUA is currently applying for broadband infrastructure grant monies from the National Telecommunications Information Administration (NTIA), U.S. Department of Commerce, and the Rural Utilities Service (RUS) of the United States Department of Agriculture (USDA), through the RUS Broadband Initiatives Program (BIP) and the NTIA Broadband Technology Opportunities Program (BTOP). NTUA is a tribally owned non-profit enterprise established by the Navajo Nation Council, and since 1959 has been the owner and operator of the bulk of essential utilities infrastructure on the Navajo Nation. For half a century, NTUA has provided natural gas, electricity, water and waste water treatment facilities, and photovoltaic (solar power) services to the Navajo Nation. As part of its utilities operations, NTUA has also owned and operated its own internal communications network. NTUA is uniquely qualified to provide sustainability to open-architecture, open-access, broadband infrastructure on the Navajo Nation, as is so critically needed in the Eastern Agency and elsewhere on the Navajo Nation.

Most of the chapter/communities within the Eastern Navajo Agency are completely not served by broadband. As a result, the people in our communities suffer in regard to education, health services, public safety, including emergency medical, fire and police services, and other basic and critical daily needs which depend on the digital information highway. The lack of broadband infrastructure in the Eastern Navajo Agency is also a critical factor impairing economic development in our communities. NTUA has the most viable plan for a broadband build out in our communities, created in collaboration with the Navajo Nation government with the best interests of the Navajo people in mind. As the President of the Eastern Navajo Agency Council; On behalf of the thirty one (31) chapters/communities, I give my full support to the application of NTUA.

Sincerely,

  
\_\_\_\_\_  
Johnny Johnson, President  
Eastern Navajo Agency Council

Cc: Dr., President Joe Shirley, Jr., Office of the President; Navajo Nation- Window Rock, AZ  
Chrono/file

*Ernest Hubbell, President*

**FORT DEFIANCE AGENCY COUNCIL**

*District 7 Council*

*Anslem Bitsoi, Vice President*

*District 14 Council*

*Edith B. Yazzie, Secretary*

*District 17 Council*

*Curran Hannon, Sergeant-At-Arm*

*District 18 Council*



**Navajo Nation**

---

*Dr. Joe Shirley, Jr., President*

*Ben Shelly, Vice President*

August 18, 2009

To Whom It May Concern:

I am the President of the Fort Defiance Agency Council of the Navajo Nation government. Our agency, one of five on the Navajo Nation, represents the interests of twenty nine chapters of the Navajo Nation government. Each of those chapters, in turn, represents the voices of those Navajo individuals living within their chapter communities. This letter is offered on behalf of the Navajo people residing in the Fort Defiance Agency in support of the application of the Navajo Nation for broadband "stimulus funds" through the Nation's wholly owned enterprise, the Navajo Tribal Utility Authority (NTUA).

NTUA is currently applying for broadband infrastructure grant monies from the National Telecommunications Information Administration (NTIA), U.S. Department of Commerce, and the Rural Utilities Service (RUS) of the United States Department of Agriculture (USDA), through the RUS Broadband Initiatives Program (BIP) and the NTIA Broadband Technology Opportunities Program (BTOP). NTUA is a tribally owned non-profit enterprise established by the Navajo Nation Council, and since 1959 it has been the owner and operator of the bulk of essential utilities infrastructure on the Navajo Nation. For half a century, NTUA has provided natural gas, electricity, water and waste water treatment facilities, and photovoltaic (solar power) services to the Navajo Nation. As part of its utilities operations, NTUA has also owned and operated its own internal communications network. NTUA is uniquely qualified to provide sustainability to open-architecture, open-access, broadband infrastructure on the Navajo Nation, as is so critically needed in the Fort Defiance Agency and elsewhere on the Navajo Nation.

Most of the chapter communities within the Fort Defiance Agency are completely un-served by broadband. As a result, the people in our communities suffer in regard to education, health services, public safety, including emergency medical, fire and police services, and other basic and critical daily needs which depend on the digital information highway. The lack of broadband infrastructure in the Fort Defiance Agency is also a critical factor impairing economic development in our communities. NTUA has the most viable plan for a broadband build out in our communities, created in collaboration with the Navajo Nation government with the best interests of the Navajo people in mind. On behalf of the chapter communities in our agency, Fort Defiance Agency therefore gives its full support to the application of NTUA.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ernest Hubbell".

Ernest Hubbell, Fort Defiance Agency President

Cc: Chronofile

President Joe Shirley, Office of the President; Navajo Nation- Window Rock, AZ

Chinle Agency Council  
P.O. Box 1139  
Chinle, Arizona 86503



Harrison Kee, President

Helena Begay, Secretary

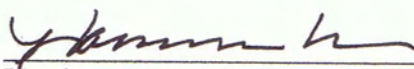
To Whom It May Concern:

I am the President of the Chinle Agency Council of the Navajo Nation government. Our agency, one of five on the Navajo Nation, represents the interests of sixteen chapters of the Navajo Nation government. Each of those chapters, in turn, represents the voices of those Navajo individuals living within their chapter communities. This letter is offered on behalf of the Navajo people residing in the Chinle Agency in support of the application of the Navajo Nation for broadband "stimulus funds" through the Nation's wholly owned enterprise, the Navajo Tribal Utility Authority (NTUA).

NTUA is currently applying for broadband infrastructure grant monies from the National Telecommunications Information Administration (NTIA), U.S. Department of Commerce, and the Rural Utilities Service (RUS) of the United States Department of Agriculture (USDA), through the RUS Broadband Initiatives Program (BIP) and the NTIA Broadband Technology Opportunities Program (BTOP). NTUA is a tribally owned non-profit enterprise established by the Navajo Nation Council, and since 1959 have been the owner and operator of the bulk of essential utilities infrastructure on the Navajo Nation. For half a century, NTUA has provided natural gas, electricity, water and waste water treatment facilities, and photovoltaic (solar power) services to the Navajo Nation. As part of its utilities operations, NTUA has also owned and operated its own internal communications network. NTUA is uniquely qualified to provide sustainability to open-architecture, open-access, broadband infrastructure on the Navajo Nation, as is so critically needed in the Chinle Agency and elsewhere on the Navajo Nation.

Most of the chapter communities within the Chinle Agency are completely unserved by broadband. As a result, the people in our communities suffer in regard to education, health services, public safety, including emergency medical, fire and police services, and other basic and critical daily needs which depend on the digital information highway. The lack of broadband infrastructure in the Chinle Agency is also a critical factor impairing economic development in our communities. NTUA has the most viable plan for a broadband build out in our communities, created in collaboration with the Navajo Nation government with the best interests of the Navajo people in mind. On behalf of the chapter communities in our agency, Chinle Agency therefore gives its full support to the application of NTUA.

Sincerely,

  
\_\_\_\_\_  
Harrison Kee, Chinle Agency President

Cc: Chronofile  
President Joe Shirley, Office of the President; Navajo Nation- Window Rock, AZ



# DINÉ COLLEGE

*Office of the President*

August 14, 2009

Administrator  
Rural Utilities Service  
U.S. Department of Agriculture  
Washington, D.C. 20250-1500

Assistant Secretary  
National Telecommunications and Information Administration  
U.S. Department of Commerce  
Washington, D.C. 20230

**Re: BIP and BTOP Application of Navajo Tribal Utility Authority**

Dear Sir/Madame:

Yá'át'ééh! I am writing to offer Diné College's support of Navajo Tribal Utility Authority ("NTUA"), and NTUA partner Commnet Wireless LLC ("Commnet"), in their joint application for funding of broadband infrastructure to the Rural Utility Service ("RUS"), U.S. Department of Agriculture, and to the National Telecommunications and Information Administration ("NTIA"), U.S. Department of Commerce, under the RUS Broadband Initiatives Program (BIP) and the NTIA Broadband Technology Opportunities Program (BTOP).

Diné College's main campus is located in Tsaile, Arizona, serves the residents of the 26,000 square-mile Navajo Nation which is spread over Arizona, New Mexico and Utah. The first of 30 tribal colleges, Diné College has two main campuses and six community centers serving approximately 2,000 students. Diné College is a public institution of higher education chartered by the Navajo Nation. The mission of Diné College is to apply the Sá'ah Naaghái Bik'eh Hózhóón principles to advance quality student learning through Nitsáhákees (Thinking), Nahatá (Planning), Iiná (Living) and Siih Hasin (Assuring).

As a postsecondary educational institution, Diné College awards Associate degrees and Certificates in areas important to the economic and social development of the Navajo Nation.

Diné College is accredited by the Higher Learning Commission, and is a member of the North Central Association.

On April 21-23, 2008, the Accreditation Committee of the Higher Learning Commission accredited the College for ten years for Associate degrees, and granted accreditation for a Bachelors degree in Teacher Education. With the emphasis on cultural and educational well-being of the Navajo Nation—and the place of this youthful population in a technologically advanced world—it is especially important that our colleges be culturally relevant, academically excellent, and technologically prepared.

Diné College, like its traditional college and tribal counterparts, has become an integral part of the communities it serves, providing opportunities for quality higher education that may not otherwise be available to students. Because of the remote locations of the campus sites across the Navajo Nation, it is important that the college be even more responsive to local community members than traditional colleges or universities.

Tribal Colleges frequently use distance learning to encourage student access and retention. This allows them to offer courses at many satellite locations, within the reservation, or on other reservations in the state.

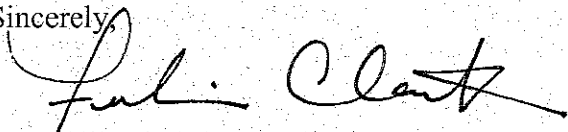
Historically, a large “digital divide” has existed between American Indian households and the rest of American Society (U.S. Department of Commerce report, 2000). According to a study conducted by the Bureau of Indian Affairs (BIA) in 2001, only half of the 185 schools supported by the BIA were connected to internet service, 76.4 percent of American Indian households had access to telephones as compared to the national average of 94.1 percent, and 26.8 percent of rural American Indian households had access to computers as compared to the national average of 42.1 percent (Davis, T., and Trebian, M., *Shaping the Destiny of Native American People by Ending the Digital Divide*, EduCause Review, January/February 2001).

The lack of parity is exacerbated by other barriers that have slowed the development of technology, to include remote geographic locations of the campus sites and lack of competitive pricing for WAN and Internet connectivity. Despite the challenges, more and more tribal colleges like Diné College are developing distance education courses and degree programs, for our students. Of all minority-serving institutions of higher learning tribal colleges offer the fewest distance education courses (GAO, 2003). This is changing, as colleges recognize distance learning as an opportunity to increase access as many tribal members in any one community can be place-bound because of the large geographic area, or because of family and/or job responsibilities.

Allowing NTUA and partner Commnet Wireless LLC to build broadband infrastructure on the Navajo Nation will mean competitive pricing on WAN and Internet connectivity for our College’s nine sites’ Interactive Television and on-line courses, and conceivably make affordable the network redundancy that other institutions in more populated areas may take for granted.

NTUA is a tribally owned non-profit enterprise established by the Navajo Nation Council, and since 1959 has been the owner and operator of the bulk of essential utilities infrastructure on the Navajo Nation. For half a century, NTUA has provided natural gas, electricity, water and waste water treatment facilities, and photovoltaic (solar power) services to the Navajo Nation. As part of its utilities operations, NTUA has also owned and operated its own internal communications network. NTUA is uniquely qualified to provide sustainability to open-architecture, open-access, broadband infrastructure on the Navajo Nation. Moreover, the plan of NTUA/Commnet under their BIP/BTOP application was developed in concert and collaboration with various key partners on the Navajo Nation, including the Navajo Nation government. Critically, the proposed NTUA/Commnet network is the most feasible and sustainable plan which can meet the vital communication needs of community anchor institutions and public safety entities like us, including for the provision of low cost access to dark fiber and bandwidth, and mobile wireless broadband. Axéhee'!

Sincerely,

A handwritten signature in black ink, appearing to read "Ferlin Clark". The signature is fluid and cursive, with a large initial "F" and a long, sweeping underline.

Dr. Ferlin Clark  
President





August 11, 2009

Re: National Telecommunications and Information Administration  
Broadband Technology Opportunities Program  
OMB Number 0660-0031  
Grant Application – August 14, 2009  
Navajo Tribal Utility Authority, Middle Mile Request

To whom it may concern:

Conterra Telecom Services (Conterra) strongly supports the application of the Navajo Tribal Utility Authority (NTUA) for grand funding to build out their middle mile infrastructure on the Navajo Nation. NTUA is uniquely positioned to make the best use of BTOP funding to vastly improve the access to true broadband service across the Nation and we would look forward to being able to make use of that middle mile connectivity upon completion.

In the fall of 2008, Conterra teamed with BNI Solutions, a subsidiary of Numerex Corporation, to deploy a high-speed fiber optic quality wireless broadband network to the 8 public high school districts in the Arizona portion of the Nation to support distance learning and Internet access for N.A.T.I.V.E., the Northeast Arizona Technological Institute of Vocational Education. N.A.T.I.V.E. is a Joint Technological Education District in Arizona working in partnership with eight area high schools: Chinle, Ganado, Pinon, Monument Valley, Red Mesa, Tuba City, Valley, and Window Rock. Its mission is to provide Career Technical Education for all its students. The N.A.T.I.V.E. district spans 22,000 square miles throughout three counties, serving an average of 4,000 students annually. The average distance between N.A.T.I.V.E. high schools is 101 miles and 78% of student-traveled roads to school are unpaved. High quality, high-speed broadband services were virtually non-existent on most parts of the Navajo Nation, but this has now changed.

Conterra and BNI deployed a 100 mbps network to support N.A.T.I.V.E. but it was not easy. The incumbent carrier had no useful capacity available, forcing us to lease very expensive middle mile solutions from the Lifeline cell carrier in the region. While this solution made the network possible, it is very expensive and has very limited scalability for the customer.

Once NTUA deploys its fiber middle mile solution we expect the cost of, and access to, broadband backhaul capacity to improve greatly. This in turn will allow Conterra and BNI to increase support to N.A.T.I.V.E. and other entities on the Nation at a much better price and with higher throughput and quality.

We believe the NTUA application represents the single best way to bring broadband access to all parts of the Navajo Nation ant more affordable pricing and urge NTIA to favorably review and award it.

With best regards,

A handwritten signature in black ink, appearing to read 'Van E. Snowdon', followed by a horizontal line extending to the right.

Van E. Snowdon  
Executive Vice President



AUG 07 2009

Navajo Area  
Indian Health Service  
P.O. Box 9020  
Window Rock, Arizona 86515-9020

Administrator  
Rural Utilities Service  
U.S. Department of Agriculture  
Washington, D.C. 20250-1500

Assistant Secretary  
National Telecommunications and Information Administration  
U.S. Department of Commerce  
Washington, D.C. 20230

**Re: Broadband Initiatives Program (BIP) and Broadband Technology Opportunities Program (BTOP) Application of Navajo Tribal Utility Authority (NTUA)/Comnet**

To Whom It May Concern:

The Navajo Area Indian Health Service (NAIHS) supports the expansion of broadband technology on the Navajo reservation which might be beneficial in regards to NAIHS remote programs on the Navajo Nation based on the following key points:

- (1) This broadband project might potentially support and facilitate the use of laptops with secured VPN connectivity to increase access of NAIHS Hospitals and Clinics from remote Navajo Nation field locations. This increased access will allow for entry of Personal Health Information (PHI) from the patient's remote residence to their NAIHS health record.
- (2) NAIHS field personnel might benefit greatly from this project due to Public Health Nurse (PHN), Community Health Representatives (CHR), Social Workers, and Motor Vehicle Operators using the enhanced voice and data connectivity as referenced in key point Item #1.

NTUA is a tribally-owned, non-profit enterprise established by the Navajo Nation Council, and since 1959 has been the owner and operator of the bulk of essential utilities infrastructure on the Navajo Nation. For half a century, NTUA has provided natural gas, electricity, water and waste water treatment facilities, and photovoltaic (solar power) services to the Navajo Nation. As part of its utilities operations, NTUA has also owned and operated its own internal communications network. NTUA is uniquely qualified to provide sustainability to open-architecture, open-access, broadband infrastructure on the Navajo Nation. The plan of NTUA/Comnet under their BIP/BTOP application was developed in concert and collaboration with various key partners on the Navajo Nation, including the Navajo Nation government.

Sincerely,

Douglas G. Peter, M.D.  
Deputy Director / Chief Medical Officer  
Navajo Area Indian Health Service



## TUBA CITY REGIONAL HEALTH CARE CORPORATION

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167 North Main Street, P.O. Box 600  
Tuba City, Arizona 86045-0600  
(928) 283.2501

August 4, 2009

Administrator  
Rural Utilities Service  
U.S. Department of Agriculture  
Washington, D.C. 20250-1500

Assistant Secretary  
National Telecommunications and Information Administration  
U.S. Department of Commerce  
Washington, D.C. 20230

**Re: BIP and BTOP Application of Navajo Tribal Utility Authority**

Dear Sir/Madame:

I am writing to offer my regional hospital's support for Navajo Tribal Utility Authority ("NTUA"), and NTUA partner Commnet Wireless LLC ("Commnet"), in their joint application for funding of broadband infrastructure to the Rural Utility Service ("RUS"), U.S. Department of Agriculture, and to the National Telecommunications and Information Administration ("NTIA"), U.S. Department of Commerce, under the RUS Broadband Initiatives Program (BIP) and the NTIA Broadband Technology Opportunities Program (BTOP).

Tuba City Regional Health Care Corporation (TCRHCC) is located in the western portion of the Navajo Nation in the state of Arizona, Coconino County. The Tuba City service area is 3,572 square miles; an area the size of Maine. The Tuba City Regional Health Care Corporation (TCRHCC) is established as a Regional Medical Center to provide quality comprehensive health care services for Native American populations residing in Northern Arizona and across the Navajo Nation and adjacent communities. The hospital's immediate service area includes communities representing three tribes, Navajo Nation, Hopi Nation, and the San Juan Southern Paiute. Navajo Nation chapters serviced by the Tuba City Regional Health Care Corporation include (communities) of Tuba City, Bodaway/Gap, Cameron, Coalmine Mesa, Coppermine, LeChee, Kaibeto and Tonalea. This area is 4,400 square miles, with an estimated 3.3 persons/square mile plus a poverty rate of approximately 35.2%. The unemployment rate is 56%. The area is a designated Medically Underserved Area (MUA) as well as primary care, dental and behavioral health Health Professional Shortage Areas (HPSA) with very high scores. As a regional Medical Referral Center, the TCRHCC serves over 28,000 people for primary care services plus an additional 75,000 for regional specialty related medicine from many facilities.

Tuba City Regional Health Care Corporation (TCRHCC) has the need for attachment to dark fiber and or other high speed bandwidth technology that would provide up to 100Mbit bandwidth to support connectivity to Tier 1 internet services, and to support connections to Tier 1 Hospitals for support, and for redundancy and a disaster recovery site.

This need for redundancy and disaster recovery would require us to be able to maintain a backup of our 100 Mb microwave connection to our Flagstaff clinic and to support our Radiology/PACS high speed connections for the radiology department. Also with the remote rural areas the need for cellular 3G and 4G would support our Telemedicine programs and support for our hospital service area Navajo Chapter Houses remote medical devices. Also we need these services for support 911 services for our remote cover areas.

NTUA is a tribally owned non-profit enterprise established by the Navajo Nation Council, and since 1959 has been the owner and operator of the bulk of essential utilities infrastructure on the Navajo Nation. For half a century, NTUA has provided natural gas, electricity, water and waste water treatment facilities, and photovoltaic (solar power) services to the Navajo Nation. As part of its utilities operations, NTUA has also owned and operated its own internal communications network. NTUA is uniquely qualified to provide sustainability to open-architecture, open-access, broadband infrastructure on the Navajo Nation. Moreover, the plan of NTUA/Commnet under their BIP/BTOP application was developed in concert and collaboration with various key partners on the Navajo Nation, including the Navajo Nation government. Critically, the proposed NTUA/Commnet network is the most feasible and sustainable plan which can meet the vital communication needs of community anchor institutions and public safety entities like us, including for the provision of low cost access to dark fiber and bandwidth, and mobile wireless broadband.

Sincerely,



Joseph Engelken, CEO

Cc: Grey Farrell, Jr., President  
TCRHCC Board of Directors



# THE NAVAJO NATION

JOE SHIRLEY, JR.  
PRESIDENT

BEN SHELLY  
VICE PRESIDENT

August 7, 2009

Administrator  
Rural Utilities Service  
U.S. Department of Agriculture  
Washington, D.C. 20250-1500

Assistant Secretary  
National Telecommunications and Information Administration  
U.S. Department of Commerce  
Washington, D.C. 20230

**Re: BIP and BTOP Application of Navajo Tribal Utility Authority**

Dear Sir/Madame:

I am writing to offer our program in support of Navajo Tribal Utility Authority ("NTUA"), and NTUA partner Commnet Wireless LLC ("Commnet"), in their joint application for funding of broadband infrastructure to the Rural Utility Service ("RUS"), U.S. Department of Agriculture, and to the National Telecommunications and Information Administration ("NTIA"), U.S. Department of Commerce, under the RUS Broadband Initiatives Program (BIP) and the NTIA Broadband Technology Opportunities Program (BTOP).

Our direct services to the Navajo Nation are vital while providing Fire & Rescue Services on the Navajo Nation, and in doing this the following key areas are:

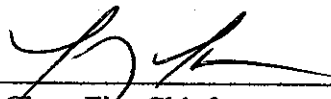
- The use of broadband in remote areas to enhance our capabilities to reach those patients, structure fires, wildland fires is critical.
- Ultimately respond to emergencies with ease of finding location using geographical information system (GIS) mapping.
- 4G wireless broadband systems would also enable us to use real time road mapping via the internet to find the best and quickest route to use in times of emergencies.
- The networking ability to connect dark fiber to all the fire stations to manage transfer of data, internet networking and be able to retrieve vital reports in a moment's notice.

- Wireless broadband ability will also enable our mobile command to communicate at a larger scale in the field with other agencies initiating to manage emergencies at a quicker pace.

We need this type of system, which will ultimately improve and enhance our capabilities as emergencies service providers and we must move forward in the best interest of the Navajo Nation.

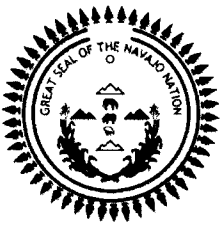
NTUA is a tribally owned non-profit enterprise established by the Navajo Nation Council, and since 1959 has been the owner and operator of the bulk of essential utilities infrastructure on the Navajo Nation. For half a century, NTUA has provided natural gas, electricity, water and waste water treatment facilities, and photovoltaic (solar power) services to the Navajo Nation. As part of its utilities operations, NTUA has also owned and operated its own internal communications network. NTUA is uniquely qualified to provide sustainability to open-architecture, open-access, broadband infrastructure on the Navajo Nation. Moreover, the plan of NTUA/Commnet under their BIP/BTOP application was developed in concert and collaboration with various key partners on the Navajo Nation, including the Navajo Nation government. Critically, the proposed NTUA/Commnet network is the most feasible and sustainable plan which can meet the vital communication needs of community anchor institutions and public safety entities like us, including for the provision of low cost access to dark fiber and bandwidth, and mobile wireless broadband.

Sincerely,



---

Larry Chee, Fire Chief  
Navajo Department of Fire & Rescue Services  
Division of Public Safety



# THE NAVAJO NATION

## NAVAJO DIVISION OF PUBLIC SAFETY

Office of the Division Director

P.O. Box 3360 ♦ Window Rock, AZ 86515 ♦ Telephone: (928) 871-6581

**Joe Shirley, Jr.**  
**PRESIDENT**

**Ben Shelly**  
**VICE-PRESIDENT**

August 11, 2009

Administrator  
Rural Utilities Service  
U.S. Department of Agriculture  
Washington, D.C. 20250-1500

Assistant Secretary  
National Telecommunications and Information Administration  
U.S. Department of Commerce  
Washington, D.C. 20230

### **Re: BIP and BTOP Application of Navajo Tribal Utility Authority**

Dear Sir/Madame:

I am writing to offer the Navajo Nation Division of Public Safety's ("Public Safety") support of Navajo Tribal Utility Authority ("NTUA"), and NTUA partner Commnet Wireless LLC ("Commnet"), in their joint application for funding of broadband infrastructure to the Rural Utility Service ("RUS"), U.S. Department of Agriculture, and to the National Telecommunications and Information Administration ("NTIA"), U.S. Department of Commerce, under the RUS Broadband Initiatives Program (BIP) and the NTIA Broadband Technology Opportunities Program (BTOP).

Public Safety provides emergency police services, support services in the collection of information and generation of reports relating to vehicular accidents, responds to natural and man-made disasters on the Navajo Nation, provides fire and rescue services, and responds to medical emergencies by rendering emergency care and transporting the sick or injured to a clinic or hospital when appropriate. DPS officers—whether it is Navajo Police, Fire & Rescue, and any other DPS squadron—need to be securely connected to their posts and each other "24/7" so that it will be possible for all the officers to be out in the field across the reservation and also attend to administrative duties, such as filing reports, at the same time. Additionally, district offices need to have high bandwidth connection to the DPS headquarters. Public Safety is also participating in the development of an integrated criminal justice system which will connect Public Safety, the Navajo Judicial Branch, the Office of the Prosecutor, and the Office of the Public Defender. That system will require a wide area broadband network to tie all the affected agency offices together.

NTUA is a tribally owned non-profit enterprise established by the Navajo Nation Council, and since 1959 has been the owner and operator of the bulk of essential utilities infrastructure on the Navajo Nation. For half a century, NTUA has provided natural gas, electricity, water and waste water treatment facilities, and photovoltaic (solar power) services to the Navajo Nation. As part of its utilities operations, NTUA has also owned and operated its own internal communications network. NTUA is uniquely



qualified to provide sustainability to open-architecture, open-access, broadband infrastructure on the Navajo Nation. Moreover, the plan of NTUA/Commnet under their BIP/BTOP application was developed in concert and collaboration with various key partners on the Navajo Nation, including the Navajo Nation government. Critically, the proposed NTUA/Commnet network is the most feasible and sustainable plan which can meet the vital communication needs of Public Safety, especially for seamless wireless broadband coverage along major highways on the Navajo Nation.

Sincerely,



Samson Cowbby  
Division Director  
Division of Public Safety



State of New Mexico  
*Office of the Governor*

Bill Richardson  
*Governor*

August 11, 2009

Broadband Technology Opportunities Program  
National Telecommunications and Information Administration  
U.S. Department of Commerce  
1401 Constitution Avenue NW  
HCHB, Room 4812  
Washington, DC 20230-0002

Broadband Initiatives Program  
Rural Utilities Service  
U.S. Department of Agriculture  
1400 Independence Avenue SW, Stop 1599  
Washington, DC 20250

**RE: State of New Mexico Integrated Strategic Broadband Initiative (ISBI) – Navajo Tribal Utility Authority (NTUA), Commnet, and HTI Grant Application in collaboration with and on behalf of the Navajo Nation**

Dear Sirs:

The State of New Mexico strongly supports and encourages your consideration of our proposals to the Broadband Technology Opportunities Program (BTOP) under the National Telecommunications and Information Administration (NTIA), and to the Broadband Initiatives Program (BIP) under the USDA Rural Utility Service. As Governor, I believe the broadband initiative will have an immediate and long-lasting impact on our state's economy. In addition, it will improve education and health care and provide communication services to our rural communities.

Over the past year, the State of New Mexico has orchestrated a statewide planning process for integrated, strategic broadband deployment which has involved a wide range of interests and entities. Our weekly meetings included representatives from service providers in the state, regional coalitions, tribal governments, local governments, state government agencies, educational institutions, technology partners, and legislators.

We believe our planning efforts have resulted in grant applications that include long-term, comprehensive solutions and cost efficiencies. These applications also support multiple uses,

Page 2  
August 11, 2009

including economic development, education and distance learning, health care and telemedicine, and sustainable energy development. As such, the State of New Mexico believes these projects will be sound investments of federal funds from which New Mexico will greatly benefit for generations to come. Please consider the attached grant application from NTUA, Commnet, and HTI Grant Application in collaboration with and on behalf of the Navajo Nation as a key ingredient of our Integrated Strategic Broadband Initiative.

Sincerely,

A handwritten signature in black ink that reads "Bill Richardson". The signature is written in a cursive style with a long, sweeping underline.

Bill Richardson  
Governor of New Mexico

BR/fl



NAVAJO TRIBAL UTILITY AUTHORITY  
AN ENTERPRISE OF THE NAVAJO NATION

August 10, 2009

Mr. Jon Landstrom; *Mr. John Badal*  
Chief Operating Officer; *Chief Executive Officer*  
Sacred Wind Communications, Inc.  
7801 Academy Rd. NE  
Building 2 – Room 202  
Albuquerque, New Mexico 87109

Re: Broadband Infrastructure Projects

Dear Mr. Landstrom; *Mr. Badal:*

We are aware that Sacred Wind Communications, Inc. ("SWC") is planning to file for federal funding under the Broadband Infrastructure Program jointly administered by the United States Departments of Agriculture and Commerce. You have advised that SWC will be seeking funding to construct last-mile facilities within portions of the Navajo Nation Reservation in northwestern New Mexico, as shown on the attached map.

Commnet Wireless LLC ("CWL") and the Navajo Tribal Utility Authority ("NTUA") are working together to prepare a joint Broadband Infrastructure application seeking federal funding to construct last-mile facilities within the Navajo Indian Reservation in northeastern Arizona, northwestern New Mexico and southeastern Utah.

This letter memorializes certain agreements that SWC, on one hand, and CWL and NTUA, on the other hand, have reached in connection with their respective Broadband Infrastructure applications. These agreements are as follows:

1. SWC agrees to limit its last-mile funding request to areas defined or depicted in the attached map ("Sacred Wind Funding Request Area"), and CWL/NTUA agrees to limit its last-mile funding request to areas lying outside the Sacred Wind Funding Request Area, and neither party shall seek funding to provide last-mile services within the last-mile service area proposed by the other party.
2. The parties agree to coordinate their facilities to avoid the potential for harmful electrical interference and, where possible, cooperate with respect to tower siting, microwave links and other elements of their respective

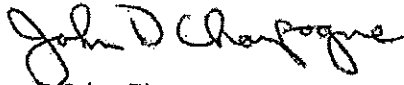
system design and operations. If both SWC and CWL/NTUA both receive federal funding in the first round of funding, we agree to explore ways by which we can share middle-mile backhaul facilities, interconnect our networks and/or otherwise cooperate to provide better broadband service.

3. SWC supports the purposes and objectives set out in the CWL/NTUA application, and CWL/NTUA support the purposes and objectives set out in the SWC application.

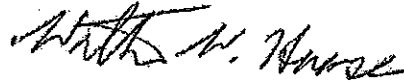
The parties may include a copy of this letter agreement in their respective Broadband Infrastructure applications.

Please indicate your agreement to the above by signing below. We wish you the best of luck in your application.

Sincerely,



John Champagne,  
Cominnet Wireless, LLC

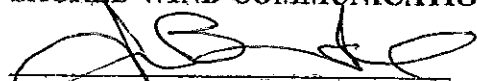


Walter W. Haase,  
Navajo Tribal Utility Authority

**AGREED AND ACKNOWLEDGED:**

**SACRED WIND COMMUNICATIONS, INC.**

By:



Jon Landstrom, Chief Operating Officer  
John Badal, Executive

Date:

Aug. 13, 2009



NAVAJO TRIBAL UTILITY AUTHORITY

AN ENTERPRISE OF THE NAVAJO NATION

August 5, 2009

Mr. Carroll Onsaie  
President/General Manager  
Hopi Telecommunications, Inc.  
5200 E. Cortland Blvd. E200  
Flagstaff, AZ 86004

Re: Broadband Infrastructure Projects

Dear Mr. Onsaie:

We are aware that Hopi Telecommunications, Inc., either directly or through its wholly-owned subsidiary Little Star Communications, Inc. (collectively, "HTI") is planning to file for federal funding under the Broadband Infrastructure program jointly administered by the United States Departments of Agriculture and Commerce (collectively, "ARRA Funding"). You have advised that HTI will be seeking funding to construct last-mile facilities within the Hopi Indian Reservation in northeastern Arizona, as well as the Jeddito Chapter of the Navajo Reservation, which chapter lies entirely within, and is surrounded by, the Hopi Reservation, and which receives its basic voice telephone service from HTI. These areas for HTI intends to seek ARRA Funding are referred to herein as the "HTI Area".

Commnet Wireless LLC ("CWL") and the Navajo Tribal Utility Authority ("NTUA") are working together to prepare a joint Broadband Infrastructure application seeking federal funding to construct last-mile facilities within the Navajo Indian Reservation in northeastern Arizona, northwestern New Mexico and southeastern Utah.

This letter memorializes certain agreements that HTI, on one hand, and CWL and NTUA, on the other hand, have reached in connection with their respective Broadband Infrastructure applications. These agreements are as follows:

1. HTI agrees to limit its last-mile funding request to the HTI Area, and CWL/NTUA agrees to limit its last-mile funding request to areas lying entirely outside the HTI Area, and neither party shall seek funding to provide last-mile services within the last-mile service area proposed by the other party.
2. The parties agree to coordinate their facilities to avoid the potential for harmful electrical interference and, where possible, cooperate with respect

Mr. Carroll Onsaie  
Page Two  
August 5, 2009

to tower siting, microwave links and other elements of their respective system design and operations. If HTI and CWL/NTUA both receive federal funding in the first round of funding, we agree to explore ways by which we can share middle-mile backhaul facilities, interconnect our networks and/or otherwise cooperate to provide better broadband service.

3. HTI supports the purposes and objectives set out in the CWL/NTUA application, and CWL/NTUA support the purposes and objectives set out in the HTI application.

The parties may include a copy of this letter agreement in their respective Broadband Infrastructure applications.

Please indicate your agreement to the above by signing below. We wish you the best of luck in your application.

Sincerely,

NAVAJO TRIBAL UTILITY AUTHORITY



Walter W. Haase, P.E.  
General Manager

COMMNET WIRELESS, LLC

John Champagne  
Executive Vice President

**AGREED AND ACKNOWLEDGED:**

**HOPI TELECOMMUNICATIONS, INC.**

By:   
Carroll Onsaie, President/General Manager

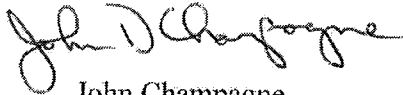
Date: 8/7/09

2. The parties agree to coordinate their facilities to avoid the potential for harmful electrical interference and, where possible, cooperate with respect to tower siting, microwave links and other elements of their respective system design and operations. If both HTI and CWL/NTUA both receive federal funding in the first round of funding, we agree to explore ways by which we can share middle-mile backhaul facilities, interconnect our networks and/or otherwise cooperate to provide better broadband service.
3. HTI supports the purposes and objectives set out in the CWL/NTUA application, and CWL/NTUA support the purposes and objectives set out in the HTI application.

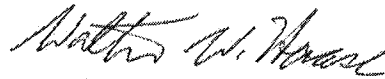
The parties may include a copy of this letter agreement in their respective Broadband Infrastructure applications.

Please indicate your agreement to the above by signing below. We wish you the best of luck in your application.

Sincerely,



John Champagne,  
Commnet Wireless, LLC



Walter W. Haase,  
Navajo Tribal Utility Authority

**AGREED AND ACKNOWLEDGED:**

**HOPI TELECOMMUNICATIONS, INC.**

By: \_\_\_\_\_  
Carroll Onsaie, President/General Manager

Date: \_\_\_\_\_



Attachment G - Detail of Project Costs						
SERVICE AREA or COMMON NETWORK FACILITIES:	Eligibility (Yes/No)	Unit Cost	No. of Units	Total Cost	Support of Reasonableness	
<b>NETWORK &amp; ACCESS EQUIPMENT</b>						
<b>Switching</b>	LTE CORE	Yes	\$1,257,500.00	1	\$1,257,500.00	Last-Mile
<b>Routing</b>						
<b>Transport</b>	MICROWAVE RADIOS, ANTENNAS, CABLES, ACCESSORIES	Yes	\$ 49,903.86	48 (38 NEW LINKS AND 10 LINKS TO UPGRADE)	\$2,395,385.28	Middle-Mile
	MW NETWORK MANAGEMENT SYSTEM	Yes	\$ 47,500.00	1	\$47,500.00	Middle-Mile
<b>Access</b>	LTE BTS-ENODEB	Yes	\$ 56,350.00	40	\$2,254,000.00	Last-Mile
	Power Cabinet w/ battery	Yes	\$ 4,800.00	40	\$192,000.00	Last-Mile
	ANTENNAS (KATHREIN 84-212280)	Yes	\$ 956.25	240 (2 ANT PER SECTOR)	\$114,750.00	Last-Mile
	HELIX CABLE (AVA7)	Yes	\$ 10.50	46663.2 (FT OF CABLE)	\$244,981.80	Last-Mile
<b>Other</b>	Switch/BTS Installation and integration	Yes	\$ 1,038,090.40	1	\$1,038,090.40	Last-Mile
<b>OUTSIDE PLANT</b>						
<b>Cables</b>	Fiber Construction / Installation / Testing	Yes	\$35000/Mile	560 Miles	\$ 19,600,000.00	Middle-Mile (Construction Estimates)
	Fiber Backbone to Chapter House	yes	\$1.00/FT	83,741	\$83,740.80	Middle-Mile (Manufacture Estimates)
<b>Conduits</b>	Fiber Backbone to Tower	yes	\$1.00/FT	11,194	\$11,193.60	Middle-Mile (Manufacture Estimates)
	Fiber to Substation	Yes	\$1.00/FT	4,620	\$4,620.00	Middle-Mile (Manufacture Estimates)
<b>Ducts</b>						
<b>Poles</b>	NTUA Electric Poles	No	-	6,956	\$ 2,000,000.00	Make Ready

<b>Towers</b>	120 ft Lite site	Yes	\$ 69,500.00	3	\$208,500.00	Middle-Mile
	180 ft SST	Yes	\$ 164,500.00	25	\$4,112,500.00	Middle-Mile
	45 ft Pole	Yes	\$ 44,000.00	2	\$88,000.00	Middle-Mile
	65 ft Lite Site	Yes	\$ 38,500.00	1	\$38,500.00	Middle-Mile
	60 ft SST	Yes	\$ 85,000.00	1	\$85,000.00	Middle-Mile
	20 ft extension	Yes	\$ 15,000.00	1	\$15,000.00	Middle-Mile
<b>Repeaters</b>	Regeneration Equipment	Yes	\$ 1,454,600.00	1	\$1,454,600.00	Middle-Mile (Hitachi )
	Routers	Yes	\$ 250.00	50	\$13,750.00	Middle-Mile (Hitachi )
	Switches	Yes	\$ 4,487.96	35	\$172,786.46	Middle- Mile (Cisco)
	Electronics Installation	Yes	10%	1	\$164,113.65	Middle Mile (Config/Install)
<b>Other</b>	Electrical	Yes	\$ 3,500.00	40	\$140,000.00	Last-Mile
	Tower Work	Yes	\$ 5,000.00	40	\$200,000.00	Last-Mile
<b>SERVICE AREA or COMMON NETWORK FACILITIES:</b>		Eligibility (Yes/No)	Unit Cost	No. of Units	Total Cost	Support of Reasonableness
<b>BUILDINGS</b>						
<b>New Construction</b>	Data Center	Yes	\$ 900,000.00	1	\$900,000.00	Middle-Mile
<b>Pre-Fab Huts</b>	12'X10' site shelters	Yes	\$ 37,000.00	34	\$1,258,000.00	Middle-Mile
<b>Improvements &amp; Renovation</b>						
<b>Other</b>	Utilities	Yes	\$ 5,000.00	34	\$170,000.00	Middle-Mile
	Back up Generators	Yes	\$ 4,000.00	34	\$136,000.00	Middle- Mile
<b>CUSTOMER PREMISE EQUIPMENT</b>						
<b>Modems</b>	Interior LTE modem	Yes	\$165.00	1,500	\$247,500.00	Last-Mile
	Exterior LTE modem	Yes	\$225.00	1,500	\$337,500.00	Last-Mile
<b>Set Top Boxes</b>						
<b>Inside Wiring</b>						
<b>Other</b>	Dongle LTE device for laptop access	Yes	\$ 94.00	4,500	\$423,000.00	Last-Mile
	PC Netbooks	Yes	\$ 350.00	2,500	\$875,000.00	Last-Mile

SYSTEMS						
<b>Billing Support Systems</b>						
	Billing and customer support software		\$ 250,000.00	1	\$250,000.00	Last-Mile
<b>Customer Care Systems</b>						
<b>Other Support</b>						
SERVICE AREA or COMMON NETWORK FACILITIES:	Eligibility (Yes/No)	Unit Cost	No. of Units	Total Cost	Support of Reasonableness	
OPERATING EQUIPMENT						
<b>Vehicles</b>						
<b>Office Equipment/ Furniture</b>						
<b>Other</b>						
PROFESSIONAL SERVICES						
<b>Engineering Design</b>	MW ENGINEERING SERVICES	Yes	\$ 5,677.08	48	\$272,499.84	Middle-Mile
	Fiber Optics Engineering	yes	\$ 1,633.75	560 Miles	\$914,898.86	Middle-Mile
	Site Drawings	Yes	\$ 2,500.00	32	\$80,000.00	Last-Mile
<b>Project Management</b>	Filing Fees	Yes	\$ 300.00	32	\$9,600.00	Last-Mile
	Civil Work	Yes	\$ 2,500.00	32	\$80,000.00	Last-Mile
	Fiber Optics Engineering	Yes	\$ 1,633.75	560 Miles	\$914,898.86	Middle-Mile
<b>Consulting</b>	Site Acq. And Env. Permit	Yes	\$ 5,000.00	32	\$160,000.00	Last-Mile
	Fiber Optics Engineering	Yes	\$671,760.66	1	\$671,760.66	Middle-Mile
<b>Other</b>	MW Interference Studies, Coordination and MW FIXED PTP Licensing	Yes	\$ 2,864.58	48	\$137,499.84	Middle-Mile
	Installation, Integration	Yes	\$ 22,523.75	48	\$1,081,140.00	Middle-Mile
	Wireless Test Equipment	Yes	\$ 78,000.00	1	\$78,000.00	Last-Mile
TESTING						
<b>Network Elements</b>						
<b>IT System Elements</b>						

<b>User Devices</b>						
<b>Test Generators</b>						
<b>Lab Furnishings</b>						
<b>Servers/ Computers</b>						
<b>OTHER UPFRONT COSTS</b>						
<b>Site Preparation</b>	Data Center	Yes	\$ 250,000.00	1	\$250,000.00	Middle-Mile
	Tower Sites	Yes	\$ 18,000.00	34	\$612,000.00	Middle-Mile
<b>Other</b>	Application Prep cost				\$100,000.00	Middle-Mile
	Shipping	Yes	\$ 90,000.00	1	\$90,000.00	Last-Mile
<b>Total Project Cost</b>					<b>\$45,985,810.05</b>	

## Statement of Cash Flows

	Historical		Year 1	Year 2	Year 3	Year 4	Year 5
	2007	2008					
<b>Beginning Cash</b>	<b>\$ 3,605,981</b>	<b>\$ 2,341,626</b>	<b>\$ -</b>	<b>\$ 236,267</b>	<b>\$ (250,480)</b>	<b>\$ (1,463,273)</b>	<b>\$ (3,452,227)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>							
Net Income	-	-	3,213,576	7,753,036	12,908,131	12,799,110	14,204,819
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>							
Add: Depreciation	-	-	-	-	-	1,500,000	1,500,000
Add: Amortization	-	-	196,875	393,750	562,500	562,500	562,500
<i>Changes in Current Assets and Liabilities:</i>							
Marketable Securities	-	-	-	-	-	-	-
Accounts Receivable	-	-	3,561,810	8,499,540	13,968,600	15,348,600	16,743,000
Inventory	-	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-	-
Other Current Assets	-	-	-	-	-	-	-
Accounts Payable	-	-	905,522	905,521	776,161	-	-
Other Current Liabilities	-	-	-	-	-	-	-
<b>Net Cash Provided (Used) by Operations</b>	<b>\$ 13,317,857</b>	<b>\$ 22,533,342</b>	<b>\$ 360,413</b>	<b>\$ (234,733)</b>	<b>\$ (846,808)</b>	<b>\$ (1,611,990)</b>	<b>\$ (1,600,681)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>							
Notes Receivable	-	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-	-
Principal Payments	-	-	(124,145)	(252,014)	(365,985)	(376,964)	(388,273)
New Borrowing	-	-	(5,906,250)	(5,906,250)	(5,062,500)	-	-
Additional Paid-in Capital	-	-	(5,906,250)	(5,906,250)	(5,062,500)	-	-
Additions to Patronage Capital Credits	-	-	-	-	-	-	-
Payment of Dividends	-	-	-	-	-	-	-
<b>Net Cash Used by Financing Activities</b>	<b>\$ (17,017,582)</b>	<b>\$ (15,075,731)</b>	<b>\$ (11,936,645)</b>	<b>\$ (12,064,514)</b>	<b>\$ (10,490,985)</b>	<b>\$ (376,964)</b>	<b>\$ (388,273)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>							
Capital Expenditures	-	-	15,750,000	15,750,000	13,500,000	-	-
Amortizable Asset (Net of Amortization)	-	-	-	-	-	-	-
Long-Term Investments	-	-	(3,937,500)	(3,937,500)	(3,375,000)	-	-
<b>Net Cash Provided by Investing Activities</b>	<b>\$ (6,016,201)</b>	<b>\$ 493,519</b>	<b>\$ 11,812,500</b>	<b>\$ 11,812,500</b>	<b>\$ 10,125,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Increase (Decrease) in Cash</b>	<b>\$ (1,264,355)</b>	<b>\$ (500,441)</b>	<b>\$ 236,267</b>	<b>\$ (486,747)</b>	<b>\$ (1,212,793)</b>	<b>\$ (1,988,954)</b>	<b>\$ (1,988,954)</b>
<b>Ending Cash</b>	<b>\$ 2,341,626</b>	<b>\$ 1,841,185</b>	<b>\$ 236,267</b>	<b>\$ (250,480)</b>	<b>\$ (1,463,273)</b>	<b>\$ (3,452,227)</b>	<b>\$ (5,441,181)</b>

# Balance Sheet

<b>Assets</b>	<b>Historical</b>		<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
	<b>2007</b>	<b>2008</b>					
<i>Current Assets</i>							
Cash	\$ 2,341,626	\$ 1,841,185	\$ 236,267	\$ (250,480)	\$ (1,463,273)	\$ (3,452,227)	\$ (5,441,181)
Marketable Securities	\$ 4,185,313	\$ 10,250,305	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	\$ 15,464,294	\$ 15,551,345	\$ 3,561,810	\$ 12,061,350	\$ 26,029,950	\$ 41,378,550	\$ 58,121,550
Notes Receivable	\$ 1,289,535	\$ 2,451,647	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory	\$ 5,195,725	\$ 5,449,649	\$ -	\$ -	\$ -	\$ -	\$ -
Prepayments	\$ 552,996	\$ 574,785	\$ -	\$ -	\$ -	\$ -	\$ -
Other Current Assets	\$ 1,682,095	\$ 738,720	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Current Assets</b>	<b>\$ 30,711,584</b>	<b>\$ 36,857,636</b>	<b>\$ 3,798,077</b>	<b>\$ 11,810,870</b>	<b>\$ 24,566,677</b>	<b>\$ 37,926,323</b>	<b>\$ 52,680,369</b>
<i>Non-Current Assets</i>							
Long-Term Investments	\$ 2,103,147	\$ 2,101,895	\$ -	\$ -	\$ -	\$ -	\$ -
Amortizable Asset (Net of Amortization)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plant in Service	\$ 709,740,855	\$ 753,334,692	\$ 15,750,000	\$ 31,500,000	\$ 45,000,000	\$ 45,000,000	\$ 43,500,000
Less: Accumulated Depreciation	\$ 322,526,383	\$ 343,328,274	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000
Net Plant	\$ 387,214,472	\$ 410,006,418	\$ 15,750,000	\$ 31,500,000	\$ 45,000,000	\$ 43,500,000	\$ 42,000,000
Other	\$ 1,921,988	\$ 1,578,510	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Non-Current Assets</b>	<b>\$ 391,239,607</b>	<b>\$ 413,686,823</b>	<b>\$ 15,750,000</b>	<b>\$ 31,500,000</b>	<b>\$ 45,000,000</b>	<b>\$ 43,500,000</b>	<b>\$ 42,000,000</b>
<b>Total Assets</b>	<b>\$ 421,951,191</b>	<b>\$ 450,544,459</b>	<b>\$ 19,548,077</b>	<b>\$ 43,310,870</b>	<b>\$ 69,566,677</b>	<b>\$ 81,426,323</b>	<b>\$ 94,680,369</b>
<i>Liabilities and Owners' Equity</i>							
<b>Liabilities</b>							
<i>Current Liabilities</i>							
Accounts Payable	\$ 9,473,016	\$ 10,286,178	\$ 905,522	\$ 1,811,043	\$ 2,587,204	\$ 2,587,204	\$ 2,587,204
Notes Payable	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current Portion - Total RUS Debt	\$ 1,552,006	\$ 1,653,178	\$ -	\$ -	\$ -	\$ -	\$ -
Current Portion - Other Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Current Liabilities	\$ 12,384,921	\$ 11,550,548	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Current Liabilities</b>	<b>\$ 24,409,943</b>	<b>\$ 23,489,904</b>	<b>\$ 905,522</b>	<b>\$ 1,811,043</b>	<b>\$ 2,587,204</b>	<b>\$ 2,587,204</b>	<b>\$ 2,587,204</b>
<i>Long-Term Liabilities</i>							
Existing RUS Debt	\$ 36,466,320	\$ 34,789,584	\$ -	\$ -	\$ -	\$ -	\$ -
Proposed RUS Debt	\$ -	\$ -	\$ 5,782,105	\$ 11,436,341	\$ 16,132,856	\$ 15,755,892	\$ 15,367,618
Existing non-RUS Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Long-Term Liabilities	\$ 281,137,926	\$ 301,944,935	\$ 5,709,375	\$ 11,221,875	\$ 15,721,875	\$ 15,159,375	\$ 14,596,875
<b>Total Long-Term Liabilities</b>	<b>\$ 317,604,246</b>	<b>\$ 336,734,519</b>	<b>\$ 11,491,480</b>	<b>\$ 22,658,216</b>	<b>\$ 31,854,731</b>	<b>\$ 30,915,267</b>	<b>\$ 29,964,493</b>
<b>Total Liabilities</b>	<b>\$ 342,014,189</b>	<b>\$ 360,224,423</b>	<b>\$ 12,397,002</b>	<b>\$ 24,469,259</b>	<b>\$ 34,441,935</b>	<b>\$ 33,502,471</b>	<b>\$ 32,551,697</b>
<i>Owner's Equity</i>							
Capital Stock	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional Paid-In Capital	\$ 79,937,002	\$ 90,320,036	\$ 7,151,076	\$ 18,841,612	\$ 35,124,743	\$ 47,923,853	\$ 62,128,672
Patronage Capital Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retained Earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Equity</b>	<b>\$ 79,937,002</b>	<b>\$ 90,320,036</b>	<b>\$ 7,151,076</b>	<b>\$ 18,841,612</b>	<b>\$ 35,124,743</b>	<b>\$ 47,923,853</b>	<b>\$ 62,128,672</b>
<b>Total Liabilities and Owner's Equity</b>	<b>\$ 421,951,191</b>	<b>\$ 450,544,459</b>	<b>\$ 19,548,077</b>	<b>\$ 43,310,870</b>	<b>\$ 69,566,677</b>	<b>\$ 81,426,323</b>	<b>\$ 94,680,369</b>

# Income Statement

	Historical		Forecast Period				
	2007	2008	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Revenues</b>							
Network Services Revenues:							
Local Voice Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Broadband Data	\$ -	\$ -	\$ 4,099,410	\$ 9,520,980	\$ 15,427,800	\$ 16,807,800	\$ 18,202,200
Video Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Network Access Service Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Universal Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Toll Service/Long Distance Voice	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Installation Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating Revenues	\$ 85,010,276	\$ 95,283,869	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenues	\$ 832,706	\$ 579,328	\$ -	\$ -	\$ -	\$ -	\$ -
Uncollectible Revenues	\$ 152,651	\$ 646,454	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 85,690,331</b>	<b>\$ 95,216,743</b>	<b>\$ 4,099,410</b>	<b>\$ 9,520,980</b>	<b>\$ 15,427,800</b>	<b>\$ 16,807,800</b>	<b>\$ 18,202,200</b>
<b>Expenses</b>							
Backhaul	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Network Maintenance/Monitoring	\$ -	\$ -	\$ 159,250	\$ 318,500	\$ 455,000	\$ 455,000	\$ 455,000
Utilities	\$ 36,476,984	\$ 40,028,401	\$ -	\$ -	\$ -	\$ -	\$ -
Leasing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales/Marketing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Care	\$ 5,896,241	\$ 5,921,512	\$ 66,267	\$ 132,534	\$ 189,334	\$ 189,334	\$ 189,334
Billing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate G&A	\$ 12,401,074	\$ 12,626,222	\$ 142,405	\$ 284,809	\$ 406,870	\$ 406,870	\$ 406,870
Other Operating Expense	\$ 14,161,418	\$ 14,222,114	\$ 537,600	\$ 1,075,200	\$ 1,536,000	\$ 1,536,000	\$ 1,536,000
<b>Total</b>	<b>\$ 68,935,717</b>	<b>\$ 72,798,249</b>	<b>\$ 905,522</b>	<b>\$ 1,811,043</b>	<b>\$ 2,587,204</b>	<b>\$ 2,587,204</b>	<b>\$ 2,587,204</b>
<b>EBITDA</b>	<b>\$ 16,754,614</b>	<b>\$ 22,418,494</b>	<b>\$ 3,193,888</b>	<b>\$ 7,709,937</b>	<b>\$ 12,840,596</b>	<b>\$ 14,220,596</b>	<b>\$ 15,614,996</b>
Depreciation	\$ 9,419,667	\$ 10,199,320	\$ -	\$ -	\$ -	\$ (1,500,000)	\$ (1,500,000)
Amortization	\$ -	\$ -	\$ 196,875	\$ 393,750	\$ 562,500	\$ 562,500	\$ 562,500
<b>Earnings Before Interest and Taxes</b>	<b>\$ 7,334,947</b>	<b>\$ 12,219,174</b>	<b>\$ 3,390,763</b>	<b>\$ 8,103,687</b>	<b>\$ 13,403,096</b>	<b>\$ 13,283,096</b>	<b>\$ 14,677,496</b>
Interest Expense - New RUS Debt	\$ -	\$ -	\$ 177,188	\$ 350,651	\$ 494,965	\$ 483,986	\$ 472,677
Interest Expense - Existing RUS Debt	\$ 1,908,458	\$ 1,836,130	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Income Before Taxes</b>	<b>\$ 5,426,489</b>	<b>\$ 10,383,044</b>	<b>\$ 3,213,576</b>	<b>\$ 7,753,036</b>	<b>\$ 12,908,131</b>	<b>\$ 12,799,110</b>	<b>\$ 14,204,819</b>
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Income</b>	<b>\$ 5,426,489</b>	<b>\$ 10,383,044</b>	<b>\$ 3,213,576</b>	<b>\$ 7,753,036</b>	<b>\$ 12,908,131</b>	<b>\$ 12,799,110</b>	<b>\$ 14,204,819</b>

# Wally Chief

## **SKILLS:**

- Supervision Experience
- Experience in working in multi-cultural
- Advanced computer knowledge environment
- Excellent organization skills
- Experience in establishing and maintaining
- Demonstrated strong Human productive and positive working environment Relation
- Ability to identify and define problems and Project Management Experience solutions

## **ACCOMPLISHMENTS:**

- Managed, as lead Engineer Oversight, Procured & Completed Multiple Substation renovations, including recloser, line equipment, capacitor installations, New Substations, including Forest Lake Oil Containment Addition, Gray Mountain CT Upgrade, Houck Substation Upgrade, Red Mesa Oil Containment Upgrade, Bitahochee Substation Upgrade, Mexican Water Substation Upgrade, Mexican Hat Substation Upgrade, Tsegi Transformer Replacement Project, Rock Point Substation Upgrade, Chilchinbeto Substation Upgrade, New Coppermine Substation, New Cudei Switching Station. *Completed 1999 - 2004*
- Managed, as lead Engineer, Developed, Designed, Specifications, Design Drawings, Procurement, and RUS submittal & RUS approval of the Shiprock #2 Substation Upgrade.

### ***Completed Spring 2004***

- Managed the NTUA GIS Project, including a core team of three individuals, managed the development of NTUA's ESRI GIS & Miner & Miner System. The work included, but not limited to the development of a geodatabase, field data collection, and GIS Plan.

### ***Completed May 2003***

- Managed Design group directly, including ROW Agent, Project Coordinator, GIS/GPS Coordinators, and Engineering Technicians. Developed 1st Electronic Electric Commercial Specs & Process, Involvement through staff the development of 1<sup>st</sup> Electronic Outage Database at NTUA, 1<sup>st</sup> steps to Improve Work Order Process through development to Improve CJ02 initiated. *Completed 2000-2004*
- Involved in, and completion of various contract amendments, including Tucson Electric Power, Public Service of New Mexico. *Completed 2004-2006*
- Managed the completion of multiple planning documents, including but not limited to Electric Construction Work Plan, Integrated Resource Plan, Power Requirement Study, O&M Plan, Long Range Plan. *Completed 2004-2009*
- Managed E&TS Employees 69 employees, including, Water/Wastewater, Electric and Natural Gas Employees. *2004 to Present.*

## **EDUCATION:**

**NORTHERN ARIZONA UNIVERSITY**, Flagstaff Arizona *January 1991 – May 1997* Bachelor of Science in Engineering (Major: *Electrical Engineering with Emphasis on System Design*) Courses included Electronics II, digital signal processing, electric machines, solar energy analysis and design, communications, engineering analysis, environmental engineering, Calculus III, differential equations, Physics III, semiconductors, electromagnetism.

**MILITARY EDUCATION - US NAVY**, Norfolk Virginia *July 1986 - July 1990* Honorable discharge - USS John Marshall, TM3 SS



RESUME

Walter W. Haase, P.E.

■ Email: [walterh@ntua.com](mailto:walterh@ntua.com)

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**General Manager – Navajo Tribal Utility Authority**

*Walter W. Haase has 18 years of senior-level executive experience in the electric utility industry. He is currently the General Manager for the multi-service utility owned and operated by the Navajo Nation, largest Native American tribe in the United States. NTUA provides and operates electric, water, wastewater, natural gas, and solar energy services to communities throughout a 26,000 square-mile region. NTUA serves approximately 38,000 electric customers, 35,000 water, 13,000 waste water customers, and 7,000 natural gas customers, and employs full time 560 employees.*

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**Education**

Keller Graduate School of Management - MBA degree 1997, GPA 3.70-4.0

University of Illinois - B.S. Electrical Engineering 1988

USDOT Gas Pipeline Operators License 1999

North Carolina Professional Engineer License 1998

Illinois Professional Engineer License 1993

**Professional Affiliations:**   **Member IEEE** – National Society of Professional Engineers  
  **Board Member** – American Public Power Association (2005-2007)  
  **Served on Executive Board** - American Public Power Association (2006-2007)  
  **Executive Board Member** - New York Association of Public Power  
  **Vice Chairman of Safety Committee** - American Public Gas Association

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**Previous Experience**

**SPECIAL PROJECTS ENGINEER**

**VILLAGE OF SHERBURNE, NY**

May 2007 to October 2007

Hired on a short-term contract to set-up a succession plan, complete several utility projects, and provide day-to-day engineering support for the electric department. Project accomplishments include: succession planning for management, craft workforce, design and implementation for an automated meter reading system, energy efficiency programs, and electric distribution circuit network study, etc.

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**GENERAL MANAGER**

**JAMESTOWN BOARD OF PUBLIC UTILITIES, JAMESTOWN, NY**

January 1999 to May 2007

Chief Executive Officer for the multi-utility municipal operation, including electric, district heat, solid waste/wastewater services. The electric division's generation assets included: coal fired generation of (48 MW) and combined cycle natural gas fired generation of (43 MW). The electric division also operated the telecommunications department, and the district heating division operated the district cooling system.

Key Accomplishments:

- Installation of a new 43 MW Combined Cycle gas turbine
- Construction of two new 34.5 kV subtransmission lines
- Construction of a new 115kV to 34.5 kV substation, and new 34.5 kV to 13.8 kV substation
- Major modification of an existing 115kV to 13.8 kV substation
- Implemented an automated meter reading program for Electric and Water meters
- Automated utility system maps to GIS ARC Info computer system

## Thomas W. Nelson

### Chief Financial Officer

### Navajo Tribal Utility Authority

#### Relevant Business Experience:

##### Management Consulting

- Provided financial and management consulting services on both financial and operational issues.
- Reviewed financial processes and developed Policies and Procedures for financial and internal controls. (Sarbanes-Oxley)
- Designed and developed internal financial reporting systems.
- Reviewed controls and processes to identify compliance and cost savings.

##### Financial Accounting & General Accounting

- Responsibilities included monthly closing of financial records, producing all monthly financial reports, compliance with all quarterly and annual reporting requirements (GAAP, SEC, FERC, etc).
- Reviewed all SEC Financial Report filings: 10K, Annual Shareholders report
- Involved in the development of a financial budgeting and reporting system.
- Worked on design team to develop and implement a new general ledger system.

##### Audit Services

- Reported to Chairman of the Board of Directors and Chairman of the Audit Committee.
- Develop and implement new strategic direction for internal audit function.
- Developed new audit standards, expanded audit universe and streamlined reporting process.
- Developed improved internal controls and procedures
- Served as Corporate Compliance Officer
- Over a five year period, averaged \$20 million per year in audit recovery.

#### Relevant Career Experience:

Present	Navajo Tribal Utility Authority <i>Chief Financial Officer</i>
2000-2009	Resources Global Professionals <i>Associate</i>  Spence, Driscoll & Co <i>Associate</i>
1973-1999	Tucson Electric Power <i>Manager HR &amp; Business Process Reengineering</i> <i>Corporate General Auditor</i> <i>Director/Supervisor Financial &amp; General Accounting)</i>

#### Education:

University of Arizona  
BS Business Administration, Accounting

#### Industry Experience

Utilities

Consulting

Retail Trade

Securities/Investing

#### Functional Expertise

Controllershship

Internal Audit Leadership

Internal Controls &  
Process Flows

SEC Reporting

Budgeting & Forecasting

System Optimization

FERC Reporting

Sarbanes-Oxley  
Documentation

Human Resources  
Leadership

#### Systems Experience

SAP (FI, CO, MM, PP,  
GR/IR, FERC)

Oracle General Ledger

PeopleSoft Payroll

Microsoft Office Suite

#### Languages

Fluent in English and  
Spanish

Monroe M. Keedo

Wk# 928-729-6282

## **EDUCATION**

New Mexico State University, Las Cruces, NM, **MS Electrical Engineering (MSEE)** with minor in Industrial Engineering, Focused in Digital logic Design and Control Feedback Systems.

New Mexico Highlands University, Las Vegas, NM, **BS Engineering (BSE)** with major in Electrical Engineering and minor in Combined Science.

## **WORK EXPERIENCE**

**NAVAJO TRIBAL UTILITY AUTHORITY (NTUA)** Ft. Defiance, AZ

**INFORMATION TECHNOLOGY DIVISION MANAGER** Sept 02 – Present

Responsible for ensuring operational excellence of NTUA's Informational Technology Systems and Communications Infrastructure through continues improvement, attention to detail, clear communications avenues, embracing change, leadership and teamwork while making certain all tasks are completed in a safe timely manner.

**UTILITY SYSTEMS OPERATIONAL DISPATCHER SUPERVISOR** Dec 01- Sept 02

Mentored and coached utility operation dispatchers. Provided opportunities for up-skilling. Motivated utility dispatchers to be more effective through role modeling, coaching, mentoring, constructive feedback, knowledge transfer, team leadership and team building.

**INTEL CORPORATION** – Rio Rancho, NM

**INTEL MODULE REPAIR (IMR) TEST ENGINEER** Jan 99 – Oct 01

Provided Intel Fab/Sort/Assembly/Test facilities world wide with timely, cost effective, quality products and services. Designed, developed, and implemented cost savings projects. Worked with tool set engineers and factory buyers to meet deadlines, identify parts, potential issues, and quality control.

**FAB7/9 DIFFUSION MANUFACTURING SUPERVISOR**, Sep. 98 - Jan 99

Ensured team met or exceeded factory area output, line yield, safety, cycle time and cost goals.

**FAB11 SORT TEST ENGINEER (S9K)**, Feb. 98 - Aug.98

Sustained Sort tester health on the Fab11 sort floor and developed software tools in PERL for automatic tester health monitoring.

**FAB 9 DIFFUSION PROCESS ENGINEER**, Oct. 97 - Feb. 98

Worked with Diffusion process engineers, supervisors, and technicians to sanity check recipes, and conduct experiments to increase die yield, and decrease Diffusion process variability. Standardized ATM Support Recipes and sustained the area. Designed and implemented the All Argon Seal Ox process change to achieve a 4 DPW increase.

**FAB 9 YIELD ANALYSIS ENGINEER**, June 97- Oct. 97

Investigated the yield impact of excursions, experiments or pilot lines in the factory. Used the following software tools; CA2MRA, COMMON\_ENT, LBE, WMA\_CUMMAP, WIP\_COMMENTS, UGLY, SLAP, SPP, STP, and YAP. Participated in Yield Analysis reviews.

**SANDIA NATIONAL LABORATORIES** Albuquerque, NM

**SUMMER INTERN** 1993, 1995, 1996. Organizations 2612, 2761, and 9742 respectfully

Downloaded, enhanced, and implemented VAX/VMS FORTAN-77 data acquisition and manipulation programs onto a PC based system. Setup and monitored instrumentation equipment for high velocity impact tests. Tested and collected data on Memory Logic Devices to determine if their physical characteristic could be utilized in group projects.

## **COMPUTER SKILLS**

MS Project, MS-WORD, Excel, Power Point, WORKSTREAM, UNIX, VAX, PERL, C, C++, FORTRAN, MATLAB, LABVIEW, SIMULINK

## Carrie A. Murphy

### SUMMARY

Nine years of progressive experience in accounting and financial management; two years of progressive experience in electric, gas, water, wastewater, and solar utilities. Proven ability to understand, analyze, and interpret utility specific accounting principles, practices, and concepts for management decisions and strategic planning.

### EDUCATION

#### **Bachelor of Business Administration in Financial Management and Accounting**

University of New Mexico, Albuquerque, New Mexico, May 2006

### WORK EXPERIENCE

#### **Financial Analyst and Acting Customer Accounts Supervisor, May 2007 to Present**

Navajo Tribal Utility Authority, Finance & Accounting Division, Fort Defiance, Arizona

- Develop forecast models and prepare financial forecasts for each utility service
- Compile data for and prepare reports, analyses, and statements
- Maintain historical financial data files for the entire company and by each utility service
- Coordinate the preparation of rate design and cost of service studies
- Perform financial studies to present to management in conjunction with recommendations of proposed plans
- Detailed knowledge of electric and gas utilities, processes, organization, and financial structure
- Leadership skills in audit, FERC implementation, electric rate study, and current acting supervisor status

#### **Assistant National Bank Examiner, May 2006 – Jan 2007**

United States Department of Treasury, Office of the Comptroller of the Currency, Wichita, Kansas

Gathered, organized and analyzed selected data related to bank supervision, bank accounting fundamentals, bank systems and controls, banking law, and consumer programs; Participated in discussions with other employees and bank management personnel to gather information; Completed related supervisory procedures, checked compliance with laws and regulations, drew conclusions and recommendations related to specific bank capital, earnings, liquidity, and sensitivities to market risk.

#### **Accounting Intern, Aug 2002 – Dec 2005**

University of New Mexico, Office of Development, Gift Processing & Financial Services, Albuquerque, New Mexico

- Debited, credited, and totaled accounts on spreadsheets and databases using Banner Software
- Checked figures, postings, and documents for correct entry, mathematical accuracy, and proper coding
- Classified, recorded, and summarized financial data in order to compile and keep financial records

### HONORS / AWARDS

Certificate of Appreciation & Outstanding Performance – 2008 Annual Audit, May 2009

Special Act Award for Excellent Performance & Outstanding Teamwork – FERC Implementation, Nov 2008

Certificate of Appreciation & Outstanding Performance – Electric Rate Public Forums & Hearings, Aug 2007

### SKILLS

Computer: SAP Utility Software, CFC Financial Forecast Software, MS Office Software

Communication: read and analyze data, write and present reports for management and general public

Mathematical: calculate and analyze ratios, percentages, and proportions to practical situations

R.W. Beck Rate Design and Cost of Service Introduction Course, Sep 2007

RUS Borrower Accounting (Electric) Training Course, Present

## **Brian F. Gilbert**

**Diverse business development background in wireless cellular and microwave networks in rural and emerging markets. Proven ability to manage, coordinate, and complete technology projects among industry and government stakeholders with background in government relations, land development, project management, and federal grant administration.**

### **PROFESSIONAL BACKGROUND**

#### **Director, Business Development, Commnet Wireless, LLC (2008-2009)**

- Wireless network business development in tribal and rural markets in southwest region.

#### **Director, Network Services, CellularOne of Northeast Arizona (2000 – 2008)**

- Managed wireless site selection, acquisition, and development of facilities for cellular build out in combined four corners market, (50+sites); federal NEPA compliance, zoning, and permitting processes.
- Network and tower lease management supporting collocation and data transport customers (enterprise, E-Rate, institutional markets).
- ETC experience with state regulatory commissions in southwest four corners market.
- Developed sales and distribution program for federally subsidized wireless phone service on Navajo, Hopi, Zuni, and Apache tribal lands (250,000 pops).
- Authored successful USDA Broadband Grants serving Navajo Chapters in 2007.
- Tribal government liaison: handled lease negotiations for network development on federal Hopi and Navajo trust lands.
- Marketing and business development for WISP services to residential and SOHO markets: 2005-08.

### **EMPLOYMENT HISTORY (1988 - 2000)**

- Senior Land Planning Associate, URS, Inc., Phoenix, Arizona - January – August 2000
- Community Development Director, Pinetop-Lakeside, Arizona- June, 1996 - Jan. 2000
- Redevelopment Director, Cocoa, Florida- June, 1994 - June 1996
- Development, N.G.R.D.C., Dalton, Georgia, Aug., 1992 - June 1994
- City Planner II, Cocoa, Florida, August, 1990 - August, 1992
- Development Planner, Westinghouse Communities, Tucson, Arizona, Feb. 1988 – July 1990

### **EDUCATION**

- Master of Science in Regional Planning, University of Arizona, Tucson, 1990
- Bachelor of Arts in Geography/Economics, Prescott College, Prescott, Arizona, 1987

### **PROFESSIONAL AFFILIATIONS**

- 1998-2000, Arizona Planning Association Board of Directors; 2000 State Conference Chairman
- Arizona Governor State Growing Smarter Subcommittee (1998-99)
- American Institute of Certified Planners (AICP) No. 11410
- Pinetop-Lakeside Planning Commission Member: 2004 to present

## **JOHN D. CHAMPAGNE**

John D. Champagne is currently Executive Vice President of Commnet Wireless, LLC. Mr. Champagne is in charge of all new business development at Commnet, as well as liaison with all unaffiliated companies with which Commnet enters into joint ventures or partnerships. In particular, Mr. Champagne is in charge of all joint ventures or similar relationships with local landline telephone companies or other wireline companies with which Commnet cooperates, including those with a rural LEC in New Mexico and with San Carlos Apache Telecommunications Utility, Inc. ("SCATUI"), the Native American-owned utility which is Commnet's partner in a venture to expand wireless service on that reservation.

He joined Commnet in June of 2006 as Vice President of Planning and Development. Mr. Champagne has over 18 years of industry experience in the field of telecommunications. In his current position Mr. Champagne is responsible for long term strategic planning including market analysis, technology evolution, financial planning and the development of strategic partnerships.

In previous employment Mr. Champagne has worked in positions of increasing responsibility at IBM, Nortel Networks, World Access, and Telmar Network Technologies. He has an extensive background in System Engineering, Sales, and Technical Support for manufacturers, distributors and carriers with respect to wireless infrastructure and services.

Mr. Champagne holds a Bachelor of Science in Electrical Engineering from the University of Louisiana at Lafayette and a Masters in Business Administration from the University of Dallas.

**RESUME**  
**JOYCELYN THOMPSON**

**EXPERIENCE**

**SAP ADMINISTRATOR** DATES: JUNE 2002 TO PRESENT  
*Navajo Tribal Utility Authority* *Headquarters, Ft. Defiance, AZ*  
Directs activities related to the SAP enterprise applications, which includes support, enhancements or development in addition to future implementations, add-ons, upgrades and auxiliary systems.

**IT DIVISION MANAGER (ACTING)** DATES: JANUARY –APRIL 2000 &  
MARCH - AUGUST 2006  
*Navajo Tribal Utility Authority* *Headquarters, Ft. Defiance, AZ*  
Manages the IT Division through direct supervision of supervisors in Communications, Systems & Networks and Services & HelpDesk.

**SAP IMPLEMENTATION PROJECT MANAGER** DATES: JANUARY 2001 TO JUNE 2002  
*Navajo Tribal Utility Authority* *Headquarters, Ft. Defiance, AZ*  
Performed function of Client Project Manager. Responsible for day-to-day project management. Primary liaison with the Steering Committee and Project Sponsor, as well as the consulting team.

**COMPUTER INFORMATION SYSTEMS SUPERVISOR** DATES:1991–JANUARY 2000  
**COMPUTER SERVICES SUPERVISOR**  
*Navajo Tribal Utility Authority* *Headquarters, Ft. Defiance, AZ*  
Supervise and direct activities of the Computer Services Department which includes direct supervision of eight employees, from entry to senior level, to provide computer services to all areas of the company.

**SYSTEMS PROGRAMMER/ANALYST** DATES: 1980-1991  
**COMPUTER PROGRAMMER**  
*Navajo Tribal Utility Authority* *Headquarters, Ft. Defiance, AZ*  
Designed, wrote, tested, documented, implemented and supported applications on host computer using applicable programming languages.

**EDUCATION**

*ARIZONA STATE UNIVERSITY, TEMPE, AZ* YEARS ATTENDED: 1971 -1972  
MAJOR: MATH, 20 CREDIT HOURS

*ROCKLAND INSTITUTE, PHOENIX, AZ* YEARS ATTENDED: 1974 -1975  
COMPUTER SYSTEMS PROGRAMMING & ANALYSIS - ASSOCIATE'S DEGREE

**SEMINARS, WORKSHOPS AND TRAINING COURSES** - *DeLa Porte Leadership Training; SAP training courses, Solution Manager, Communications, Networks (Ethernet), System Management, Project Management, Feasibility & ROI Analysis, ORACLE, SQL, NT, GIS, AMR with Turtle System, Web Design*

**SKILLS**

ASAP Methodology  
Understanding of SAP CORE modules and Industry Solutions/Utilities CCS  
Communication skills to all sectors of organization- internally and externally.  
Public Speaking  
Have adapted to many operating systems and systems programming.  
Adapted to several generations of programming languages and use of code generation tools.  
Project Management  
Practical Application  
Trouble-shooting skills in network and communications equipment.  
System Management – VMS, Windows 95/98, Windows NT, Windows  
Office Automation – WordPerfect, Quattro Pro, MSWord, Excel, PowerPoint and Projects

# Kenneth J. Borner

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## CAREER OVERVIEW

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**Commnet Wireless, LLC**

**April 2007– Present**

*Vice President of Engineering and Network Operations*

Responsible for Network Engineering, Operations, and Information Technology functions. Network consists GSM and CDMA switches and cell sites operating at the 850 MHz and 1900 MHz bands.

**U.S. Cellular**

**March 1996 – April 2007**

*Senior Director of Engineering and Network Operations – Midwest Region; 7/01 – 4/07*

As part of Senior Management, responsibilities include overall planning, organizing and leading the Network Engineering, Network Operations, and Information Technology functions. Network consists of multiple switching locations and 1200 cell sites utilizing CDMA, TDMA, and analog technologies operating at the 850 MHz and 1900 MHz bands. Budget responsibility in excess of \$250 million (operating and capital), with a staff of over 150 professional and craft personnel.

*Director - Network Operations; 3/96 – 7/01*

Led the operation and maintenance of a wireless CDMA network including the Mobile Switching Center (MSC) and cell sites; manage the functions of Network Operations personnel to organize and plan the timely installation of facilities/hardware/software to meet planned growth schedules; review and approve Methods of Procedure; develop and implement procedures to maximize network reliability and performance; and manage disaster preparedness, emergency response and safety programs.

**GTE Airfone Incorporated**

**October 1984 - March 1996**

*Director - Operations Support 8/90 - 3/96*

Planned, organized, directed and led the activities of 40-person Operations Support Division. Budget responsibilities of \$10 million

## EDUCATION

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Southern Illinois University, AAS - Avionics Technology, 1983



## **P. Wayne Gibson**

### **EMPLOYMENT**

#### **Commnet Wireless, LLC, Castle Rock, CO July, 2009 –Present**

Responsible for overseeing Commnet transition to retail wireless carrier in rural Colorado, where Commnet has received ETC designation, as well as for all future Commnet retail operations; focused especially on customer care, complaint handling, and marketing.

#### **Cricket Communications, Denver, CO - 2007-2009**

Supervised entire district staff, revamped marketing, and substantially increased penetration in the Colorado District

#### **Gibson Management Group 2003 - 2007**

**(Consultant)** – Invite Systems Nov. 2006 to July 2007; Responsible for testing the concept of the hiring, training and of recruiters to hire independent agents for business opportunities. Led sales transition from recruiting independent agents to creating national franchise opportunities for the Invite E-Solution.

**(Consultant)**- WavMax Wireless Broadband Oct. 2005 to Oct 2006; Responsibility for sales, marketing, network, operations, finance and customer care.

**(Consultant)**- Nextwave Wireless, Greenwich, CT March, 2005 to Sept. 2005; Responsible for creation of company-owned sales channels in Las Vegas, NV., which included retail, indirect, direct, web site and inbound and outbound telemarketing for mobile and fixed VOIP services and mobile and fixed broadband services.

**(Consultant)**-Cornerstone Property and Holdings/Denver, CO October 2003 to Dec 2006; Co-founder and creator of investment LLC

#### **Qwest Communications, Inc. Denver, CO 2002-2003**

**Regional VP of Wireless and Local Market Sales** March, 2002 to August, 2003; Responsible for Wireless Retail, Business and Indirect Sales Channels in Qwest's 14 state operating area as well as the Wireless Training and Corporate Compliance groups. In addition, met or exceeded monthly expense budget and returned wireless sales channels back to NPV profitability.

#### **Moorehead Communication dba The Cellular Connection Marion, IN 2000-2002**

**Executive VP** Responsible for overall operation of 90+ retail stores and 350+ employees in a privately held communications chain producing \$60 million in annual revenue. Accountable for company wide sales revenue for Cellular, Satellite TV, Paging, Satellite Radio and DSL products and services.

#### **GTE Wireless 1987-2000**

**Area General Manager of Ohio - GTE Wireless-Verizon/Cincinnati, OH June, 1999 to June, 2000**

- Operated as Area President responsible for overall operation (including total P&L) and implementation of PCS in Cincinnati Market (top 18th market in USA) and the 800# markets in Cleveland/Akron Area (top 25th market in USA) with annual revenue exceeding \$170M.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Balance Sheets

December 31, 2008 and 2007

Assets	<u>2008</u>	<u>2007</u>
Current assets:		
Cash and cash equivalents (note 2)	\$ 1,841,185	2,341,626
Investments – certificates of deposit (note 2)	3,035,357	1,112,674
Investments – other (note 2)	7,214,948	3,072,639
Receivables:		
Utility services, net of allowance for uncollectible accounts of \$2,841,633 and \$3,853,994 in 2008 and 2007, respectively	10,195,807	11,105,193
Unbilled revenue	5,355,538	4,359,101
Other, net of allowance for uncollectible accounts of \$797,786 and \$976,380 in 2008 and 2007, respectively (note 4)	2,451,647	1,289,535
Materials and supplies, at average cost	5,449,649	5,195,725
Prepaid items	574,785	552,996
Deferred purchase power costs	—	1,571,759
Deferred gas costs	738,720	110,336
Total current assets	<u>36,857,636</u>	<u>30,711,584</u>
Investments:		
Restricted special funds – debt service (note 2)	<u>51,943</u>	<u>50,683</u>
Other noncurrent assets:		
Receivables, excluding current installments, net of allowance for uncollectible accounts of \$203,719 and \$510,094 for 2008 and 2007 (note 4)	40,040	185,364
Deferred charges, net (note 3)	961,149	1,056,791
Other assets, net of accumulated depreciation of \$1,538,644 and \$1,415,848 in 2008 and 2007, respectively	525,378	629,150
Investments in associated organizations (note 2)	<u>2,101,895</u>	<u>2,103,147</u>
Total other noncurrent assets	3,628,462	3,974,452
Capital assets, net of accumulated depreciation (note 5)	<u>410,006,418</u>	<u>387,214,472</u>
Total noncurrent assets	<u>413,686,823</u>	<u>391,239,607</u>
Total assets	<u>\$ 450,544,459</u>	<u>421,951,191</u>

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Balance Sheets

December 31, 2008 and 2007

<b>Liabilities and Net Assets</b>	<u><b>2008</b></u>	<u><b>2007</b></u>
<b>Current liabilities:</b>		
Current installments of long-term debt (note 7)	\$ 1,653,178	1,552,006
Accounts payable	10,286,178	9,473,016
Customer deposits	78,218	66,487
Accrued expenses	3,327,453	3,445,412
Compensated absences	2,322,328	2,044,500
Pension plan	2,959,638	3,645,597
Line of credit (note 8)	—	1,000,000
Deferred credits (note 6)	2,101,708	3,182,925
Deferred purchased power costs	761,203	—
Total current liabilities	<u>23,489,904</u>	<u>24,409,943</u>
<b>Noncurrent liabilities:</b>		
Long-term debt, excluding current installments (note 7)	34,789,584	36,466,320
Contributions in aid of construction, net of accumulated amortization (notes 7 and 9)	299,745,081	279,082,894
Customer advances for construction (note 7)	2,199,854	2,055,032
Total noncurrent liabilities	<u>336,734,519</u>	<u>317,604,246</u>
Total liabilities	<u>360,224,423</u>	<u>342,014,189</u>
<b>Net assets:</b>		
Invested in capital assets, net of related debt and other noncurrent liabilities	71,618,720	67,058,220
Restricted – debt service	51,943	50,683
Unrestricted	18,649,373	12,828,099
Total net assets	<u>90,320,036</u>	<u>79,937,002</u>
Total liabilities and net assets	<u>\$ 450,544,459</u>	<u>421,951,191</u>

See accompanying notes to basic financial statements.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Statements of Revenues, Expenses, and Changes in Net Assets

Years ended December 31, 2008 and 2007

	<b>2008</b>	<b>2007</b>
Operating revenues (note 10):		
Electric	\$ 57,407,065	52,332,219
Gas	19,097,509	13,966,228
Water	14,990,041	14,913,771
Wastewater	3,643,313	3,710,847
Photovoltaic	145,941	87,211
Gross operating revenues	95,283,869	85,010,276
Less provision for bad debt	646,454	152,651
Total operating revenues, net	94,637,415	84,857,625
Operating expenses:		
Electricity, gas, and water purchased for resale	40,028,401	36,476,984
Operation and maintenance	14,222,114	14,161,418
Customer accounts and sales	5,921,512	5,896,241
Administrative and general	12,626,222	12,401,074
Provision for depreciation and amortization	10,199,320	9,419,667
Total operating expenses	82,997,569	78,355,384
Operating income	11,639,846	6,502,241
Nonoperating revenues (expenses):		
Allowance for funds used during construction	125,847	168,122
Investment and interest income	650,447	512,811
Interest expense	(1,836,130)	(1,908,458)
(Decrease) increase in fair value of investments	(477,809)	24,830
Merchandising, jobbing, and contract work, net	341,536	357,327
Other, net	(60,703)	(230,384)
Total nonoperating expenses	(1,256,812)	(1,075,752)
Change in net assets	10,383,034	5,426,489
Net assets at beginning of year	79,937,002	74,510,513
Net assets at end of year	\$ 90,320,036	79,937,002

See accompanying notes to basic financial statements.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Statements of Cash Flows

Years ended December 31, 2008 and 2007

	2008	2007
Cash flows from operating activities:		
Cash received from customers	\$ 95,156,362	83,374,567
Cash payments for electricity, gas, and water purchased for resale	(40,966,070)	(35,290,035)
Cash payments to vendors and employees for services	(31,656,950)	(34,766,675)
Net cash provided by operating activities	22,533,342	13,317,857
Cash flows from noncapital financing activities:		
Proceeds from other noncurrent receivables	270,173	120,287
Additions to other assets	(32,677)	(157,116)
Retirements of other assets	63,159	179,578
Proceeds from other assets	105,830	105,600
Net cash provided by noncapital financing activities	406,485	248,349
Cash flows from capital and related financing activities:		
Additions to capital assets	(31,234,598)	(22,552,591)
Proceeds on sale of capital assets and other services	635,799	275,972
Proceeds from long-term debt	—	1,855,778
Principal payments on long-term debt	(1,575,564)	(1,453,203)
Interest payments on long-term debt	(1,825,756)	(1,860,458)
Proceeds from line of credit	1,000,000	1,000,000
Principal payments on line of credit	(2,000,000)	—
Interest payments on line of credit	(10,374)	(48,000)
Additions to deferred charges	(376,195)	(371,123)
Customer advances for construction	624,864	450,872
Deferred credits	(1,081,217)	(2,299,625)
Proceeds from contributions in aid of construction	18,418,974	9,678,298
Net cash used in capital and related financing activities	(17,424,067)	(15,324,080)
Cash flows from investing activities:		
Proceeds from investments in associated organization	69,577	65,580
Interest and dividends on investments	458,283	426,938
Purchases of investments	(8,651,000)	(2,851,000)
Proceeds from sales and maturities of investments	2,106,939	2,852,001
Net cash (used in) provided by investing activities	(6,016,201)	493,519
Net decrease in cash and cash equivalents	(500,441)	(1,264,355)
Cash and cash equivalents at beginning of year	2,341,626	3,605,981
Cash and cash equivalents at end of year	\$ 1,841,185	2,341,626

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Statements of Cash Flows

Years ended December 31, 2008 and 2007

	<b>2008</b>	<b>2007</b>
Supplementary disclosures of cash flow information:		
Reconciliation of operating income to net cash provided		
by operating activities:		
Operating income	\$ 11,639,846	6,502,241
Adjustments to reconcile operating income to net		
cash provided by operating activities:		
Depreciation and amortization	10,199,320	9,419,667
Loss on sale of assets	216,682	—
Provision for bad debt	646,454	152,651
Changes in assets and liabilities:		
Increase in receivables	(1,896,627)	(1,524,704)
Change in deferred gas costs, deferred purchase power revenue, and deferred credit	1,704,578	(170,326)
Increase in materials and supplies	(253,925)	(1,575,468)
(Decrease) increase in other current assets	(21,789)	517,666
Increase in accounts payable, accrued expenses, pension plan, and compensated absences	287,072	51,415
Increase (decrease) in customer deposits	11,731	(55,285)
Net cash provided by operating activities	\$ 22,533,342	13,317,857
Noncash items:		
(Decrease) increase in fair value of investments	\$ (477,809)	24,830
Projects terminated prior to completion	460,795	495,008
Additions to capital assets and contributions in aid of construction	16,866,630	11,099,021

See accompanying notes to basic financial statements.

Question #27  
Affordability

NTUA /Commnet proposes a \$27.95 monthly subscription cost for residential wireless broadband service (i.e., at least 768 kbps down & at least 200 kbps up, which will be affordable to thousands of Navajo households that presently lack internet access of any type. (Premium service, i.e., at least 2MB each direction, will be available for \$49.95/mo.)

Currently, residential Frontier DSL service is \$49 per month, is equivalent only to the NTUA/Commnet basic service, and is available only to certain relatively more densely populated areas on the Navajo Nation.

The limited nature of the current offerings is due to limited range of DSLAM facilities and low telephone penetration, which is probably lowest in the US. (According to the US Census 2000, telephone penetration was 39.9%.)

Question #26

COST PER HOUSEHOLD

The wireless broadband network will provide coverage to an estimated 28,440 households throughout most of the Navajo Nation. Based on a total wireless network broadband cost of \$8,071,922.20, the average cost per household is approximately \$284. This average household cost also takes into consideration the cost of the Customer Premise Equipment (CPE).

Last Mile Project Cost	\$ 8,071,922.20 dollars
Households Served	28,440 households
Cost per Household	\$ 284 dollars



Network Design and Implementation Plan Certification (to be complete for projects requesting more than \$1 million in federal assistance)

U.S. Department of Agriculture and U.S. Department of Commerce  
BIP and BTOP Program

We the undersigned, certify that the proposed broadband system will work as described in the System Design and Network Diagram sections, and can deliver the proposed services outlined in the Service Offerings Section. Moreover, the system, as designed, can meet the proposed build-out timeframe based on the resources designated in Project Viability Section, and will be substantially complete in two years, and complete within three years.

08/14/2009

(Date)

*Walter W. Haase*

(Authorized Representative's Signature)

Walter W. Haase

Name:

General Manager

Title:

8/19/09

(Date)

*Glen L. Hunt III*

(Certifying Engineer's Signature)

Glen L. Hunt III

Name:

PRINCIPAL ENGINEER

Title:

