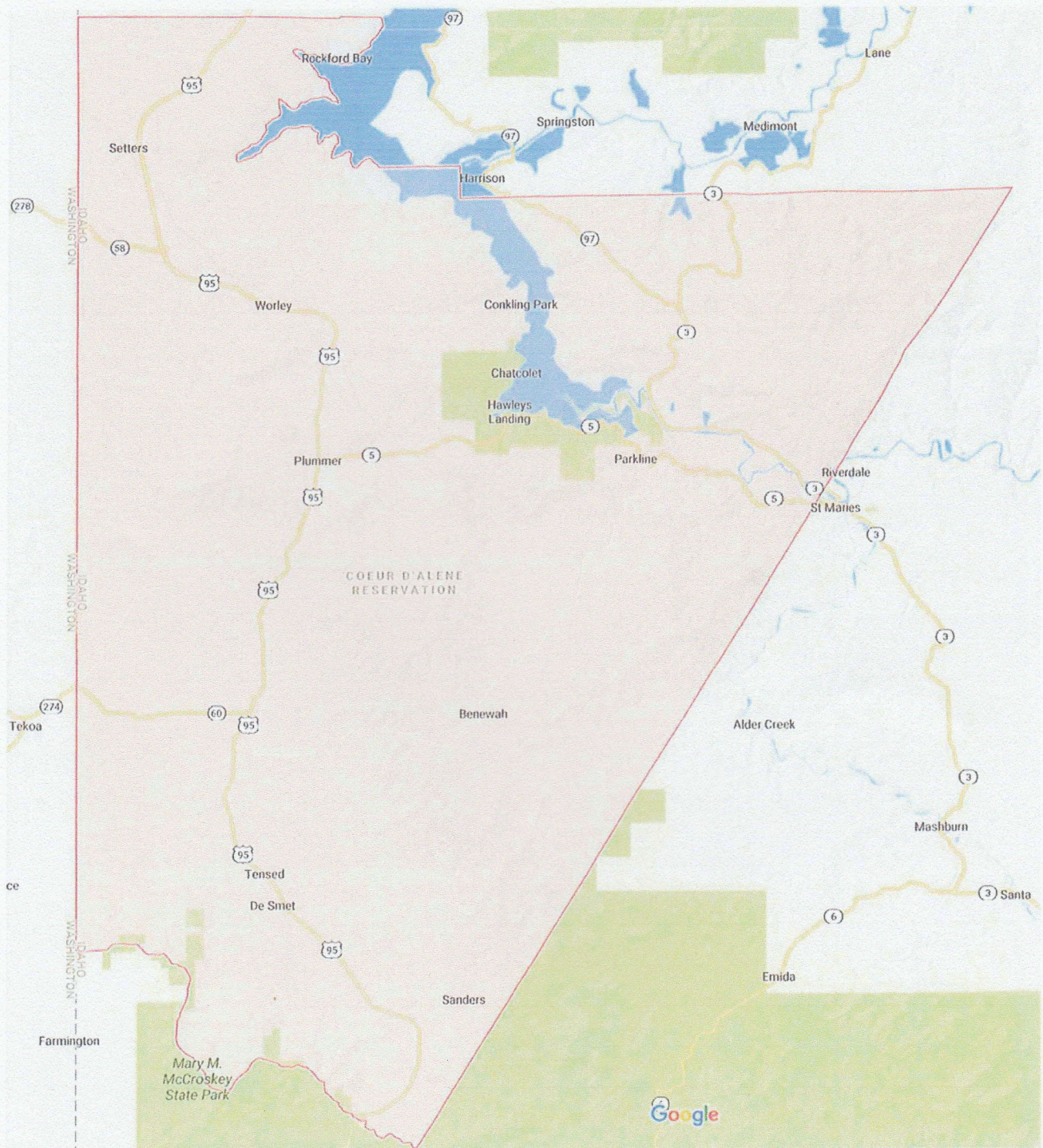


Exhibit 1, Map of the Coeur d'Alene Reservation





STATE OF IDAHO
OFFICE OF THE ATTORNEY GENERAL
LAWRENCE G. WASDEN

June 23, 2016

Helo Hancock
Legislative Director
Coeur d'Alene Tribe
PO Box 408
Plummer, ID 83851

Re: Operation of Red Spectrum, LLC

Dear Mr. Hancock:

In an e-mail dated May 18, 2016, you asked Commissioner Anderson several questions related to the Coeur d'Alene Tribe's desire to offer telecommunications services on the Coeur d'Alene Reservation and the Idaho Public Utilities Commission's involvement in that process. In particular, you explained that the Tribe's wholly owned telecommunications company, Red Spectrum, LLC has recently completed a five-year program of installing and upgrading its telecommunication facilities on the Coeur d'Alene Reservation. You indicated that Red Spectrum is "now looking to become a competitive local exchange carrier (CLEC) to provide local and interstate telephone service to residents on the Coeur d'Alene Reservation." Your colleague, Valerie Fast Horse, also mentioned that Red Spectrum would like to offer local and interstate voice services to customers in the "shaded areas" outside of the boundaries of the Coeur d'Alene Reservation. *See attached map.*

Commissioner Anderson asked me to respond to your questions and we exchanged several e-mails to obtain more detailed information. Set out below are answers to your questions. Please note that I have refined your question so that the answer may be more specific in nature.

1. Our initial question is whether the Idaho PUC will certify Red Spectrum (a tribally-owned enterprise) as a competitive local exchange carrier (CLEC) on the Reservation? Can we come to the Idaho PUC for that certification, or as a sovereign Native Nation within Idaho, do we need to seek CLEC certification from the FCC?

Based on the fact that Red Spectrum LLC is a wholly owned entity of the Coeur d'Alene Tribe, the PUC does not have the jurisdiction to certify Red Spectrum as a CLEC to operate on the Coeur d'Alene Reservation. As a sovereign, the Tribe may exercise its authority to offer members and non-members telecommunications services within the boundaries of the Coeur

d'Alene Reservation contingent on FCC authorization. Section 253 of the federal Telecommunications Act of 1996 allows "any entity to provide any interstate or intrastate telecommunications service" in competition with incumbent LECs. 47 U.S.C. § 253(a). You may wish to review Section 214 of the federal Telecommunications Act and the applicable federal regulations regarding the process of obtaining a Certificate of Public Convenience and Necessity from the FCC. 47 U.S.C. § 214.

1A. Will the Idaho PUC issue a Certificate to Red Spectrum to operate as a CLEC to provide local exchange services to members and non-members outside of the Reservation?

As noted above, the Tribe has indicated that it would like to "sell local and interstate voice services to customers in the shaded area outside the boundaries" of the Coeur d'Alene Reservation. Ms. Fast Horse did provide a map showing the "shaded areas" as located in both Idaho and the State of Washington. If Red Spectrum desires to provide telecommunications services in the Idaho portion of the shaded areas outside the Reservation, then Red Spectrum would generally be subject to the Idaho PUC's jurisdiction and a Certificate to operate as CLEC would be necessary.

2. Will the Idaho PUC designate Red Spectrum as an eligible telecommunications carrier (ETC) on the Reservation, or off the Reservation?

Given the limitations on the Idaho PUC's authority, the Idaho PUC is without authority to designate Red Spectrum as an ETC on the Reservation. Pursuant to federal law, Red Spectrum may seek designation as an ETC to provide telephone exchange service and exchange access on the Reservation from the FCC. 47 U.S.C. § 214(e)(1), (6); 47 C.F.R. § 54.202.

If Red Spectrum desires to be designated as an ETC in the "shaded areas" outside the boundaries of the Coeur d'Alene Reservation, then the Idaho PUC has the authority to designate an ETC in Idaho. *Idaho Code* § 62-610D.

3. Is Red Spectrum eligible to participate in the Idaho Universal Service Fund (USF) and the Idaho Telephone Service Assistance Program (ITSAP) when offering service on the Coeur d'Alene Reservation, or off the Reservation? [ITSAP is the State implementation of the federal Lifeline program, 47 C.F.R. §§ 54.101-.422.]

To the extent serving Coeur d'Alene tribal members or the Tribe itself on the Reservation, the Idaho PUC quite likely lacks regulatory jurisdiction under the Idaho USF (*Idaho Code* § 62-610) or ITSAP (*Idaho Code* § 56-901; IDAPA 16.04.02) given controlling federal common law standards. A closer question exists under those standards with respect to services provided to non-members residing on non-tribal (i.e., fee) lands within the Reservation. Whether such a bifurcated approach to USF/ITSAP programs makes practical sense is questionable but can be explored. I also note that an alternative may exist. It is my understanding that if the FCC designates Red Spectrum as an ETC for the Reservation, then Red Spectrum may participate in the federal USF and the federal Lifeline program (similar to ITSAP). See 47 C.F.R. § 54.202(c).

If Red Spectrum seeks and is granted a Certificate by the Idaho PUC to operate as a CLEC in the shaded portions of Idaho and outside the boundaries of the Coeur d'Alene Reservation, then Red Spectrum would be expected to participate in the Idaho USF, ITSAP, and Telecommunications Relay Services (*Idaho Code* § 61-1301) for the hearing-impaired or speech-impaired. Participation means that Red Spectrum would collect the necessary surcharges from customers to defray the costs of these programs in a manner like all other Idaho telecommunications companies. In addition, Red Spectrum's customers located outside the Reservation could benefit from these State programs if the customers and/or the utility were determined to be eligible to receive support from these programs.

4. Will the Department of Health & Welfare certify the eligibility of Red Spectrum's ITSAP customers on tribal lands?

Members and non-members (i.e., customers) served by Red Spectrum on the Coeur d'Alene Reservation, would not be eligible to participate in the State ITSAP program. IDAPA 16.04.02. Consequently, the Department of Health & Welfare (actually the community action agencies certify a customer's eligibility for the Department) would not certify the eligibility of Red Spectrum's customers. Instead, Red Spectrum's customers located within the boundaries of the Reservation would be eligible to participate in the FCC's Lifeline program (similar to the ITSAP), if Red Spectrum is designated as an ETC by the FCC.

5. How long it would take for the Idaho PUC to issue a CLEC certification to Red Spectrum?

As mentioned above, the Idaho PUC does not have the requisite authority to issue a CLEC Certificate to Red Spectrum for its proposed operations on the Coeur d'Alene Reservation. If Red Spectrum desired to offer telecommunications services off the Reservation, then it would apply to the Idaho PUC for a CLEC certification. The estimated time to issue a CLEC certification depends upon the particular facts of each CLEC application. Consequently, I am unable to give you a precise estimate of the processing time. You also noted that two CLEC applications have been pending for several months at the PUC. Without getting into specific details, the PUC Staff has questions about whether these particular applications are in compliance with the Commission's ETC procedures. If Red Spectrum anticipates seeking CLEC certification and designation as an ETC, I would suggest that the Company call Telecom Staff Analyst Grace Seaman, at 208-334-0352, to discuss the particulars of each type of application (CLEC and ETC). She can answer questions that Red Spectrum may have about the PUC process.

As indicated by my answers above, there are many variables which come into play regarding Red Spectrum's desire to offer telecommunications services to members and non-members within the boundaries of the Coeur d'Alene Reservation, and the Company's desire to offer telecommunications services off the Reservation in Idaho. Moreover, I note that most of the "shaded areas" outside the reservation are in the State of Washington. I make no representations for Washington State.


Mr. Helo Hancock

June 23, 2016

Page 4

The responses to the questions above are to assist you in your planning endeavors. These responses do not represent an official position of the Idaho PUC or of the Idaho Attorney General, but represent my informal and unofficial analysis based upon my research of your questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald L. Howell, II". The signature is fluid and cursive, with a large, stylized initial "D".

Donald L. Howell, II
Deputy Attorney General

Enclosure (Map)

cc: Commissioners
Grace Seaman

L:Hancock_don

Coeur d'Alene Reservation Red-Spectrum Communications Service Area

