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Stimulus Broadband Grant for Warm Springs

\$5.4 Million to Build Fiber-Wireless Network Across Reservation

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MGN Graphic

SALEM, Ore. -- State and federal officials announced Wednesday that the U.S. Department of Agriculture has awarded Oregon \$17 million, including \$5.4 million for a project on the Warm Springs Indian Reservation, in the second round of broadband technology grants under the American Recovery and Reinvestment Act.

The funding will be used to develop and expand access to high-speed Internet service to rural communities, as well as create jobs. Oregon received approximately \$16 million in the first round of grants on July 2nd.

"Oregon's rural communities will gain opportunities in employment, education, and business through broadband development," Gov. Ted Kulongoski said. "Broadband services are vital to attracting employers to Oregon and creating jobs and this investment will help us create those economic opportunities in areas of our state that need the most help."

This innovative and expanding technology provides business opportunities through e-commerce and will allow small businesses to be more competitive nationally and globally. Affordable broadband services will be available for thousands of homes and will provide expanded opportunities for education, health care information exchanges, public safety agencies, public libraries, and business development.

The Department of Commerce's National Telecommunications and Information Administration and the U.S. Department of Agriculture's Rural Utilities Service awarded the grants through the Broadband Technology Opportunities Program.

Recipients of the grants are:

Monroe Telephone Company - \$5.6 million

This project will provide broadband services to unserved rural areas of Lane and Benton counties in Oregon, adjoining Monroe Telephone Company's current service area using Fiber-to-the-Premises (FTTP). More than 2,300 people, approximately 29 local businesses and 7 community institutions stand to benefit from this improved service.

Warm Springs Telecommunications Company - \$5.4 million

This award will allow The Warm Springs Telecommunications Company to construct a hybrid fiber/wireless network throughout the Reservation of the Confederated Tribes of Warm Springs. Warm Spring's Telecommunications Company's project stands to benefit over 1,800 people. In addition, over 18 businesses and 22 community institutions including administrative buildings, schools, health care facilities, all police/fire and public safety radio towers will benefit from this project.

Cascade Utilities, Inc. - \$5.2 million

This grant will allow Cascade Utilities to place over 127 miles of fiber optic cable along with installing and/or changing out 21 Digital Subscriber Line Access Multiplexers in rural Oregon. Cascade Utilities' project stands to benefit nearly 14,000 people. In addition, over 1,100 businesses and 19 community institutions will benefit from this project.

Cascade Networks, Inc. - \$3.7 million (\$1.1 M to Oregon, \$2.6 M to Washington State)

This award to Cascade Networks, Inc. with an additional \$1.2 million of outside capital will extend broadband reach to unserved customers in Columbia County, Oregon. Cascade Network's project stands to benefit approximately 3,100 people, 200 businesses, and 5 community institutions.

"The broadband projects announced today will give rural Americans access to the tools they need to attract new businesses, jobs, health care and educational opportunities," Agriculture Secretary Vilsack said.

"The Obama Administration understands that bringing broadband to rural America provides a gateway for businesses and key anchor institutions – such as libraries, schools, public safety and community centers – to provide services to thousands of Americans. These projects will create jobs building these networks, and the completed systems will provide a platform for rural economic growth for years to come."

In all, \$1.2 billion will be invested in the 126 broadband infrastructure projects through funding made available through the Recovery Act. An additional \$117 million in private investment will be leveraged, bringing the total funds invested to \$1.31 billion.

By leveraging Recovery Act funding authorized by Congress, [USDA](#) has been able to provide loans and grants of \$2.65 billion to construct 231 broadband projects in 45 states and one territory. The remaining authorized funds will allow an additional \$1 billion in loans and grants by September 30, 2010. The Recovery Act provided [USDA](#) with a total of \$2.5 billion to invest in expanding broadband access to rural America.

According to analysis released by the National Economic Council last year, overall Recovery Act investments in broadband are expected to create tens of thousands of jobs in the near term and expand economic development and job opportunities in communities that would otherwise be left behind in the new knowledge-based economy.

Recovery Act broadband projects help bring down the cost of private investment, attract Internet service providers to new areas, improve digital literacy among students and workers, and help create new opportunities in employment, education, and entrepreneurship by wiring homes and businesses.

With new or increased broadband access, communities can compete on a level playing field to attract new businesses, schools can create distance learning opportunities, medical professionals can provide cost-efficient remote diagnoses and care, and business owners can expand the market for their products beyond their neighborhoods to better compete in the global economy.

Following is a detailed press release about the Warm Springs project:

WARM SPRINGS - Agriculture Secretary Tom Vilsack announced new Recovery Act broadband infrastructure projects including an award to the Warm Springs Telecommunications Company (WSTC), a wholly owned enterprise of the Confederated Tribes of the Warm Springs Reservation of Oregon, for a 50% loan and 50% grant package.

The \$5.4 million package will be used by the newly formed WSTC to launch their reservation-wide broadband company. This award will enable the company to build out a hybrid fiber/wireless network throughout the Reservation that will provide all residents, businesses and government agencies on the reservation with high-speed broadband services, as well as basic telephone and eventually, video programming.

Typical of most Indian reservations, Warm Springs has been historically underserved as compared with the majority of America. It is estimated that 65% of tribal residents have basic telephone service, (as compared to 95% of all Oregonians, according to the Oregon Telecommunications Association) and less than half of those have access to broadband. This not only limits basic internet and email access, but as the world becomes more internet dependant, this further leaves behind tribal members from distance learning opportunities as well telemedicine applications.

Tribal leaders have been working on improving telecommunications since 2002, almost 10 years ago, when the Tribes first did a telecommunications needs assessment. That assessment determined that telecommunications services were severely limited on the Warm Springs reservation. "Back then, tribal leaders realized the importance of improving the telecommunications infrastructure on the reservation in order to enhance tribal economic development efforts", says Jeffrey Anspach, CEO of Warm Springs Economic Development Corporation and the

WSTC.

"Over the years, we have slowly but surely worked towards the creation of a telecom company. Now we are ready to go, with the creation of the WSTC, a strong Board of Directors and a great team comprised of Adam Haas as General Manager, Marsha Spellman as our Regulatory Manager, and Rob Wilkinson, as Operation Manager. Now, this funding will give us the resources we need to build the new company. It is a great opportunity for Warm Springs, as we will soon have the necessary infrastructure to develop new businesses and new tribal enterprises."

"In addition to the current round of USDA Rural Development Recovery Act funding, we have been working with the Confederated Tribes of Warm Springs since 2007 to get this project off the ground," said USDA Rural Development State Director Vicki Walker. Walker explained that in 2007 and 2008, the Tribe also received funding through Rural Development's Rural Business Opportunity Grant (RBOG) and Rural Business Enterprise Grant (RBEG) programs to conduct important pre-planning and feasibility studies for broadband on the Reservation.

"We are very excited to see this project advance to the next level," Walker added. "It will help drive economic development in the community for years to come."

This new company means more to Warm Springs than just cable in the ground, internet and phone access. For Warm Springs this company is a means to solving some long standing problems that plague the reservation. One chronic problem at Warm Springs is severe unemployment.

"Tribal leaders have long recognized the need for telecommunications as a means of solving some of the challenges on the reservation," explained Sylvester "Sal" Sahme, Board Chair of the WSTC. "We need the ability to create more jobs here on the reservation. I see this new company as a source of employment for our young people, including the kind of jobs that our educated youth will find attractive," Sahme said.

"At this time in our history, we have the greatest number of young people in high school and now in higher education. We need to have a source of jobs, as well as opportunities for individuals to live on the reservation, and create other jobs which they will be able to do with high speed broadband accessible to all. It is also important from a tribal sovereignty standpoint that the WSTC is tribally owned and operated. The profits that this company will generate will stay on the reservation and leverage more economic development and improve our standard of living"

General Manager, Adam Haas, who previously was the Regional VP, GM for Rogers Cable TV in Portland, as well as the GM for a number of local and international telecommunications start-ups, is looking forward to the challenge that getting the money now presents. "We have been planning, studying, researching, conducting feasibility studies and strategic plans. Now the Tribes will be able to build out a new, state of the art, telecommunications company for their community that has been left out of the telecom revolution," said Haas. "It's particularly important to me that we develop and mentor tribal members to work for the company. My ultimate objective is for the WSTC to 100% tribally staffed."

The fiber network will also support a number of the other priorities first identified in the original 2002 assessment, including the public safety interoperable radio network. Over the years, the Tribes have also received a number of Homeland Security grants that have enabled them to slowly build out and improve the network to allow police and fire to better communicate on the reservation and with other local first responders, including the Jefferson County Sheriff's Office and the state of Oregon's OWIN network. Money from this ARRA award will also further the capability of this critical network to serve not only the residents of the reservation, but all Oregonians as they travel across Oregon through Warm Springs on Hwy 26.

The WSTC recently received its certification from the Oregon Public Utility Commission to offer telecommunications services in Oregon.

The Confederated Tribes of the Warm Springs Reservation of Oregon is composed of 3 tribes: Warm Springs; Paiute and Wasco. The reservation covers more than 1,000 square miles from the top of Mt. Jefferson to the Deschutes River. There are 5,000 tribal members who live on the reservation.

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