



March 24, 2010

Samuel N Penney, Chairman
Nez Perce Tribe
Po Box 365
Lapwai, ID 83540

Re: NTIA Round 2 Broadband Technologies Opportunity Grant

Dear Chairman Penny:

On behalf of Avista Corporation, please know that we fully support the Nez Perce Tribe's application for Round 2 NTIA Broadband funding.

The Tribe's proposed partnership with First Step Internet and Inland Cellular to build a 200 Megabit wireless middle mile infrastructure to areas within the Nez Perce Reservation currently underserved is an important and worthy effort. We agree that the project will enhance delivery of last mile service of telecommunications (data & voice) for public safety and emergency service entities, Northwest Indian College, community libraries, and bolster economic development opportunities. Further, the collaboration with the ID Dept of Administration on their BIP grant for education, libraries and hospitals, and The Idaho Library BTOP Public Computer Centers grant is also noteworthy.

Avista is deeply committed to the future prosperity of the entire North Central Idaho region and it is only through these critically important enhanced telecommunications (internet and/or cellular coverage) projects and partnerships that we will begin to see true economic success and improved access to all of our communities, businesses and citizens.

We wish you much success. Thank you.

Sincerely,

Mike Thomason

Regional Business Manager
Lewis – Clark Valley

Paul J. Kimmell

Regional Business Manager
Palouse Region



Nez Perce Tribal Police

210 Bever Grade Lapwai, Idaho 83540
(208)843-7141 FAX (208)843-5337

August 10, 2009

Samuel N. Penney Chairman
Nez Perce Tribe
P. O. Box 365
Lapwai, Idaho 83540

Dear Chairman Penney:

It has come to our attention that the Nez Perce Tribe is pursuing grant funding through the Broadband Initiatives Program. Over the past several years there have been a number of regional efforts that have built the case for a solution to our communities' lack of reliable broadband internet access and the need for a safe disaster recovery network. We applaud the Tribe's initiative to work with and develop a regional broadband network that will be available to residents, businesses, education and public safety entities across north central Idaho.

Broadband connectivity is widely recognized as an increasingly important infrastructure for rural communities and regions like north central Idaho. Connectivity can be linked to success in education, healthcare delivery, public safety and economic opportunity. Currently, the coverage of broadband is intermittent: topographic challenges and costs of build out are limiting factors for the private sector. Through existing partnerships and collaboration with Nez Perce County, the Tribe's Information Systems program has shown they have the capacity to develop and maintain a reliable network.

We applaud your efforts to build additional broadband infrastructure capacity within the region.

Sincerely,

Leslie Hendrick
Chief of Police



March 3, 2010

Josh Eckert
Inland Cellular
1332 G St.
Lewiston, ID 83501

Re: Enhancement of Services

Dear Josh:

The medical staff at Syringa Hospital Clinics is excited about their new smart phones. Inland Cellular's sales department and customer support is exceptional. The local coverage is good, but is a bit patchy in our service area.

Syringa Hospital and Clinics is located in Grangeville and the hospital district encompasses the majority of Idaho County. The hospital does also staff a medical clinic in Kooskia. It is extremely important for the staff and the community that we continue to enhance the communication services in our area. The providers not only use their smart phones for direct communication with us, but also for research and patient safety information. Some of the software programs they access help them with things like differential diagnosis, updates on communicable disease and drug to drug interactions.

I have enjoyed working with you and welcome the continuing move forward in enhanced technology.

Respectfully,
Michelle K. Schaeffer
Director of Clinic Operations

sbdc

I D A H O

**Small Business
Development Center**
directions solutions impact

Samuel N. Penney, Chairman

Nez Perce Tribe

PO Box 365

Lapwai, ID 83540

February 26, 2010

Dear Chairman Penney:

I am writing this letter in support of the Technology Opportunity Grant Proposal that the Nez Perce Tribe is submitting to the National Telecommunications and Information Administration (NTIA).

We provide business development training and consulting services for entrepreneurs in the five North Central Idaho: Latah, Lewis, Nez Perce, Clearwater, and Idaho. As I understand it this grant would provide for increased Internet service in many of the communities we serve: Lapwai, Lenore, Peck, Ahsahka, Greer, Kamiah, Kooskia, Stites, Nezperce, Winchester, and Culdesac.

These days with so many small business owners relying on the Internet to help them with some aspect of developing and growing their businesses, many of our clients would benefit from having faster Internet connections to assist them.

Sincerely,



Jill Thomas-Jorgenson

Region II Director, Idaho SBDC

Lewis-Clark

S T A T E

C O L L E G E

Connecting Learning to Life

March 24, 2010

Samuel N. Penney
Chairman, Nez Perce Tribe
P.O. Box 365
Lapwai, ID 83540

Dear Chairman Penney:

Lewis-Clark State College (LCSC) supports the broadband funding request for the Technologies Opportunity Grant. It is our understanding the proposal will build a 200 Megabit wireless middle mile infrastructure to areas within the Nez Perce Reservation currently underserved. The project will enhance delivery of last mile service of telecommunications (data & voice) for public safety and emergency service entities, Northwest Indian College, community libraries, and bolster economic development opportunities.


This project will enhance the ability for LCSC to deliver credit and non-credit classes and trainings to communities currently unable to participate. Students would benefit by not having to commute and by not having to leave employment or family commitments. Employers would benefit by having employees with improved skills and training. A knowledge-based economy would benefit by having a better educated workforce with higher paying salaries.

This project will allow LCSC to provide and/or collaborate with other agencies enhanced services to the region, including but not limited to:

- Distance Learning
- Workforce Training
- Small Business Development Center
- Adult Basic Education
- Teacher Inservice
- Dual Credit with high school students
- Center for New Directions counseling
- Library

We believe this is a high priority project and it is widely recognized as a critical need.

Sincerely,



Kathy L. Martin
Dean, Community Programs

Community Programs

500 8th Ave, Lewiston, ID 83501-2698 • Phone: (208) 792-2282 • Fax: (208) 792-2444 • www.lcsc.edu/cp
An Affirmative Action/Equal Opportunity Employer • TTY: (800) 377-3529



C.L. "BUTCH" OTTER, GOVERNOR
ROGER B. MADSEN, DIRECTOR

March 5, 2010

Samuel N. Penney, Chairman
Nez Perce Tribe
P.O. Box 365
Lapwai, ID 83540

Dear Chairman Penney:

As the state's main workforce agency, the Idaho Department of Labor welcomes anything that increases job or training opportunities in Idaho. The tribe's proposed middle-mile infrastructure project has great potential to create jobs by helping existing businesses grow and attracting new businesses, as well as improve training opportunities by bringing Internet courses and enhancing Internet services at schools and libraries in an area that is severely underserved. Improved telecommunications will make a huge difference for businesses, schools, libraries, health care providers, and community organizations. North Central Idaho, where the tribe's service area, is somewhat "off the beaten path"—geographically remote from major markets— which means that up-to-date telecommunications is even more critical to the area.

The critical importance of the service area's economic development is illustrated by two facts—(1) the unemployment rate in the service area was estimated to be 12.7 percent in December 2009 and (2) nearly half (42 percent) of the workers who live in the service area work outside the service area, because job opportunities are so limited within the service area. Small business plays an especially important role in the service area; while nearly 10 percent of U.S. workers own their own businesses, more than 15 percent of the workers living on the Nez Perce Reservation own their own businesses. The Nez Perce Tribe and economic development organizations serving the service area are focusing a lot of efforts on fostering the creation and growth of small businesses. With the Internet playing a growing role in the success of many small businesses, improved Internet services will help those efforts to grow businesses. Economic development organizations also are eager for improved Internet service, because many businesses looking to relocate place a high premium on Internet service.

We urge the NTIA to provide the Technologies Opportunity Grant that will enhance telecommunications delivery in the tribe's service area—a 1,195-square-mile area that includes portions of four counties and has a population of about 19,000 people—including the towns of Ahsahka, Culatesac, Greer, Kamiah, Kooskia, Lapwai, Lenore, Nezperce, Peck, Stites, and Winchester. The grant would make a huge difference for the area's economic development, education and training, and small business growth, as well as public safety.

Sincerely,

Heather Leach

Heather Leach, Manager



Idaho County Office of Disaster Management

320 W. Main- Grangeville, ID 83530
208-983-3074 / 208-983-1428 (fax)

Date: 3 March 2010

To: Samuel N. Penney, Chairman
Nez Perce Tribe
P.O. Box 365
Lapwai, ID 83540

Reference: Letter of Support
200 Megabit Wireless Middle Mile Infrastructure Build-out

Dear Sir:

Idaho County endorses the Nez Perce Tribe collaboration with private partners, First Step Internet and Inland Cellular, to establish data and voice wireless capability for those areas within the Nez Perce Reservation that currently do not have this service available.

By utilizing collocation agreements to share infrastructure, this project will capitalize on cost efficiencies. When complete, it will also enhance emergency service delivery and improve public safety by early and consistent receipt of accurate incident information and caller location verification. Improved voice and data transmission opportunities on the Camas Prairie will save lives by decreasing emergency response times and enabling appropriate resource deployment to routine and emerging incidents.

Idaho County comprises more than 8500 square miles; much of it is rural and it is underserved. Improving communication capability for our residents and emergency responders is a worthwhile, vital endeavor. Idaho County fully supports this proposed Nez Perce Tribal – private sector partnership.

Sincerely Yours,

Gerald W. Zumalt
Idaho County Disaster Management Coordinator

Happy Elves Media And More LLC
PO Box 625; Lapwai, ID 83540
admin@happyelvesmedia.com
208-790-4734

To whom it may concern:

We at Happy Elves Media And More LLC will commit to purchase bandwidth from the Nez Perce Tribe Information Systems Department. This will allow us to offer 'last mile' wireless internet service to residences and businesses. We are a small company looking to grow in the area of providing High Speed Internet services to rural customers. Should this become available to us at a reasonable rate we will be able to provide more jobs and better services to the regions inhabitants.

Please feel free to call or write with any questions or concerns.

A handwritten signature in black ink, appearing to read "Gregory A. Hansen". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Gregory A. Hansen – Member/Manager



Framing Our Community, Inc.
P.O. Box 321, 1000 Hwy. 14, Elk City, Idaho 83525
Phone (208) 842-2939, Fax (208) 842-2322

March 7, 2010

Samuel N Penney, Chairman
Nez Perce Tribe
Po Box 365
Lapwai, ID 83540

Dear Chairman Penney:

Framing Our Community is pleased to lend its support to the Nez Perce Tribe's effort to improve the wireless infrastructure in North Central Idaho. Partnerships with entities like First Step Internet and Inland Telephone Co and, collaboration with the ID Dept of Administration to provide modern technology for education, libraries and hospitals is not only commendable, but much needed.

The Tribe's forming private partnerships (First Step Internet and Inland Cellular) to build a 200 Megabit wireless middle mile infrastructure to currently underserved areas within the Nez Perce Reservation should be a formula for success. There is a great need to enhance delivery of last mile service of telecommunications (data & voice) for public safety and emergency service entities, Northwest Indian College, community libraries, and bolster economic development opportunities.

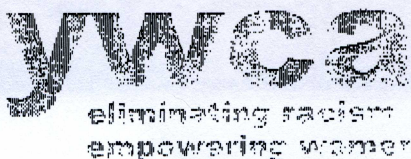
It is evident that a great deal of thought has gone into this project as you build out from the existing infrastructure and enter into collocation agreements to utilize as much existing infrastructure as possible (both for fiscal efficiencies, retention of natural/scenic values and it just makes darn good sense to share). It is understandable that some new infrastructure will be required to be built to fill in the gaps over such a large service area from Lenore and Peck to the north, Lapwai - Nezperce - Winchester - Culdesac to the west, Ahsahka and Greer to the east and Kamiah - Kooskia- Stites to the south.

Framing Our Community is developing a regional economic development network with the city of Kamiah and others within this service area that would benefit from enhanced telecommunications (internet and/or cellular coverage). We would like to be kept informed as to your progress and we would consider signing up for this service when we are ready.

Sincerely,

Joyce Dearstyne /s/

Joyce Dearstyne
Executive Director



Lewiston, ID
Clarkston, WA

208-743-1535-Main Office
208-746-1510-Fax
208-746-9655-Help Line

300 Main St. • Lewiston, ID 83501

ljewis@lewiston.com • www.ywcaidaho.org

March 9, 2010

Samuel N Penney, Chairman
Nez Perce Tribe
PO Box 365
Lapwai ID 83540

Dear Mr. Penney,

The YWCA of Lewiston, ID-Clarkston, WA would like to offer our support for the application to the Technologies Opportunity Grant to enhance telecommunications service throughout north-central Idaho. As you are aware, the YWCA has established offices in Orofino and Grangeville to better assist victims of domestic violence and sexual assault in the region. We have also partnered with the Nez Perce Tribe Women's Outreach Project to provide services to victims of domestic violence and sexual assault.

Keeping victims safe is our top priority when providing services to women who are fleeing domestic violence or trying to feel safe after a sexual assault. Coordinating access to the safe shelter, planning for the safety of victims, accessing law enforcement, or simply breaking the isolation of living in the most rural areas of our region is complicated by the lack of cellular telephone coverage. Enhancing these services would greatly help us help victims of domestic violence and sexual assault. Our advocates in the rural areas would also have more security if cell phone service were expanded.

The YWCA currently uses Inland Cellular for our advocate phones and First Step for our internet, email, and web page. These services allow us to provide information and support to people who are not able to come into an office. Expanded telecommunications service would allow us to better connect with victims throughout Clearwater, Idaho, Lewis, and Nez Perce Counties and the Nez Perce Reservation.

Sincerely,

Laurie Lewis
Director of Family Services

JAMES E. RISCH
IDAHO

RUSSELL SENATE OFFICE BUILDING
SUITE 483

(202) 224-2752

FAX (202) 224-2573

United States Senate

WASHINGTON, DC 20510

COMMITTEES

ENERGY AND NATURAL RESOURCES

FOREIGN RELATIONS

SELECT COMMITTEE ON ETHICS

SELECT COMMITTEE ON INTELLIGENCE

JOINT ECONOMIC COMMITTEE

March 5, 2010

Thomas Vilsack, Secretary
U.S. Department of Agriculture
1400 Independence Ave., SW
Washington, DC 20250

Lawrence Strickling
Assistant Secretary for Communications and Information
National Telecommunications and Information Administration
U.S. Dept. of Commerce
1401 Constitution Ave. NW
Washington, DC 20230

Re: Broadband Technologies Opportunity Grant

Dear Secretary Vilsack and Assistant Secretary Strickling:

I write supporting the Nez Perce Tribe in their pursuit of a round 2 Broadband Technologies Opportunity Grant from the NTIA. The Nez Perce Tribe, in partnership with private partners, First Step Internet and Inland Cellular, will build a 200 Megabit wireless middle mile infrastructure to areas within the Nez Perce Reservation currently underserved. The project will enhance delivery of last mile service of telecommunications (data&voice) for public safety and emergency service entities, Northwest Indian College, community libraries, and bolster economic development opportunities. Service areas include: Lapwai-Lenore-Peck Ahsahka-Greer-Kamiah-Kooskia-Stites-Nezperce-Winchester and Culatesac which are communities with high unemployment numbers that desperately need this technology to encourage economic growth. *This project* is widely recognized throughout the region's communities as a critical need.

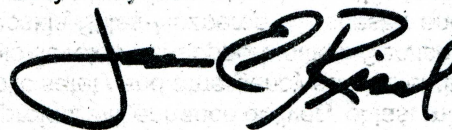
The benefits of this project include:

- Improved public safety service coordination in Idaho County with reduced response times;
- Reduced line mile tariffs as a result of direct connectivity;
- Creation of a redundant path that does not currently exist.

This project will benefit the four critical access hospitals in north-central Idaho; the rural school districts; the Lewis-Clark State College distance learning programs; state, county, and city government; manufacturers; financial institutions; and any other private entity reliant on broadband service capacity. Although the 102,000 people of north-central Idaho will be the primary beneficiaries, this project will serve all users by connecting northern and southern Idaho.

Please give this grant request your full attention. As you weigh the merits of this proposal you will see they are very strong, and the Nez Perce Tribe and its partners are deserving of this grant.

Very Truly Yours,



James E. Risch
United States Senator

JER/mlh

SUITE 302
350 NORTH 9TH STREET
BOISE, ID 83702
(208) 342-7985

HARBOR PLAZA
610 HUBBARD, SUITE 121
COEUR D'ALENE, ID 83814
(208) 667-6130

SUITE 106
313 D STREET
LEWISTON, ID 83501
(208) 743-0792

SUITE 290
275 SOUTH 5TH STREET
POCATELLO, ID 83201
(208) 236-6817

SUITE A
560 FILER AVENUE
TWIN FALLS, ID 83301
(208) 734-6780

SUITE 101
490 MEMORIAL DRIVE
IDAHO FALLS, ID 83402
(208) 523-5541



March 16, 2010

Broadband Technology Opportunities Program, NTIA
U.S. Department of Commerce
HCHB, Room 4812
1401 Constitution Avenue, NW
Washington, DC 20230

To Whom It May Concern:

One Economy Corporation is writing this letter in support of the Nez Perce Tribe's application for a Round 2 Broadband Technology Opportunity Grant for their Reservation. We intend to partner with the Nez Perce Tribe on this project.

One Economy provides broadband access in hundreds of affordable housing projects; a proven model for enabling people to adopt technology and the Internet into their daily lives through digital literacy programs and youth technology corps; and award-winning, multilingual, web-based tools and information about financial services, education, jobs and health care. Through this package of services, One Economy establishes broadband availability, affordability and adoption in low-income communities while empowering people to take steps to improve their lives.

The Nez Perce Tribe's Round 2 BTOP project will develop a 200Megabit wireless backbone connecting the reservation communities of Lapwai, Winchester, Culdesac, Lenore, Peck, Ahsahka, Orofino, Nezperce, Kamiah, Kooskia, Stites, and the territories therein. The project is a public/private partnership with two private sector last mile service providers in the region. Service resulting from this project will include: internet, data and cellular communications middle and last mile; and a disaster recovery center for public and private users across the Nez Perce Tribe Reservation.

One Economy will work with the Nez Perce Tribe Information Systems staff to implement last mile broadband connectivity in Tribal housing neighborhoods where applicable, and to expand adoption of broadband throughout the Reservation through our Digital Connector youth service program model. The Digital Connector program offers best practices leadership training, technology training, community service, and workforce development opportunities for community youth, as well as funds for instruction, computers and stipends for youth engaged in the program.

The value of One Economy's contribution to last mile, home-based broadband access depends upon the final determination of where our access services best complement the service provided by the Nez Perce Tribe and their service partners. The value of our Digital Connector program is estimated to be at least \$45,000.

The Nez Perce Tribe's BTOP Comprehensive Community Infrastructure proposal and One Economy's Sustainable Adoption proposal are complementary and, if funded, will offer enhanced delivery and adoption of broadband telecommunications as a tool to further opportunities of the underserved within the Nez Perce Reservation.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Dave McConnell', is written over a light-colored background.

Dave McConnell
Senior Vice President, Access Services

920 SW 3rd Ave., Suite 400
Portland, OR 97209

dmccconnell@one-economy.com
503.282.2835

NORTHWEST INDIAN COLLEGE
X w l e m i E l h > T a l > N e x w S q u l

March 17, 2010

Samuel N. Penney
Chairman, Nez Perce Tribe
P.O. Box 365
Lapwai, ID 83540

Dear Chairman Penney:

Northwest Indian College supports the Nez Perce Tribe in their broadband funding request for the Technologies Opportunity Grant. We understand that the proposal will enhance both broadband capacity and access within the Nez Perce Reservation through the construction of a 200 Megabit wireless middle mile infrastructure and by providing for last mile service to Tribal housing.

These improvements in broadband capacity and access will increase the ability of Northwest Indian College to provide educational services to members of the Nez Perce Tribe through:

- distance learning courses and trainings
- web based tutoring and support for students
- web based course materials and video and audio resources
- access to library and research materials

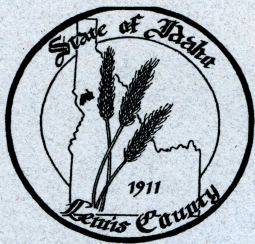
Currently these services are available at our two extended campus sites located at the Distance Learning Centers in Lapwai and Kamiah. The increased access to broadband will allow students to access educational services throughout the reservation at their homes. This would help to extend opportunities to students who live in underserved areas or who have difficulty travelling to the extended campus locations due to family, community or work commitments.

We believe this to be an essential project that would help to expand high quality educational opportunities for members of the Nez Perce Tribe. As the only regional and accredited tribal college in the United States, it is our mission to partner with tribal nations to promote self-determination and tribal sovereignty through education. To this end, our goal is to build upon our successful partnership and work together to meet the needs and goals of the Nez Perce Tribe and its constituents for years to come.

Respectfully,



Justin Guillory
Dean of Academics and Distance Learning



Lewis County

COMMISSIONERS:

Carroll A. Keith, Chairman
Charles E. Doty, Member
Don Davis, Member

510 Oak St., Rm #1
Nezperce, Idaho 83543-5065
Phone: (208) 937-2661
Fax: (208) 937-9234

March 15, 2010

To: Samuel N. Penney, Chairman
Nez Perce Tribe
P.O. Box 365
Lapwai, ID 83540

Reference: Letter of Support
200 Megabit Wireless Middle Mile Infrastructure Build-out

Dear Sir:

Lewis County endorses the Nez Perce Tribe collaboration with private partners, First Step Internet and Inland Cellular, to establish data and voice wireless capability for those areas within the Nez Perce Reservation that currently do not have this service available.

By utilizing collocation agreements to share infrastructure, this project will capitalize on cost efficiencies. When complete, it will also enhance emergency service delivery and improve public safety by early and consistent receipt of accurate incident information and caller location verification. Improved voice and data transmission opportunities across the region will save lives by decreasing emergency response times and enabling appropriate resource deployment to routine and emerging incidents.

Lewis County currently has a communication tower on Lauby Butte for public safety; and, the proposal to add telecommunications equipment in a collocation agreement will be considered. Improving communication capability for our residents and emergency responders is a worthwhile, vital endeavor. Lewis County supports this proposed Nez Perce Tribal – private sector partnership.

Sincerely,

Handwritten signature of Carroll A. Keith in blue ink.

Carroll A. Keith, Chairman

Handwritten signature of Charles E. Doty in blue ink.

Charles E. Doty, Member

Handwritten signature of Don Davis in blue ink.

Don Davis, Member



Idaho State Police

Service since 1939



Colonel G. Jerry Russell
Director

C.L. "Butch" Otter
Governor

March 5, 2010

Samuel N. Penney, Chairman
Nez Perce Tribe
PO Box 365
Lapwai, ID. 83540

RE: Broadband Technologies Opportunity Grant

Chairman Penney,

It has come to my attention the Nez Perce Tribe is pursuing a grant to enhance the wireless infrastructure (data & voice) to areas within the Nez Perce Reservation currently underserved. Specifically to include US-95 mile post 278-300 and US-12 mile post 21-39 and 51.5-65.2. As you know the Idaho State Police is charged with providing traffic safety enforcement as well as assisting the motoring public on state and federal highways to include those that are within the boundaries of the Nez Perce reservation.

The Idaho State Police currently utilizes in-car Mobile Data Computers (via air cards) and the Sergeants utilize issued cellular phones to assist with day to day operations. These devices are more importantly utilized during emergencies. The current lack of infrastructure for data and voice in the areas noted above on US-95 and US-12 has hampered the Idaho State Police in providing the best service possible to the motorizing public. In today's world most motorists have cellular phones. This same lack of infrastructure routinely hampers the motoring public's ability to contact emergency services to report medical emergencies as well as crashes thus significantly delaying response times. Reducing emergency personnel response times saves lives!

The Idaho State Police as well as all medical services would greatly benefit from an enhanced data and voice infrastructure. But more importantly, all those who travel the highways affected by the proposed enhancement would be the benefactor of a quicker response to their medical needs. I certainly endorse your pursuit of this infrastructure enhancement through a grant.

Sincerely,

Captain Lonnie Richardson

2700 N & S Highway • Lewiston ID 83501-1732 • (208)799-5150 • FAX (208)799-5146

EQUAL OPPORTUNITY EMPLOYER



Eastside Marketplace
P.O. Box 9587
Moscow, Idaho 83843
208-882-8869

March 11, 2010

Samuel Penney, Chairman
Nez Perce Tribe
PO Box 365
Lapwai, ID 83540

Dear Chairman Penney:

First Step Internet is excited to hear that the Nez Perce Tribe is pursuing grant funding through the NTIA broadband grant program. Over the past several years there have been a number of regional efforts that have built the case for a solution to our communities' lack of reliable broadband internet access and the need for a safe disaster recovery network. First Step Internet is encouraged about the Tribe's initiative to partner with First Step Internet, Inland Cellular and the NTIA to develop a regional broadband network that will be available to residents, businesses, education and public safety entities across the region.

Danae Wilson has been very helpful and supportive of this process. She has been working with our staff here and the projects we are applying for are very complementary and will help to build the infrastructure that our region needs. We again appreciate the opportunity to collaborate with you and look forward to implementing these services throughout the region.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin Owen', written over a horizontal line.

Kevin Owen
President and CEO
First Step Internet



Office of Education Department Manager

Nez Perce Tribe

P.O. Box 365, Lapwai, ID 83540

(208) 621-4610

joycem@nezperce.org

March 17, 2010

Danae Wilson, Director
Nez Perce Tribe, Information Systems
P.O. Box 365
Lapwai, ID 83540

Dear Ms. Wilson:

Our vision for north central Idaho is improving access to high quality distance education technology services provided by the Nez Perce Tribe. It is our understanding the proposal will build a 200 megabit wireless middle mile infrastructure to areas within the Nez Perce reservation that are currently under served. This project will connect the Nez Perce Tribe to a regional approach for broadband allowing us to reach out to many more consumers across the reservation using technology as the tool to offer lifelong learning.

For the last decade, the Nez Perce Tribe has developed the technological means to accommodate the Education Department with existing bandwidth for full-time use of a video conference system and Internet access used in delivery of distance education under a partnership between the Nez Perce Tribe and Northwest Indian College in Bellingham, WA.

In the next decade, the education department is preparing to increase the collaboration with regional post-secondary institutions, public school, and library systems to provide innovative strategies as the means to adjust the regional economy through education, workforce training, and small business development opportunities. The four key areas of broadband services essential for successful delivery of data to consumers using the Tribe's communication pathway in education are: bandwidth, high definition video, on demand video, and high speed wireless.

The telecommunications proposal being presented will enhance our commitment to excellence in education. It also specifically addresses the tribal Strategic Plan to construct a regional Nez Perce Education, Training and Business Development Center within the next 1-2 years.

Sincerely,

Joyce McFarland
Manager

~ Education Opens Doors... To the Past & the Future ~

CLEARWATER COUNTY SHERIFF'S OFFICE



Chris Goetz, Sheriff

P.O. Box 724, 150 Michigan Ave., Orofino, ID 83544

Phone: (208) 476-4521 Fax: (208) 476-7835

March 5, 2010

To whom it may concern,

This letter is to express my support of the Nez Perce Tribe in their efforts to receive grant funding to improve broadband technology in underserved areas on the Nez Perce Reservation. Clearwater County is in the east and northeast sides of the Nez Perce Reservation and currently has significant holes in broadband and cellular coverage.

The Clearwater County Sheriff's Office operates the dispatch center for all first responders in Clearwater County including, Law Enforcement, Fire and Medical.

They include:

Seventeen (17) field Deputies for the Clearwater County Sheriff's Office

Six (6) field Officers for the Orofino Police Department

Clearwater County Ambulance District which includes ambulances in Orofino, Weippe, Pierce and Elk River

Evergreen Rural Fire District

Sunnyside Rural Fire District

Orofino City and Rural Fire District

Twin Ridge Rural Fire District

Grangemont Rural Fire District

Elk River Fire Department

Pierce Fire Department

Weippe City and Rural Fire District

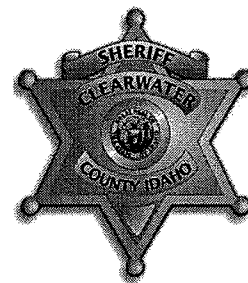
Upper Fords Creek Fire District

Greer Rural Fire District

Back Country Medics (Air Medical Unit)

Clearwater County Search and Rescue

CLEARWATER COUNTY SHERIFF'S OFFICE



Chris Goetz, Sheriff

P.O. Box 724, 150 Michigan Ave., Orofino, ID 83544

Phone: (208) 476-4521 Fax: (208) 476-7835

The Clearwater County Sheriff's Office also has contracts for service with several other government entities. We have contracts with the City of Elk River, City of Weippe, City of Pierce, Bureau of Land Management, US Army Corp of Engineers and US Forest Service for Law Enforcement services. We have a contract with the City of Orofino for Dispatch services and one with the Nez Perce Tribe for Jail services.

There are several technologies available today that would make our job of dispatching and tracking these units much more accurate and effective if we had a more complete broadband structure. Some of these include, real time mapping and tracking of incidents and units, the ability to be connected to our records database from the field and the ability to use phase two E911 service for accurate tracking of 911 calls from cellular phones. These are just some of the benefits that would be available with a more complete broadband network.

We currently use both Inland Cellular and First Internet as service providers for the Sheriff's Office. Both of these companies provide good service when you are in Orofino. The problem is that once you are a couple of miles out of town the services are hit and miss. Obviously for us to invest into any of the new technology available the service must be more reliable in the outlying areas. When a reliable broadband service is available we do intend to invest in these technologies and provide a better service to the citizens.

Again I would like to express my support to the Nez Perce Tribe in their efforts to receive grant funds to expand the broadband and cellular networks on the Nez Perce Reservation. I feel that a more complete network would both enhance public safety and provide a much needed service to everyone that lives in this area.

Thank you,

A handwritten signature in cursive script that reads 'Chris Goetz'.

Chris Goetz, Sheriff



Assisting North Central Idaho Communities Since 1968

March 3, 2010

Samuel Penney, Chairman
Nez Perce Tribe
PO Box 365
Lapwai, ID 83540

Dear Chairman Penney:

Clearwater Economic Development Association is happy to support the Nez Perce Tribe's grant application to assist in funding of a project that will contribute to bringing reliable broadband internet access in our service area. We appreciate your representation on the North Central Idaho Telecommunication Consortium (NCITC) and your membership with our organization. Your project, in collaboration with First Step Internet, Inland Telephone Company, and the Idaho Department of Administration, demonstrates just the type of partnerships it takes to bring the necessary infrastructure to our rural communities.

The Nez Perce Tribe's project is also consistent with the community strategies documented in the *2006 North Central Idaho Telecom Needs Assessment and Implementation Plan* as well as the schematic design of the expanded study that was completed in 2008.

We hope that the funding agency sees the value of this initiative and funds your project.

Sincerely,

Christine Frej, CEDA Executive Director
Coordinator, North Central Idaho Telecommunication Consortium Work Group



March 11, 2010

Samuel N Penney, Chairman
Nez Perce Tribe
Po Box 365
Lapwai, ID 83540

RE: Bringing Broadband Internet to Peck

Dear Chairman Penny,

The Big Canyon Fire District (BCFD) has been a going concern in the Peck community and the eastern end of Nez Perce County since we formed in 1987. We have made huge progress over the years in providing quality structure fire protection but communications continues to be a major challenge. We see many benefits to bringing a faster internet provider in to serve our community. Many aspects of providing fire protection could be improved by bringing this service to Peck. Fire siren initiation, on line training opportunities, volunteer management, and cost accounting would all be enhanced with broadband service.

The BCFD maintains a radio repeater located on private land on top of Angel Ridge. We look forward to working with both the Nez Perce Tribe and First Step Internet and Inland Telephone Co (Inland Cellular) should this site also meet the needs of this proposal. Please let us know if we can be of further assistance with this matter.

Sincerely,

John Elsbury
President, Board of Fire District Commissioners



Community Action Partnership is a catalyst for building relationships that inspire and equip people to end poverty in our community
March 11, 2010

124 New 6th Street
Lewiston, Idaho 83501

PHONE: 208.746.3351 | 1.800.326.4843
FAX: 208.746.5456

www.communityactionpartnership.org

Re: Broadband Technologies Opportunity Grant

I am writing on behalf of Community Action Partnership (CAP) to express our support of the Broadband Technologies Opportunity grant being pursued by the Nez Perce Tribe and their partners.

Community Action Partnership is a private, non-profit organization serving the people and communities of northern Idaho with services and projects designed to address the causes and conditions of poverty. To this end, CAP has offices in every county in northern Idaho, including the service areas specifically targeted in this grant proposal – Lapwai, Lenore, Peck, Ahsahka, Orofino, Greer, Kamiah, Kooskia, Stites, Nezperce, Winchester and CULDESAC.

The addition of 200 Megabit wireless middle mile infrastructure to these areas will benefit CAP in two ways. First, many of CAP's low-income program participants do not have access to the latest and best technology because they reside in these underserved areas. This contributes to an inability to communicate effectively both personally and professionally for these low-income households. It also contributes to their isolation from services that would allow for increased skill building, relationship building and community access. Secondly, CAP offices located in these areas might also benefit from increased access and availability of greater technology opportunities.

I appreciate the chance to provide a letter of support for this grant proposal. Thank you for your time and thorough review of a proposed opportunity that would enhance livability for both our clients and CAP as an organization in this underserved area.

Sincerely,

Lisa Stoddard
Executive Director

March 4, 2010

Nez Perce Tribe
Samuel N. Penny, Chairman
PO Box 365
Lapwai, ID 83540

Dear Mr. Penny:

I am writing this letter in support of the Wireless Infrastructure project that the Nez Perce Tribe is taking on with private partners that include Inland Cellular and First Step Internet.

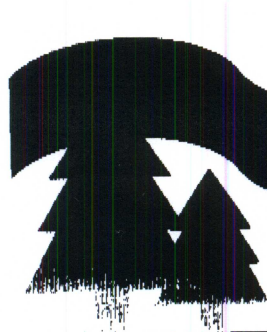
Both Clearwater Valley Hospital & Clinics, Orofino, Id, and St. Mary's Hospital & Clinics, Cottonwood, Id, would greatly benefit from your efforts. Due to the high cost and lack of fiber and/or copper infrastructure in this rural area, connectivity progress can be slow. A wireless solution would bring voice and data service to a much underserved area. EMS services and communication between sites would be able to be enhanced with our two hospitals and outlying clinics which in turn will keep our communities safe.

Thank you for your efforts.

Sincerely,



Casey Meza, CEO
Clearwater Valley Hospital & Clinics
St. Mary's Hospital and Clinics



PRAIRIE-RIVER LIBRARY DISTRICT

CRAIGMONT ~ CULDESAC ~ KAMIAH ~ KOOSKIA ~ LAPWAI ~ NEZPERCE ~ PECK ~ WINCHESTER

March 9, 2010

Dear BTOP proposal reviewer,

The Prairie-River Library District serves a rural population of over 15,000 residing in small towns located on the Nez Perce Reservation, encompassing portions of Nez Perce, Lewis and Idaho counties. The central library and district office is located in Lapwai, a community of more than 1,100 residents and the site of Tribal headquarters. District branches are located in the small towns of Craigmont, Culdesac, Kamiah, Kooskia, Nezperce, Peck and Winchester. These libraries are at the heart of their communities, providing residents with a variety of resources to meet their educational and recreational reading needs as well as a place for community activities and family programs. Meeting rooms are used by book clubs, home school families, and local organizations. Each branch library offers the only free Internet access available within their community. Service is provided to residents and non-residents alike.

There has been a significant increase in computer usage throughout the library district during recent years and most particularly during the current recession. Access to technology is very important to our rural residents. People of all ages and backgrounds increasingly depend on their community library's public access computers and Internet service to search for jobs, obtain medical information, communicate with family and friends, take classes, and receive government information and services. Patrons include the unemployed, students, senior citizens, homeschoolers, and an increasing number of people who have no other access. Residents requiring computer access are often the first in the door when the library opens and the last to leave at closing. Time limits are necessary during high demand periods such as late afternoon when school is out. We cannot provide enough public computers or the increased bandwidth to meet the needs of our communities. Although there have been repeated requests for wireless access, current connection speeds are insufficient to support it in all but one of our libraries. The Prairie-River Library District finds itself in the difficult position of needing to supply additional services at eight locations when budget allocations are decreasing.

Enhanced telecommunications that build upon the area's existing infrastructure would greatly benefit our rural communities that are currently underserved, and would support improved library services by increasing access and resource sharing. Wireless

connections and learning resources that are currently unavailable would be possible with upgraded connectivity. Our ability to serve our public would be significantly improved. The library district will continue working with First Step Internet and the Nez Perce Tribe to meet its connectivity needs.

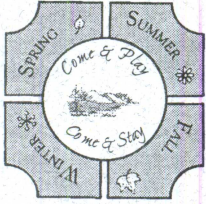
Thank you for your consideration of this much needed project for the benefit of our rural residents in underserved areas of North Central Idaho.

Sincerely,



Claudia Jones, Director
Prairie-River Library District
103 N Main/PO Box 1200
Lapwai, Idaho 83540
208-843-7254
<http://prairieriver.lili.org>

A REASON for EVERY SEASON



OROFINO, Idaho

Orofino Chamber of Commerce

March 15, 2010

Samuel N Penney, Chairman
Nez Perce Tribe
P.O. Box 365
Lapwai, ID 83540

RE: Broadband Technologies Opportunity Grant

Dear Chairman Penney;

The Orofino Chamber of Commerce would like to submit this letter in support of the Nez Perce Tribe's grant proposal to build a 200 Megabit wireless middle mile infrastructure to areas within the Nez Perce Reservation which are currently underserved. Providing telecommunications capabilities to areas which currently have limited or no service would be a great asset to our community and local tourism efforts. Once realized, this effort will also address several safety issues for those traveling along our highways and roads.

The Chamber recognizes that in order to attract new businesses and strengthen and grow our current businesses, reliable broadband is a necessity. With businesses relying heavily on the internet to reach a broader customer base and to have access to global markets, a solid infrastructure is a must. The need for redundancy has been demonstrated when lines have been severed and all phone lines, internet and cell coverage has been shut down providing major problems for Orofino businesses, making it impossible to run credit cards or call out for assistance. From a business standpoint, this is unacceptable.

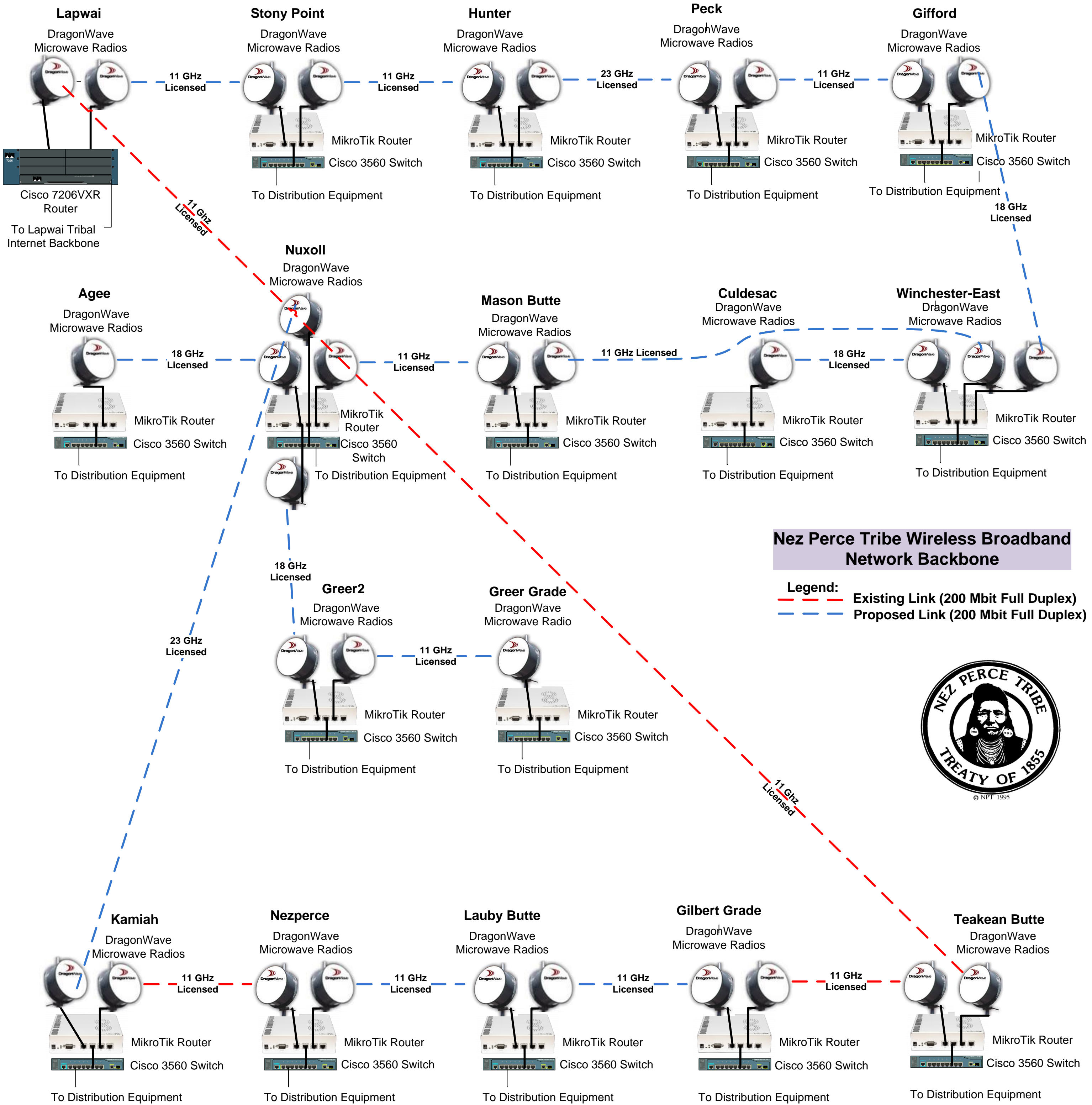
The Orofino Chamber of Commerce recognizes the great effort that the Nez Perce Tribe is making in bolstering the local telecommunications infrastructure and applauds the partnerships that you are forming in order to carry out this proposal.

If you have any questions or I can be of further assistance, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads 'Stephanie Deyo'.

Stephanie Deyo
President
Orofino Chamber of Commerce

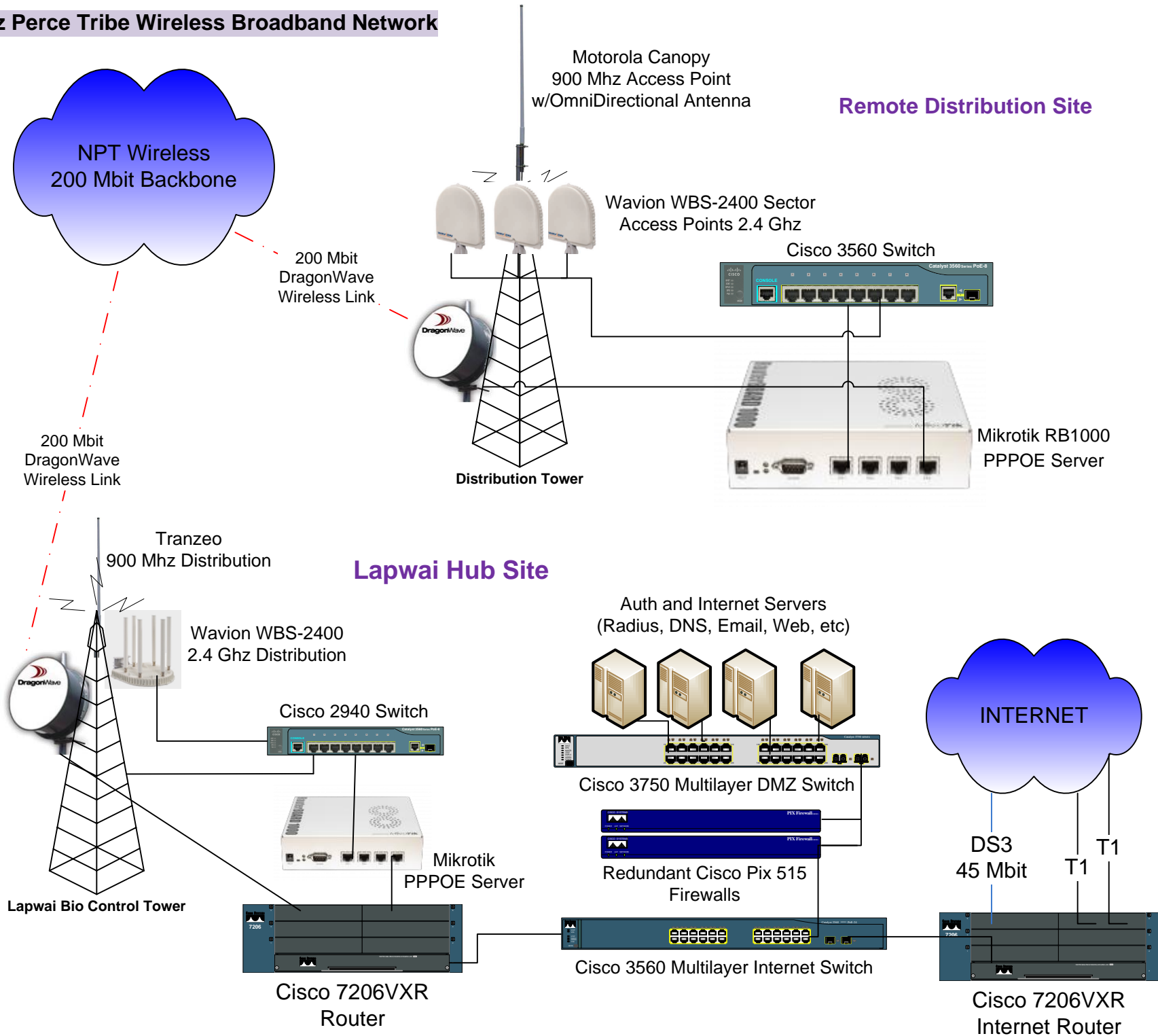


Nez Perce Tribe Wireless Broadband Network Backbone

Legend:
 - - - Existing Link (200 Mbit Full Duplex)
 - - - Proposed Link (200 Mbit Full Duplex)



Nez Perce Tribe Wireless Broadband Network



PROJECT PLAN

Time Period	Quarter	Milestones	Support for Reasonableness/Data Points
Year 0	-	File all regulatory documents, FAA, FCC; Finalize land lease agreements (Culdesac, Greer Grade, Peck sites); Finalize Collocation Agreements with project key partners (9 existing tower sites); Develop new Collocation Agreements with project partners (6 new tower sites) File all documentation for Zoning and Building permits	Regulatory and Legal processes
Year 1	Qtr. 1	Order materials for microwave links on existing towers: Radios, antennae, steel, all long lead items. Establish secure storage and accounting processes Begin site prep to eliminate access issues	Pre ordering of materials, and stockpiling expedites the construction process.
	Qtr. 2	Order towers; Antennae, Radios and installation materials for new tower sites; Order last mile antennae, radios and installation kits for areas covered under existing pathways	Getting prepared to construct new towers as soon as weather permits; get last mile offering available where possible to build off existing pathways (Ahsahka/Orofino, lower Lapwai Valley)
	Qtr. 3	Test last mile networks where existing pathway supported set up; Construct key pathway sites	Serve last mile clients as soon as possible; use fair weather season to get new tower sites constructed;
	Qtr. 4	Connect anchor institutions	Last Mile areas: Ahsahka/Orofino, Lower Lapwai Valley
Year 2	Qtr. 1	Begin marketing last mile service; Order towers, Antennae, Radios and installation kits	Last Mile areas: Ahsahka/Orofino, Lower Lapwai Valley Initiate Sustainable Adoption partnership with One Economy Readiness preparation by ordering
	Qtr. 2	Begin site prep on Peck, GWhat(TU 61), Greer Grade as weather permits; ongoing marketing of existing service and making connections	Weather dependent construction timeframe;
	Qtr. 3	Site development and tower installation: Culdesac, Winchester, Peck, Gifford (TU 17) Lauby, GWaht (TU 61) & Greer Grade	Complete the middle mile backbone tower infrastructure construction
	Qtr. 4	Continued site development	Complete the middle mile backbone tower

			infrastructure construction
Year 3	Qtr. 1	Verify Ring; Connect Anchor institutions; Facilitate partner service expansion	Testing of completed rings to determine any faults or issues
	Qtr. 2	Market & serve client needs	Network utilization
	Qtr. 3	Market & serve client needs	Network utilization
	Qtr. 4	Market & serve client needs	Network utilization

BUILD-OUT TIMELINE

Complete the following schedule for *each* Last Mile or Middle Mile Service Area to note the degree of build-out, based on: a) infrastructure funds awarded; b) entities passed (households, businesses, and community anchor institutions.). In addition, please complete a schedule that aggregates the build-out timeline across all of the Proposed Funded Service Area.

Service Area	All Proposed Last Mile Service Areas												
	YEAR 0	YEAR 1				YEAR 2				YEAR 3			
		Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4
Infrastructure Funds													
Infrastructure Funds Advanced (estimate)	\$ 8160	\$142478	\$281392	\$50669		\$112845	\$832493	\$99610					
Percentage of Total Funds	0.03	6.24	12.3	2.2		4.9	36.5	4.3					
Entities Passed & %													
Households			1771							294	671		
Percentage of Total Households			65%							10%	25%		
Businesses			292							13	162		
Percentage of Total Businesses			62%							3%	35%		
Community Anchor Institutions			9							4	5		
Percentage of Total Institutions			50%							22%	28%		

Service Area	Ahsahka - Orofino												
	YEAR 0	YEAR 1				YEAR 2				YEAR 3			
		Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4
Infrastructure Funds													
Infrastructure Funds Advanced (estimate)	\$15472												
Percentage of Total Funds	0.06												
Entities Passed & %													
Households			682										
Percentage of Total Households			25%										
Businesses			251										
Percentage of Total Businesses			53%										
Community Anchor Institutions			4										
Percentage of Total Institutions			22%										

Service Area	Lapwai Valley												
	YEAR 0	YEAR 1				YEAR 2				YEAR 3			
		Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4
Infrastructure Funds													
Infrastructure Funds Advanced (estimate)	\$13994				\$265257								
Percentage of Total Funds	0.06				11.6								
Entities Passed & %													
Households			1089					411					
Percentage of Total Households			40%					15%					
Businesses			41					18					
Percentage of Total Businesses			9%					4%					
Community Anchor Institutions			5					3					
Percentage of Total Institutions			28%					17%					

Service Area	Peck												
	YEAR 0	YEAR 1				YEAR 2				YEAR 3			
		Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4
Infrastructure Funds													
Infrastructure Funds Advanced (estimate)						\$160715							
Percentage of Total Funds						7							
Entities Passed & %													
Households										294			
Percentage of Total Households										11%			
Businesses										13			
Percentage of Total Businesses										3%			
Community Anchor Institutions										4			
Percentage of Total Institutions										22%			

Service Area	Kamiah												
	YEAR 0	YEAR 1				YEAR 2				YEAR 3			
		Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4
Infrastructure Funds													
Infrastructure Funds Advanced (estimate)		\$71030						\$29660					
Percentage of Total Funds		3.1						1.2					
Entities Passed & %													
Households											671		
Percentage of Total Households											24%		
Businesses											162		
Percentage of Total Businesses											35%		
Community Anchor Institutions											5		
Percentage of Total Institutions											28%		

Income Statement

	Forecast Period							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Revenues								
Broadband Offerings								
Wholesale Data	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retail Data	\$ 40,800	\$ 81,600	\$ 153,600	\$ 225,600	\$ 297,600	\$ 306,528	\$ 315,723	\$ 325,195
Dark Fiber	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (list specific services)	\$ 857,000	\$ 942,700	\$ 1,037,000	\$ 1,140,700	\$ 1,254,800	\$ 1,292,444	\$ 1,331,217	\$ 1,371,153
Other Network Driven Revenues								
Video Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Voice Services (local/toll/long distance)	\$ -	\$ -	\$ 6,000	\$ 12,000	\$ 6,000	\$ 6,500	\$ 6,500	\$ 6,500
Other (list specific services)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Universal Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Installation Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 897,800	\$ 1,024,300	\$ 1,196,600	\$ 1,378,300	\$ 1,558,400	\$ 1,605,472	\$ 1,653,440	\$ 1,702,848
Expenses								
Backhaul	\$ 365,000	\$ 401,500	\$ 442,000	\$ 486,000	\$ 595,000	\$ 612,850	\$ 631,235	\$ 650,172
Network Maintenance/Monitoring	\$ 143,000	\$ 157,000	\$ 173,000	\$ 190,000	\$ 195,700	\$ 201,571	\$ 207,618	\$ 213,665
Utilities	\$ 31,788	\$ 34,900	\$ 33,600	\$ 38,400	\$ 46,460	\$ 47,853	\$ 49,289	\$ 50,768
Leasing - Collocation	\$ 5,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 10,000	\$ 10,000	\$ 10,000
Sales/Marketing	\$ 5,000	\$ 5,000	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
Customer Care	\$ 92,000	\$ 110,693	\$ 172,155	\$ 202,886	\$ 233,617	\$ 239,457	\$ 245,444	\$ 252,807
Billing	\$ 24,500	\$ 36,750	\$ 49,000	\$ 61,250	\$ 73,500	\$ 75,337	\$ 77,220	\$ 79,151
Corporate G&A	\$ 104,200	\$ 109,400	\$ 114,800	\$ 120,500	\$ 126,500	\$ 130,292	\$ 134,203	\$ 138,229
Other Operating Expense	\$ 57,687	\$ 67,678	\$ 87,621	\$ 100,954	\$ 112,128	\$ 114,788	\$ 117,882	\$ 121,292
Total	\$ 828,175	\$ 929,921	\$ 1,086,676	\$ 1,214,490	\$ 1,397,405	\$ 1,439,648	\$ 1,480,391	\$ 1,523,584
EBITDA	\$ 69,625	\$ 94,379	\$ 109,924	\$ 163,810	\$ 160,995	\$ 165,824	\$ 173,049	\$ 179,264
Depreciation	\$ -	\$ -	\$ -	\$ 10,392	\$ 10,392	\$ 10,392	\$ 10,392	\$ 10,392
Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings Before Interest and Taxes	\$ 69,625	\$ 94,379	\$ 109,924	\$ 153,418	\$ 150,603	\$ 155,432	\$ 162,657	\$ 168,872
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income Before Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property Tax	na	na	na	na	na	na	na	na
Income Taxes	na	na	na	na	na	na	na	na
Net Income	\$ 69,625	\$ 94,379	\$ 109,924	\$ 153,418	\$ 150,603	\$ 155,432	\$ 162,657	\$ 168,872

Statement of Cash Flows

	Forecast Period							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Beginning Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CASH FLOWS FROM OPERATING ACTIVITIES:								
Net Income	-	-	-	-	-	-	-	-
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>								
Add: Depreciation	-	-	-	10,392	10,392	10,392	10,392	10,392
Add: Amortization	-	-	-	-	-	-	-	-
<i>Changes in Current Assets and Liabilities:</i>								
Marketable Securities	-	-	-	-	-	-	-	-
Accounts Receivable	na	na	na	na	na	na	na	na
Inventory	-	-	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-	-	-
Other Current Assets	-	-	-	-	-	-	-	-
Accounts Payable	-	-	-	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-	-	-	-
Net Cash Provided (Used) by Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CASH FLOWS FROM INVESTING ACTIVITIES:								
Capital Expenditures	1,020,105	1,044,948	-	-	-	-	-	-
Amortizable Asset (Net of Amortization)	-	-	-	-	-	-	-	-
Long-Term Investments	-	-	-	-	-	-	-	-
Net Cash Used by Investing Activities	\$ 1,020,105	\$ 1,044,948	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CASH FLOWS FROM FINANCING ACTIVITIES:								
Notes Receivable	-	-	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-	-	-
Principal Payments	-	-	-	-	-	-	-	-
New Borrowing	-	-	-	-	-	-	-	-
Additional Paid-in Capital	1,020,105	1,044,948	-	-	-	-	-	-
Additions to Patronage Capital Credits	-	-	-	-	-	-	-	-
Payment of Dividends	-	-	-	-	-	-	-	-
Net Cash Used by Investing Activities	na	na	na	na	na	na	na	na
Net Increase (Decrease) in Cash	\$ 1,020,105	\$ 1,044,948	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Cash	\$ -	\$ -	\$ -	\$ 10,392	\$ 10,392	\$ 10,392	\$ 10,392	\$ 10,392

NPV/IRR Table

	Net Present Value	Internal Rate of Return
Without BTOP Funding	-\$610,570.00	-13.51%
With BTOP Funding	\$1,136,274.00	6.00%

Revenue Assumptions

Factor	Specific Metric Used in Analysis
Customers Passed	
	Regional strategies: 2006 North Central Idaho Telecommunication Strategy & Implementation Plan; 2008 Wide Area Network - in each of these reports the region, which includes the Nez Perce Reservation was surveyed and needs identified. Through the regional networks we are able to communicate with each of the community anchor institutions and therefore accurately identify which institutions are future clients.
Businesses	ID Dept of Labor; US Census; Regional business telecom s
Households	US Census
Last Mile Providers	North Central ID Telecommunications Consortia membership; Regional telecom surveys; service provider search on WWW
Other	
Average Revenue per User (may vary across 8-year forecast)	
Anchor Institutions - Segment A	Projected based on build out schedule: the number of new subscribers is expected to rise initially fast due to the newly available access to broadband, as subscribership reaches the 30% saturation point, growth slows to match the current rates of growth (or shrinkage) in the service area landscape
Businesses	
Households	
Last Mile Providers	
Other	

Expense Assumptions

Factor	Specific Metric Used in Analysis
Network Expenses	
Backhaul	Expenses based on current and past budgets for the Nez Perce Information Systems program; Average lease rates from private sector partners
Maintenance	
Utilities	
Leasing	
Depreciation	
Other	
Sales & Marketing	
Advertising	Current budgets
Commissions	

Salaries	
Other	
Customer Care & Billing	
Systems	Current budgets
Personnel	
Other	
General & Administrative	
Professional Services	Current budgets & approved indirect
Insurance	
Non-Network Utilities	
Travel	
Supplies	
Miscellaneous	
Interest Expenses	
Debt Instrument A	NA
Debt Instrument B	NA
Taxes	
Federal Tax Rate	Taxation not applied to government
Other Tax Rates	

Rationale (Cite Basis)
Personal communication with anchor institutions to learn what the telecom needs are
Estaimation of 30% uptake for broadband; 85% uptake for cellular service
Estaimation of 30% uptake for broadband; 85% uptake for cellular service
Total uptake will include the 18 idnetified institutions; expected connctions made in Year 2 & 3 of the project build out
Expect 30% uptake for businesses within the last mile service area for the Nez Perce Tribe Broadband Network
Expect 30% uptake for non tribal households and delivery to 100% of the tribal hosueholds within the last mile servic
Service to last mile providers has not been included; the partnerhsips developed are mutually bneficial and include collocation on tower infrastructure

Rationale (Cite Basis)
20 year depreciation schedule for major infrastructure
Target markets are clear for the Nez Perce Tribe infotmation Systems: anchor institutions, Tribal/low

income communiites and public health & safety within the Reesrvation.

Staffing will increase from 2 technicans to 6 technicians in years 2-4 of the proiect; thereafter a projected 2.5% COLA has been programmed inoo the expense model

Covered through Tribal indirect for all government operations

Covered through Tribal indirect for all government operations

Antiiipated increases due to adding service offerings across the Reservation

Based on additional staffing demand and program growth

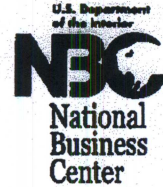
No assumption of indebtedness

t

the area for the Nez Perce Tribe Broadband Network



United States Department of the Interior
National Business Center
Indirect Cost Services
2180 Harvard Street, Suite 430
Sacramento, CA 95815



CO: SNA
JDW
JFK
JTM
February 23, 2009 *FINAL*

Mr. Samuel N. Penney, Chairman
Nez Perce Tribe
P.O. Box 365
Lapwai, Idaho 83540

Dear Mr. Penney:

Enclosed is an original copy of the Indirect Cost Negotiation Agreement for the 12-month period ending September 30, 2009, between the Federal Government and the Nez Perce Tribe.

Please visit our Web site at <http://www.aqd.nbc.gov/ics> for guidance and updates on submitting indirect cost proposals. In addition, you will find helpful tools such as a completeness checklist, indirect cost and lobbying certificates, sample proposals, Excel worksheet templates, and important links to other Web sites.

If you have any questions regarding this agreement, please write or call Ms. Maria Nua, Program Analyst, at (916) 566-7111.

Sincerely,

Deborah A. Moberly
Deborah A. Moberly
Indirect Cost Coordinator

Enclosure

cc: Self-Determination Specialist, Northwest Regional Office, Bureau of Indian Affairs

Ref: J:Northwest/NEPTw094/Issue.ltr

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We want to hear from you! Please let us know how we are doing in meeting your needs by taking a short survey at: <http://www.aqd.nbc.gov/survey>.

**Indian Organizations
Indirect Cost Negotiation Agreement**

EIN: 82-0255928

Organization:

Nez Perce Tribe
P.O. Box 365
Lapwai, Idaho 83540

Date: February 23, 2009

Report No(s) : 09-A-335

Filing Ref.:

Last Negotiation Agreement
dated February 14, 2008

The indirect cost rate contained herein is for use on grants, contracts, and other agreements with the Federal Government to which Public Law 93-638 and 2 CFR 225 (OMB Circular A-87) apply, subject to the limitations contained in 25 CFR 900 and in Section II.A. of this agreement. The rate was negotiated by the U.S. Department of the Interior, National Business Center, and the subject organization in accordance with the authority contained in 2 CFR 225.

Section I: Rate

Type	Effective Period		Rate*	Locations	Applicable To
	From	To			
Fixed Carryforward	10/01/08	09/30/09	22.23%	All	All Programs

*Base: Total direct costs, less capital expenditures and passthrough funds. Passthrough funds are normally defined as major subcontracts, payments to participants, stipends to eligible recipients, and subgrants, all of which normally require minimal administrative effort.

Treatment of fringe benefits: Fringe benefits applicable to direct salaries and wages are treated as direct costs; fringe benefits applicable to indirect salaries and wages are treated as indirect costs.

Section II: General

Page 1 of 3

A. Limitations: Use of the rate contained in this agreement is subject to any applicable statutory limitations. Acceptance of the rate agreed to herein is predicated upon these conditions: (1) no costs other than those incurred by the subject organization were included in its indirect cost rate proposal, (2) all such costs are the legal obligations of the grantee/contractor, (3) similar types of costs have been accorded consistent treatment, and (4) the same costs that have been treated as indirect costs have not been claimed as direct costs (for example, supplies can be charged directly to a program or activity as long as these costs are not part of the supply costs included in the indirect cost pool for central administration).

B. Audit: All costs (direct and indirect, federal and non-federal) are subject to audit. Adjustments to amounts resulting from audit of the cost allocation plan or indirect cost rate proposal upon which the negotiation of this agreement was based will be compensated for in a subsequent negotiation agreement.

C. **Changes:** The rate contained in this agreement is based on the organizational structure and the accounting system in effect at the time the proposal was submitted. Changes in organizational structure, or changes in the method of accounting for costs that affect the amount of reimbursement resulting from use of the rate in this agreement, require the prior approval of the responsible negotiation agency. Failure to obtain such approval may result in subsequent audit disallowance.

D. **Provisional/Final Rates:** Within 6 months after year end, a final rate must be submitted based on actual costs. Billings and charges to contracts and grants must be adjusted if the final rate varies from the provisional rate. If the final rate is greater than the provisional rate and there are no funds available to cover the additional indirect costs, the organization may not recover all indirect costs. Conversely, if the final rate is less than the provisional rate, the organization will be required to pay back the difference to the funding agency.

E. **Fixed Carryforward Rate:** The fixed carryforward rate is based on an estimate of costs that will be incurred during the period for which the rate applies. When the actual costs for such period have been determined, an adjustment will be made to the rate for a future period, if necessary, to compensate for the difference between the costs used to establish the fixed rate and the actual costs.

F. **Agency Notification:** Copies of this document may be provided to other federal offices as a means of notifying them of the agreement contained herein.

G. **Record Keeping:** Organizations must maintain accounting records that demonstrate that each type of cost has been treated consistently either as a direct cost or an indirect cost. Records pertaining to the costs of program administration, such as salaries, travel, and related costs, should be kept on an annual basis.

H. **Reimbursement Ceilings:** Grantee/contractor program agreements providing for ceilings on indirect cost rates or reimbursement amounts are subject to the ceilings stipulated in the contract or grant agreements. If the ceiling rate is higher than the negotiated rate in Section I of this agreement, the negotiated rate will be used to determine the maximum allowable indirect cost.

I. **Use of Other Rates:** If any federal programs are reimbursing indirect costs to this grantee/contractor by a measure other than the approved rate in this agreement, the grantee/contractor should credit such costs to the affected programs, and the approved rate should be used to identify the maximum amount of indirect cost allocable to these programs.

J. **Central Service Costs:** Where central service costs are estimated for the calculation of indirect cost rates, adjustments will be made to reflect the difference between provisional and final amounts.

K. **Other:**

1. The purpose of an indirect cost rate is to facilitate the allocation and billing of indirect costs. Approval of the indirect cost rate does not mean that an organization can recover more than the actual costs of a particular program or activity.

2. Programs received or initiated by the organization subsequent to the negotiation of this agreement are subject to the approved indirect cost rate if the programs receive administrative support from the indirect cost pool. It should be noted that this could result in an adjustment to a future rate.

3. New indirect cost proposals are necessary to obtain approved indirect cost rates for future fiscal or calendar years. The proposals are due in our office 6 months prior to the beginning of the year to which the proposed rates will apply.

Section III: Acceptance

Listed below are the signatures of acceptance for this agreement:

By the Indian Organization:

By the Cognizant Federal Government Agency:

Samuel N. Penney /s/

Deborah A. Moberly /s/

Signature
Samuel N. Penney
Name (Type or Print)

Signature
Deborah A. Moberly
Name

Chairman
Title

Indirect Cost Coordinator
Indirect Cost Services
Title

2-18-09
Date

U.S. Department of the Interior
National Business Center
Agency
Date February 23, 2009
Negotiated by Marilyn P. Elgar
Telephone (916) 566-7111