Written Testimony of Nelson N. Angapak, Sr.
Senior Vice President,
Alaska Federation of Natives,
Submitted during the hearing by
U.S. House Subcommittee on Indian and Alaska Native Affairs
on "Federal Communication's rule on the Universal Fund and
Its Impact on American Indians and Alaska Natives"
June 8, 2012

Introduction

Good afternoon Mr. Chairman, Honorable members of the U. S. House Subcommittee on Indian and Alaska Native Affairs, fellow witnesses. For the record, my name is Nelson N. Angapak, Sr., Senior Vice President, Alaska Federation of Natives (AFN). Thank you for the invitation to provide testimony on the "Federal Communication's rule on the Universal Fund and Its Impact on American Indians and Alaska Natives."

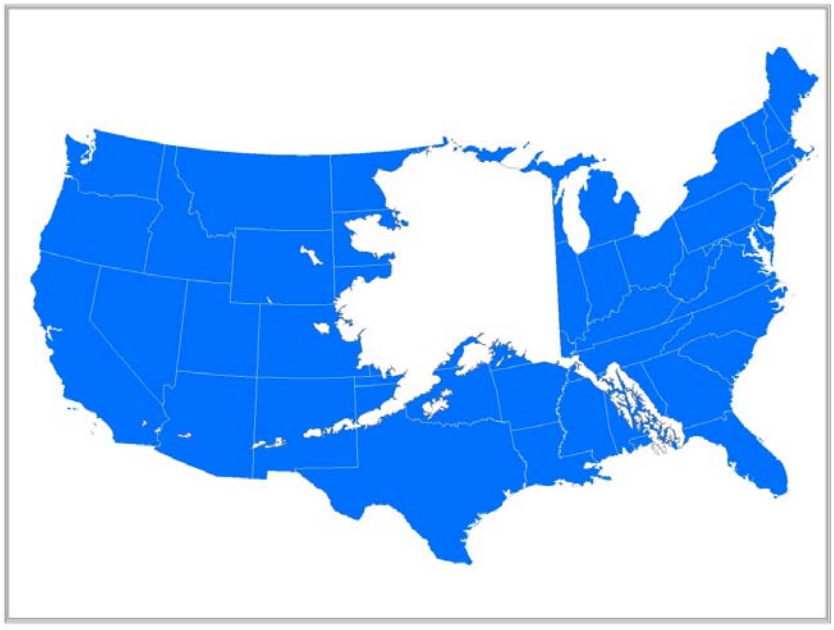
AFN was formed in 1966 to address Alaska Native aboriginal land claims. From 1966 to 1971, AFN devoted most of its efforts to passage of a just land settlement in the U.S. Congress. On December 17, 1971, Congress recognized those efforts with the passage of the Alaska Native Claims Settlement Act (ANCSA). Today, AFN is the largest Native organization in Alaska. Its membership includes 178 villages (both federally recognized tribes and village corporations), 13 regional for-profit corporations (established pursuant to ANCSA), and 11 of the 12 regional Native nonprofit tribal consortia that contract for and run a broad range of state and federal programs for their member villages. The overall mission of AFN is to enhance and promote the cultural, economic, and political voice of the Alaska Native community.

Rural villages in Alaska are geographically remote from urban areas and are "rural" in every respect, as there are no interconnecting roads or genuine broadband connectivity on which to base employment, improved health care, and expanded educational opportunities. Internet and other telecommunications in rural Alaska are provided through satellite links. Satellite service has a small throughput, and can barely handle audio streaming, much less video streaming, which is *essential* for robust and effective telemedicine, distance learning, and economic development. This is in sharp contrast to urban America, where reliable, state-of-the-art fiber allows for these applications directly -- or from hubs. Not only is current satellite-based Internet service inadequate to handle today's broadband applications as well as tomorrow's, but it is subject to weather fluctuations, sun spots and other frailties, and can be afforded by only a few.

I humbly urge Chairman Young to invite any of you who have never visited rural Alaska to visit our state during the next Congressional Recess. If you do visit Alaska, I would humbly recommend that you visit the real rural America—the Alaska Native Communities in rural Alaska where distance is not measured in terms of miles, but rather, in terms of how long it takes one to go from urban settings to communities in rural Alaska.

Rural Alaska contains the most remote and isolated communities in the United States. Many villages and communities are, in some respects, still emerging from third World conditions. Teenage male suicide rates are alarmingly high, caused in great part by lack of job opportunities and the self-esteem that comes from hard work. In villages of 100 to 800 people, there are usually only a handful of paying jobs; resulting in unemployment rates in such areas ranging from 20% to 90%. Rural Alaska has some of the highest poverty rates of any place in the Nation. There is nowhere else in America that faces the combination of such high unemployment, poverty, near absence of paying jobs, and geographic and telecommunications remoteness as rural Alaska . . . nowhere.

To gain proper perspective of the immensity of the task that Federal Communications Commission (FCC) is charged with as it develops the broadband needs of the nation, and in particular, the broadband needs of the Alaska Native villages, it is helpful put into perspective the United States' size. Our nation is about half the size of Russia, roughly 3/10th the size of Africa, about ½ the size of South America, just slightly larger than Brazil and China, and about 2½ times the size of Western Europe. Within the United States, Alaska is the largest state, about 2.3 times the size of Texas and about 1/5th the size of the lower 48 states.



Alaska has one of the largest Native populations in the United States. Alaska Natives make up about 22% of the total population in Alaska and our people are scattered across the entire breadth of the state. Our Native cultures are land-based, and our occupation and use of our land predates Plymouth Rock and the pyramids.[1]

Two hundred thirty-one of the 565 federally recognized tribes are located within the boundaries of the State of Alaska. [2]

Broadband Communications Needs in Native Communities

The American Recovery and Reinvestment Act of 2009 (ARRA) provided two major categories of funding for broadband infrastructure, $2.5 billion to the US Department of Agriculture Rural Utilities Service (RUS), and $4.7 billion to the National Technology and Information Administration (NTIA) within the Department of Commerce, of which $3.8 billion is directly available for broadband infrastructure development. ARRA mandated the Federal Communications Commission (FCC) prepare a broadband plan for the United States of America by February 17, 2010.[3]

Advances in technology have already significantly affected rural Alaska and promise to do even more in the near future. Communicating with friends and family is easier and less expensive. News, information, and entertainment are widely accessible through the internet from every corner of the state. Distance education has grown more sophisticated and interactive. Yet, large areas of Alaska lack broadband access and risk lagging further behind economically and in other ways without such access.

The Knight Commission on the Information Needs of Communities in a Democracy detailed just a few of the things that increased higher-speed or "broadband" internet access means[4].

- People can apply online for jobs, college admissions, and loans.
- They can keep track of their children's homework assignments and school lunch options.
- They can research health websites before they go to the doctor and be prepared to discuss ideas and information.
- They can manage their bank accounts and pay bills quickly and efficiently.

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[1] Testimony of Julie Kitka, President, Alaska Federation of Natives, June 21, 2006, Joint Hearing on Government Reform and Committee on Small Business on Northern Lights and Procurement: The Effect of the ANC Program on Federal Procurement and the Alaska Native Corporations, pp 4 and 6

[2] http://en.wikipedia.org/wiki/Federally_recognized_tribes

[3] 2009 Federal Priorities Alaska Federation of Natives, p 3

[4] The federal Communications Commission (FCC) defines broadband as "advanced communications systems capable of providing high-speed transmission of services such as data, voice, and video over the internet and other networks."

Expanding higher speed broadband service to rural Alaska (and other rural parts of the country) is an important step towards ensuring that technology continues to benefit all of the state's population and not just the urban areas.

- A 2007 report from the Brookings Institution found that each one-percentage point increase in broadband penetration can yield a 0.2 to 0.3 percent increase in employment.[5]

- A study by the New Millennium Research Council determined that a nationwide broadband network would create 1.2 million new, permanent jobs in the United States.[6]

- As of 2007, 73 percent of urban/suburban households had broadband services compared to 55 percent of rural households.[7]

- A recent California study found that 83 percent of parents of children with special health care needs drive more than one hour to visit a specialist.[8]

- Broadband can eliminate geographic barriers and increase access to health care for patients living in remote and rural areas.

- In education, broadband also offers great promise for rural Alaska where the small number of students often makes it impractical to have teachers with specific expertise in the wide range of subjects taught in the upper grades. Teachers can use video conferencing, interactive online lessons, music, and educational gaming programs to expand what they can offer their students.[9]

Although enhanced broadband access cannot solve all of the challenges of living in rural Alaska and making villages sustainable economically – as the basic issues of expensive transportation costs, both for people and for goods and services, and high energy costs remain—it can play an important part in making it possible for people to live in isolated, remote areas without giving up their ability to communicate, work, and interact with the rest of the world.

We applaud the February 22, 2012 letter that Alaska's Congressional Delegation wrote to the Honorable Julius Genachowski, Chairman, Federal Communications Commission in which it jointly informed the FCC Chairman of the challenges FCC must consider as it moves forward in creation of in its implementation of Connect America. A copy of this

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[5] *The Effects of Broadband Deployment on Output and employment: A Cross-sectional Analysis of U.S. Data*, The Brookings Institution

[6] *Building a Nationwide Broadband Network: Speeding Job Growth*, New Millennium Research Council

[7] *Home Broadband Adoption 2007*, Pew Internet & American Life Project, June 2007

[8] California Broadband Initiative, *The State of Connectivity: Building Innovation Through Broadband*, Final Report of the California Broadband Task Force, January 2008

[9] National Governors' Association Center for Best Practices Issue Brief: State Efforts to Expand Broadband Access, May 2008

letter is attached to my statement for the benefit of the members of U. S. House Subcommittee on Indian and Alaska Native Affairs.

For the record, Mr. Chairman, AFN is recommending the following:

FCC's first priority should be proposals that serve unserved areas. "Unserved" should be defined as an area without any broadband service, or having access only to dial-up service or service that is dependent on a satellite connection. "Underserved" should mean an area with broadband that is not comparable to what is available in urban areas. This includes almost, if not all of rural and remote parts of this nation, and particularly rural Alaska.

FCC should establish a comprehensive nationwide inventory map of existing broadband service capability and availability in the United States that depicts the geographic extent to which broadband service capability is deployed and available from a commercial provider or public provider throughout each State.

FCC program should recognize that, although a plan to deploy broadband to rural Alaska should be realistically designed to meet the statutory requirements, Alaska's unique geography, climate, and lack of infrastructure could present unforeseen challenges. For instance, because there are no inter-connecting roads between the metropolitan and rural Alaska, the most cost-effective means of delivering material and goods needed for broadband deployment is by ship and barge during the months of June, July, August, and September in Western Alaska.

Broadband capability will not, by itself, resolve overnight the many health, social, and economic challenges that people face in the most rural and remote regions of our nation. However, reliable, robust, easily accessible broadband *alone* holds the *most promise* for making a real impact in terms of the opportunities that are so acutely needed.

Rural Alaska is Remote and Unique, and Broadband is Essential to Educational, Health Care, and Job Opportunities

Life in rural Alaska is unlike that of any other region. In rural Alaska, subsistence hunting, fishing and gathering is still a predominant way of life and provides a crucial means by which rural Alaskans put food on the table. As previously mentioned, communities there have the highest rates of poverty and unemployment of any group of people in America largely because Native villages and communities are not connected, unlike the rest of the country, by major state highways or the interstate highway system.

In addition, unlike many communities in the lower-48, the Alaska Native villages are not served by power grid systems for the purposes of distributing electricity. Power is produced locally, usually at great cost. Rural Alaskan villages and communities are not connected to one another or the rest of the nation through high-speed, reliable broadband,

let alone any major city in Alaska. They are isolated, remote, and face an exceedingly harsh and unforgiving climate and challenging terrain. The high-speed, fiber optic-based broadband-based service available to most of the American public in the lower-48 is simply not available in rural Alaska.

Internet and other telecommunications in rural Alaska are provided through satellite links.[10] Satellite service has a small throughput, and can barely handle audio streaming (much less video streaming), which is *essential* for robust and effective telemedicine, distance learning, and economic development. This is in sharp contrast to urban America, where reliable, state-of the-art fiber optic allows for these applications directly or from hubs. In addition, not only is current satellite-based Internet service inadequate to handle today's broadband applications as well as tomorrow's, but also satellite links are prohibitively expensive. Non-health organizations in Alaska's regional centers have been quoted prices for T1 connectivity as high as $16,000 per month per site (as of 2009), or about 70 times the rate in Seattle. This is simply unaffordable.

As the bandwidth demands of common web applications increase, rural Alaska is falling further behind the rest of the United States, whether measured by jobs, education, or health care. Absent some form of intervention such as the construction of fiber optic cable backbones, rural Alaska will have no meaningful chance to participate in the global economy, educational, or health care systems and will be simply left behind as it has been for so long.

There are number of factors to consider in addressing the broadband needs of the Alaska Natives and rural Alaskans. These include the population trends, economic well-being, social and health trends, and educational trends. In a draft report being developed for the Alaska Federation of Natives (AFN), the following are listed.

Population Trends

The state's Alaska Native population is younger and faster-growing than the non-Native population. Consequently, Alaska Natives are an increasing share of the state's population. With Alaska Native birth rates well above average, this trend is expected to continue well into the future. Most Alaska Natives live in Alaska's larger communities, and migration from rural to urban appears to be continuing slowly but steadily, especially among young people.

- In 2009, there were 125,200 Alaska Natives living in Alaska. The Alaska Native population has grown at an annual rate of 1.9 percent since 1990 and 1.3 percent

[10] Although individual satellite dishes are a partial solution for households and business that can afford them, these services are not available everywhere and they suffer deficiencies similar to those of other satellite-based systems. Alaska is at the edge of the coverage area for these providers. Even if this were not the case, because of limitations on upload rates, they are inadequate for web-based businesses, offices with multiple users, and other high-use consumers.

since 2000. These growth rates are slightly faster than the overall Alaska population, which has increased by 1.2 percent annually since 1990 and 1.1 percent annually since 2000.[11]

Economic Well-Being

Though the income gap has shrunk slightly in recent years, per capita income for Alaska Natives remains well below the statewide average, partially the result of very limited employment opportunities in rural Alaska. Meanwhile the rising cost of living (especially fuel) continues to eat away at the purchasing power of Alaska's rural population.

- Per capita income for Alaska Natives was $16,550 over the 2006-2008 period compared to $29,913 for all Alaskans and $27,466 for all Americans[12].
- The gap between per capita income for Alaska Natives and the state's overall population has shrunk somewhat since 1980: in 1980, per capita income for Alaska Natives was 50 percent as much as for the state's total population; in both 2000 and the 2006-2008 periods, it was 55 percent.
- Over the two decades from 1960 to 1980, Alaska Native per capita income grew significantly faster than the state's overall per capita income, erasing a substantial portion of a much bigger gap (Alaska Native per capita income was about 33 percent as much as the state's overall average in 1960).
- On average over the 2006-2008 period, 51 percent of Alaska Native males between 16 and 64 were employed compared to 76 percent for the overall statewide male population. The percentage for Alaska Native males employed rose significantly from 1960-1990, but has remained about the same since then.
- Among female Alaska Natives, 59 percent were employed versus 70 percent for the overall state female population. Since 1960, the percentage of Alaska Native females has increased dramatically and consistently. Fewer than 15 percent of Alaska Native females were employed in 1960.
- About one in five (20 percent) Alaska Natives had income below the poverty level in 2008, greater than the Alaska average of eight percent. This does not necessarily mean that these Alaska Natives live in poverty. Quality of life and standard of living for Alaska Natives, and others, are affected by many factors in addition to cash income, such as use of subsistence resources.
- The percentage of Alaska Natives with income below the poverty level is down slightly from 22.4 percent measured in the 2000 Census.[13]

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[11] McDowell Group, Alaska Demographics, p 1.

[12] The most current income data available by race is from the U.S. Census' American Community Survey (ACS). The most accurate ACS estimates available are a three-year average of survey responses from 2006-2008. The income data shown here is the average of the three years adjusted for inflation to 2008 dollars.

[13] These are general comparisons only because of the methodological differences between the full decennial Census and the sample-based ACS.

- Over one-quarter of Alaska Native families use the food stamp program to supplement their income, compared to eight percent of all Alaskan families.

Social and Health Trends

Indicators of health and social welfare often reflect symptoms of underlying economic or cultural dislocation. Still, recognizing and addressing such symptoms is critical.

- From 2001 to 2008, Alaska Native suicide death rates have been higher than Whites and Alaska as whole. In 2008, the Alaska Native suicide rate was 40.9 per 100,000, almost twice the rate for Alaska Whites, at 22.0 per 100,000.
- Alaska Native suicide death rates recently peaked in 2004 at 50.8 per 100,000, almost twice the 2001 rate of 28.1. The rate of 40.9 per 100,000 in 2008 marked an increase from 2006 (34.9 per 100,000) and 2007 (37.1 per 100,000).
- In 2008, Alaska Native infant death rates, at 12.0 per 100,000 were higher than for whites (3.1 per 100,000) and for Alaska as a whole (5.9 per 100,000).
- Alaska Native infant death rates have ranged been between 9.3 and 12.2 per 100,000 since 2001, while White Alaskan infant death rates have declined steadily, from 6.3 to 3.1 per 100,000 during the same period.

Education Trends

While some progress is evident, Alaska Natives continue to lag non-Natives in terms of high school graduation rates and attainment of college degrees.

- Educational attainment among Alaska Natives is low relative to statewide and national averages. Only 4.8 percent of Alaska Natives hold a Bachelors degree or advanced degrees, compared to 26.5 percent of the general Alaska population (over age 24).
- At near 5 percent, however, this rate of college degree attainment reflects progress. In 2000, 4 percent of Alaska Natives held a Bachelors degree or higher, and only 3 percent did in 1990.
- Alaska Native graduation rates are consistently about 20 percentage points below graduation rates for White students. This differential has not measurably changed since 2003 (the earliest year examined in this study).

One of the most important expectations resulting from broadband deployment in rural Alaska is its use in the capacity building of the minds of our Alaska Native youth. That is, enabling youth living in rural and remote Alaska tribal communities to access broadband in the same manner as youth living in urban settings. Broadband deployment in rural Alaska will likely foster the development of one of the most important, if not, *the* most important resource Alaska Natives have: the Alaska Native youth!

Economic Opportunity/Standard of Living

Very little progress has been made in closing the per capita income gap between Alaska Natives and non-Natives over the past 30 years. The subsistence way of life is still very important to many Alaska Natives and although not a cash-generating activity (and therefore not reflected in government reports on economic conditions), subsistence clearly enriches people's lives.

Geography also plays a role in the Native/non-Native income divide; residents of rural areas have fewer employment opportunities than urban residents, often limited to seasonal or other temporary jobs. Full-time jobs in smaller rural communities are rare, and generally pay less than comparable jobs in larger communities. Nevertheless, the income discrepancy between Alaska Native and non-Native exists in urban Alaska, and likely is the result of lower levels of educational attainment and other issues related to workforce preparedness.

FCC has set aside $50 million dollars for the purposes of creating internet connections in rural America. This amount, Mr. Chairman, may sound as a sufficient amount if Alaska and Hawaii are taken out of the picture; but if in fact, it is the goal of FCC to create an absolute Internet connectivity across this great nation this amount is totally insufficient! Our recommendation is to increase this amount by tenfold. Even then, it may not be enough.

We agree with Alaska's Congressional Delegation's recommendation, as written in the second bullet, Underfunding Remote Alaska on page two of the February 22, 2012 letter to Chairman Genachowski, regarding the underfunding of FCC's implementation plan for Remote Alaska insofar as deployment of broadband in rural Alaska is concerned.

Tribal Coordination—Outreach to the Tribes in the State of Alaska

As stated earlier, 231 of the 565 federally tribes of this great nation are located within the State of Alaska. The FCC, as any other federal agency, is mandated to hold consultation with the federally recognized tribes with all the tribes in this nation, including the tribes located within the boundaries of the State of Alaska. Logistically speaking, it would be difficult at best to contact every federally recognized tribe in Alaska for consultation by FCC. However, there are 12 regional tribal consortia operating within the State of Alaska operating on behalf of the tribes located within their boundaries. Each tribal consortium operates its programs after it receives resolutions from each of the tribes within their boundaries authorizing them to act on behalf of the tribes.

It seems logical that that insofar as tribal consultation is concerned; FCC should consider consulting, at the very least, with each of the 12 non-profit tribal consortia in its tribal consultation process.

Thank you for giving me an opportunity to testify in front of your committee. If you have any questions regarding my statement, I would be willing to entertain them at this time.

Finally, I would like to request that following documents also be incorporated into the hearing record:

1. Alaska Federation of Natives Comments in the Matter of American Recovery and Reinvestment Act of 209 Broadband Initiatives Docket No. Docket No. 090309298-9299-01dated April 13, 2009; and

2. Copy of my August 25, 2011 letter to the Honorable Julius Genachowski regarding the Roundtable Discussion on broadband as it applies to Alaska.

Both of these documents will enhance my written and oral statements.

Thank you.

ATTACHMENT: FEBRUARY 22, 2012 LETTER TO THE HONORABLE JULIUS GENACHOWSKI-ALASKA'S CONGRESSIONAL DELEGATION