

NAVAJO TIMES

DINÉ BI NAALTSOOS

THURSDAY
JUNE 30, 2016

Tribe partners with feds to expand wireless services

FORT DEFIANCE, Ariz. – A recent deal gave the Navajo Tribal Utility Authority greater control to guide internet and wireless service on the Navajo Nation.

NTUA finalized a deal with the Office of Indian Energy and Economic Development; Office of the Assistant Secretary, Indian Affairs; and U.S. Department of the Interior that gives NTUA a greater financial interest in NTUA Wireless, LLC — a business enterprise of the tribal utility that provides internet and wireless communications services on the Navajo Nation.

“It essentially will give us more control in guiding the NTUA Wireless ship,” said NTUA General Manager Walter Haase. “Now with more influence, we can implement wireless communication expansion into more isolated areas that currently have no or very limited service.”

IEED approved a \$23.5 million loan guarantee in partnership with Great Western Bank. The loan allowed NTUA to purchase the remaining 51 percent of the principal stock that NTUA had not purchased. It is basically a refinance of a loan, which empowers NTUA to improve and expand the current business model of NTUA Wireless.

NTUA will now direct implementation of NTUAW, for example, by facilitating the

deployment of additional towers in as-of-yet unserved and underserved areas. Currently, NTUAW has an estimated 25,000 mobile phone customers. Approximately 20,000 are lifeline customers. Lifeline is a federal subsidized program that allows low-income households to receive discounted phone services.

“Having the availability of phone service is critical. It gives families the sense of comfort knowing that they have a phone connection should the need arise,” Haase said. “As mobile service becomes increasingly available, our families will also be better connected when one or more members are forced to seek employment outside of the Navajo Nation.”

The loan also allows NTUA to continue to increase the NTUAW employment base, which has grown to 84 employees since the company was formed in April of 2011. In 2014, Choice NTUA Wireless held grand openings for six new regional retail stores.

“Any business expansion has the potential for more employment,” Haase said. “We are in an area where the unemployment rate is close to 50 percent — therefore every new job is extremely important.”

IEED’s Division of Capital Investment administers the Indian Affairs Loan Guarantee Program, which is authorized

under the Indian Financing Act of 1974 to guarantee loans from conventional lenders to Native American-owned businesses whose activities create economic impacts on Native communities. In FY 2015, DCI disbursed \$100 million in loan guarantees averaging \$3.3 million each. The program’s overall loss rate, taking into account all activity since 1992, is under 4 percent.

In 2011, NTUA and Commnet Wireless announced the creation of NTUA Wireless, LLC. NTUA offered the infrastructure while Commnet assisted with telecommunication expertise. The partnership increased the communication network from six towers to more than 90 towers and more than 570 miles of fiberoptic lines.

Before, NTUAW endeavors in the communications business were limited to helping outside wireless companies gain access to towers on the Navajo Nation and leasing space to them. In the past two years, NTUAW has changed the way wireless and broadband communication business is done on the Navajo Nation.

“NTUA Wireless forced significant change,” Haase said. “No longer are the wireless phone services limited here on Navajo. Our people finally have a choice. Now it will be our goal to make this new choice count.”



THE TRUTH WELL TOLD *Independent*

Tuesday
July 5th 2016

Federal loan guarantee to improve wireless services on Navajo

By Marley Shebala
Diné Bureau
navajo1@gallupindependent.com

WINDOW ROCK — A \$23.5 million loan guarantee from the Office of Indian Energy and Economic Development has given Navajo Tribal Utility Authority greater financial control over NTUA Wireless LLC.

Navajo Tribal Utility Authority general manager Walter Haase stated in a news release last week that Office of Indian Energy and Economic Development approved the \$23.5 million loan guarantee in partnership with Great Western Bank.

Haase explained that the loan guarantee allowed NTUA to purchase the remaining 51 percent of the principal stock in NTUA Wireless that NTUA had not purchased.

And he said the \$23.5 million loan guarantee gives NTUA more control in guiding the NTUA Wireless ship.

"Now with more influence, we can implement wireless communication expansion into more isolated areas that currently have no or very limited service," he added.

In 2011, Navajo Tribal Utility Authority and Commnet Wireless announced the creation of NTUA Wireless LLC, a business enterprise of the tribal utility that provides internet and wireless communications services on the Navajo Nation.

NTUA offered the infrastructure while Commnet assisted with telecommunication expertise.

The partnership increased the communication network from six towers to more than 90 towers and more than 570 miles of fiber-optic lines.

The Office of Indian Energy and Economic Development's Division of Capital Investment administers the Indian Affairs Loan Guarantee Program, which is authorized under the Indian Financing Act of 1974 to guarantee loans from conventional lenders to Native American owned businesses whose activities create economic impacts on native communities.

In fiscal year 2015, the Division of Capital Investment disbursed \$100 million in loan guarantees averaging \$3.3 million each. The program's overall loss rate, taking into account all activity since 1992, is under 4 percent.

Improving wireless services

Haase said that the \$23.5 million loan guarantee is basically a refinancing of a loan, which empowers NTUA to improve and expand the current business model of NTUA Wireless.

NTUA will now direct the growth and success of NTUA Wireless, such as by facilitating the deployment of additional towers in unserved and underserved areas, he said.

Haase said that NTUA Wireless currently has about 25,000 mobile phone customers.

About 20,000 are lifeline customers, which is a federal subsidized program that allows low-income households to receive discounted phone services, he explained.

"Having the availability of phone service is critical," Haase said. "It gives families the sense comfort knowing that they have a phone connection should the need arise."

He added, "As mobile service becomes increasingly available, our families will also be better connected when one or more members are forced to seek employment outside of the Navajo Nation."

The \$23.5 million loan guarantee also allows NTUA to continue to increase the NTUA Wireless employment base, which has grown to 84 employees since the company was formed in April 2011, Haase said. In 2014, Choice NTUA Wireless held grand openings for six new regional retail stores.

"Any business expansion has the potential for more employment," he said. "We are in an area where the unemployment rate is close to 50 percent — therefore every new job is extremely important."

Haase noted that before that \$23.5 million loan guarantee, NTUA Wireless endeavors in the communications business were limited to helping outside wireless companies gain access to towers on the Nation and leasing space to them.

But in the past two years, he said, NTUA Wireless has changed the way wireless and broadband communication business is done on the Nation.

"NTUA Wireless forced significant change," Haase said. "No longer are the wireless phone services limited here on Navajo. Our people finally have a choice. Now it will be our goal to make this new choice count."