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**Before the
Subcommittee on Indian and Alaska Native Affairs
United States House of Representatives, Committee on Natural Resources**

**“Federal Communications Commission’s rule on the Universal Service Fund
and its impact on American Indians and Alaska Natives”**

June 8, 2012

Chairman Young, Ranking Member Boren, and Members of the Subcommittee, it is an honor to be here before you representing the Federal Communications Commission. Thank you for the opportunity to provide updates on the Commission’s progress in reforming the Universal Service Fund and our continued efforts to collaborate with Tribal and Native leaders on those reforms to ensure a sustainable and connected future for Tribal Nations and Native Communities.

Last year, I testified twice before the United States Senate Committee on Indian Affairs concerning the Commission’s monumental task to reform an outdated and broken Universal Service Fund.¹ I also provided an overview of the other proceedings where the Commission is engaged on issues to improve the connections to Tribal Nations and Native Communities. I would like to incorporate my earlier testimony to the Senate, due to its extensive coverage of our ongoing work and focus my testimony solely on the topic of concern for today’s hearing: the Commission’s implementation of USF reform and the progress made since December 2011.

I will first discuss the Commission’s implementation of the high-cost fund portion of USF reform. I will then turn to our reform of the low-income programs supported by USF called Lifeline and Link Up, which the Commission adopted in January. In all of these reforms, and in

¹ Written Statement of Geoffrey C. Blackwell, Chief, Office of Native Affairs and Policy, Federal Communications Commission, Before the United States Senate Committee on Indian Affairs, “Deficit Reduction and Job Creation: Regulatory Reform in Indian Country,” Dec. 1, 2011; Written Statement of Geoffrey C. Blackwell, Chief, Office of Native Affairs and Policy, Federal Communications Commission, Before the United States Senate Committee on Indian Affairs, “Internet Infrastructure in Native Communities: Equal Access to E-Commerce, Jobs and the Global Marketplace,” Oct. 6, 2011.

the spirit of the unique trust relationship the Commission shares with Tribal Nations, the Commission has undertaken an unprecedented amount of internal coordination and focus on Tribal issues and has organized extensive consultative outreach efforts and coordination with Tribal Governments, Tribally-owned carriers, and Native Community representatives. As a result, our reforms recognize the unique circumstances and challenges of providing service on Tribal Lands and take steps to directly address these challenges. In summary, among other things, our reforms, for the first time:

- Require all recipients of USF dollars serving Tribal Lands to provide detailed annual reports and to directly and meaningfully engage with Tribal Governments on several key issues critical to the deployment of broadband services on Tribal Lands. Recognizing the important role that all parties play in expediting services to Tribal Lands, these issues include:
 - A needs assessment and deployment planning with a focus on Tribal community anchor institutions;
 - Feasibility and sustainability planning;
 - Marketing services in a culturally sensitive manner;
 - Rights of way processes, land use permitting, facilities siting, environmental and cultural preservation review processes; and
 - Compliance with Tribal business and licensing requirements.
- Target funds directly to locations with unserved Americans, including the over one million unserved consumers on Tribal Lands.
- Dedicate hundreds of millions in support to address the significant mobile broadband gap on Tribal Lands.
- Include specific considerations specifically for Tribally-owned carriers; for example, through bidding credits in the first phase of the Mobility Fund, special Tribal and Alaska variables in the reform of our legacy rate-of-return mechanisms, and in the waiver process outlined for the Connect America Fund.

- Recognize the unique challenges of serving remote areas of Alaska by including a two-year delay in the reforms to competitive eligible communications carriers in remote Alaska starting on July 1.
- Maintain the Tribal Link Up program while otherwise eliminating Link Up on non-Tribal Lands.
- Expanding the list of Lifeline qualifying programs for Tribal consumers, while recognizing that Tribal consumers should continue to be eligible for enhanced Lifeline support, which is higher than provided on non-Tribal Lands.
- Establishing a Lifeline Broadband Adoption Pilot Program, with the intent to include at least one pilot project on Tribal Lands.

While not an exhaustive list of steps the Commission has taken to address the needs of consumers on Tribal Lands and Tribally-owned carriers, I hope it is clear that the Commission, and I personally, take our statutory responsibility to advance the deployment of voice and broadband service on Tribal Lands very seriously. We also take very seriously the special government-to-government relationship that we share with federally recognized American Indian Tribes and Alaska Native Villages, and exercising our responsibilities with respect to Hawaiian Home Lands.

High-Cost USF Reform—The Connect America Fund

As you are aware, on October 27, 2011 the FCC took a momentous step to reform the high-cost portion of the Universal Service Fund in order to transform it from a program that supports voice telephone service, to one that will also explicitly provide for the deployment of broadband-capable networks, in high-cost areas. The Commission spent significant time and effort developing proposals to best accomplish this. It was a reflection of the fundamental fact that the communications needs of our nation have evolved over time due to technological

advancements, and that the Fund desperately needed to be reformed to reflect those significant changes.

Since its inception, the Fund has been instrumental in providing affordable phone service to most Americans; however, there still exists an unacceptable gap in Indian Country. Nevertheless, the Fund has helped achieve an overall higher telephone penetration rate in our nation, which currently stands at 95.6 percent.² While that remarkable achievement of the Fund should not be overlooked, technology has progressed rapidly in the last decade. More Americans are using mobile service than ever before, and broadband access is now the gateway by which most Americans obtain critical information and services. As such, it is hard to deny the fact that every American needs access to both voice and broadband services. And while the Commission permitted phone companies to invest USF monies in broadband-capable networks, the Fund's mechanisms were not designed to target support to areas where the private sector will not go, areas where broadband is not being built.

Sadly, our nation remains digitally divided. More than 18 million Americans lack access to robust broadband-capable networks at home. Over a million of those Americans live on Tribal Lands. Indeed, while approximately 6% of all Americans are unserved by broadband, it is well known that Tribal Nations and Native Communities lag well behind the nation as a whole. These Americans are the "have nots" of the broadband world, and they are denied access to some of the most basic features of modern life, that you or I take for granted: optimally navigating your bank account in real time, accessing late breaking news, or quickly sending an email to a friend.

Citizens and communities are significantly disadvantaged without high-speed Internet. Whether you are in urban or rural America, it's hard to find a job, complete an application,

² FEDERAL COMMUNICATIONS COMMISSION, WIRELINE COMPETITION BUREAU, INDUSTRY ANALYSIS AND TECHNOLOGY DIVISION, TELEPHONE SUBSCRIBERSHIP IN THE UNITED STATES at 2 (Dec. 2011).

operate a small business, or finish your homework without broadband. In fact, 80% of Fortune 500 companies require that you apply online, and high school students with access to broadband at home have higher graduation rates.

For Tribal Nations, having robust broadband networks is even more critical. For Tribal Governments themselves, the benefits of broadband infrastructures will enable new opportunities for the provision of quality healthcare, education, public safety, and jobs. Broadband must be available, accessible, and affordable to meet its great promise for Tribal Nations and Native Communities. Perhaps most importantly, the foundation of robust and viable broadband infrastructure brings Tribal Nations the genuine ability to create opportunities for economic empowerment and the ability to build systems of governance that engage industries, demonstrate stability, and encourage the deployment of services.

FCC Chairman Genachowski crafted a plan that transforms the way \$4.5 billion of the high-cost portion of USF is spent each year. The Commission's proceeding to reform USF was unprecedented. The Commission worked with many interested parties, including for example, our sister agency, the Rural Utilities Service at USDA, public interest and consumer advocates, industry, State governments, including State PUCs, and Tribal Governments, among many others. The Commission held workshops both inside and outside the Beltway, and met with numerous parties multiple times. The reform plan drew from many competing ideas, to form a balanced framework that the Commission unanimously approved because it makes the Fund more efficient and effective and will promote significant broadband deployment, as quickly as possible, to millions of unserved consumers in our nation.

The Commission set out five goals for the Fund: (1) to preserve and advance universal availability of voice service; (2) to ensure universal availability of modern networks capable of providing voice and broadband services to homes, businesses, and community anchor

institutions; (3) ensure universal availability of modern networks capable of providing mobile voice and broadband service where Americans live, work , and travel; (4) ensure that rates are reasonably comparable in all regions of the nation, for voice as well as broadband services; and (5) minimize the universal service contribution burden on consumers and businesses.

In Phase I, the reform plan provides for speedy broadband deployment to unserved consumers with a commitment of \$650 million in capital in 2012, for both fixed and mobile technologies. While we begin to transition legacy support from those areas that don't need assistance, we can begin to make a difference in those areas that are lacking broadband service. Of that amount, \$50 million is reserved the first year alone for mobile service to be extended to Tribal Lands – this is part of the Mobility Fund discussed below. The Commission expects that hundreds of thousands of consumers will be served with fixed broadband networks as a result of Phase I, and tens of thousands of miles of unserved roads will be covered by mobile networks.

The reform plan preserves about \$2 billion in funding for those rural carriers that currently operate under the rate-of-return regulatory regime and serve less than five percent of all telephone access lines in the U.S. and have on average reached, according to the rural carrier associations, 92% of their customers with high-speed internet access – that is, service beyond dial up. For these carriers, our reform recognized the unique nature of these providers—most of which are small businesses. As such, rather than making extreme changes, as some interested parties had called for in the proceeding, the Commission focused instead on modifying their current funding mechanisms in a targeted manner to better address our new goals for universal service. For each carrier, the reforms will have a different impact. Some carriers will obtain additional funds, while others will see a decrease in funding. For example, in 2012, we estimate that five of the nine Tribally-owned carriers currently receiving USF support will experience no change or a slight increase in funding, while three of these carriers will see decreases between

one and five percent of their total high-cost USF support, and one will see a decrease of less than ten percent.³ Significantly, our reform carefully balanced the need for certainty and predictability for carriers by avoiding flash cuts and providing transitions so they could adjust to the changes.

In addition, our Order recognized the fact that there could be instances where the Commission will need to specifically review the impact of the total reforms on a particular provider and the consumers it serves through a waiver process. To date, the Commission has received five waiver requests from rate-of-return companies, which are currently under review. The waiver process will give the Commission an opportunity to use a safety net in order to ensure *consumers* aren't inadvertently harmed by our reforms. Of course, given the Commission's role as the steward of the public's money, the waiver process will focus on the financial health of the providers and whether reform jeopardizes their ability to provide service to consumers. The Commission directed the Bureaus to prioritize review of any applications for waiver filed by providers serving Tribal Lands, and to complete the review of those petitions from providers serving Tribal Lands within 45 days of the record closing on such waiver petitions. In addition to the general standard of review, waiver applicants serving Tribal Lands and insular areas are specifically asked to share any additional information about the operating conditions, economic conditions, or other reasons warranting relief based on the unique characteristics of those communities, including information regarding outstanding loans, which the Commission will closely consider when reviewing waiver requests.

In Phase II of the reform, which will begin in 2013, we have allocated approximately \$1.8 billion to reach consumers who currently have no broadband service in price cap companies' territories and to maintain existing service. The Commission found that over 80% of

³ Our staff's projections (based on the carrier's 2010 cost data) indicate that support amounts will be similar for 2013 and 2014.

the unserved Americans live in the areas served by price cap carriers. As a result, Commission staff is now engaged in a process that will culminate in the adoption of a cost model to determine the amount needed for each carrier to reach those consumers who do not benefit from Phase I. In order to qualify for that money, each price cap carrier will need to make a state-wide commitment to build broadband and serve for five years in its areas where no other provider offers broadband service. Where a commitment is not made, those funds will be available for other providers to offer service and build broadband to unserved consumers through a reverse auction.

Finally, for the first time, the Commission has determined that mobility service should be funded, and the Commission has provided for \$500 million of ongoing support through the Mobility Fund, of which \$100 million is exclusively for support on Tribal Lands, to ensure coverage of as many roads as possible where mobile carriers will not serve without financial assistance. Additionally, Tribally-owned or controlled entities are eligible for the general, non-Tribal Lands specific Mobility Fund. The Commission also has set aside at least \$100 million for the Remote Areas Fund. This will help bring broadband to those Americans who cannot be reached through any of the other high-cost mechanisms.

By phasing out identical support, as many had called for, limited funds may be refocused from supporting multiple networks in a geographic area to ensuring that a broadband-capable network reaches as many Americans as possible. The Commission is shifting money from areas that do not need support (or as much support) to areas where broadband networks are still needed.

With oversight by the FCC, State Commissions, and engagement with Tribal Governments, the Commission also is requiring that providers meet firm deadlines with appropriate accountability and reporting for the money spent. Moreover, by setting a budget the

Commission is helping to stabilize the contribution factor and minimize the burden on consumers who and businesses that pay into the fund.

Of great importance is the beneficial impact this reform will have on consumers and their communities, including those living and working on Tribal Nations and in Native Communities. It is a universally-accepted principle that we *all* benefit more when everyone is connected. As such, this reform recognizes that broadband, both fixed and mobile, are the services consumers are demanding and that the Fund should support the networks that offer such services where there is not a private sector business case to be made. And as a condition for receiving high-cost USF assistance, all recipients must deploy broadband-capable networks, in addition to offering voice service to consumers. Accordingly, the Commission expects that millions of consumers will get fixed and mobile broadband coverage where they live, work, and travel as a result of our reform over the next six years.

Recent Steps for Implementing High-Cost USF Reform

There are numerous steps the agency must take to implement reform. For rate-of-return carriers, the Wireline Competition Bureau completed work at the end of April on reasonable limits for reimbursement for high-cost loop support (HCLS). By way of background, HCLS provides close to \$800 million annually to help offset high capital and operating expenses faced by rate-of-return carriers. However, under the old system, HCLS lacked benchmarks for determining whether subsidies were warranted under the old system. Because the rules fully subsidized high expense levels, support ran out every year for carriers that maintained lower expenses, effectively punishing efficient operations. The new benchmarks impose reasonable limits on subsidized capital and operating expenses by comparing spending among similarly situated companies. The net effect is that more funding is freed for hundreds of small rural carriers, which in turn will help connect more Americans. Carriers serving 705 study areas

across the country will receive more funding for broadband as a result of the benchmarks, and carriers serving 129 study areas that have unusually high expenses will have to take steps to bring their operations more in line with their similarly-situated peers.

In implementing these benchmarks, the agency conducted hundreds of meetings and had ongoing dialogue with and input from all interested parties which led to a significantly improved analysis. For example, the benchmarks now take into account a number of additional factors regarding a carrier's territory, including whether the carrier serves Tribal Lands, and whether it operates in Alaska. In addition, the Bureau modified the timeline so carriers will have more time to adjust to the changes, over an 18-month period. For the Tribally-owned carriers, only one, Mescalero Apache Telecom, Inc., was capped—and its changes will be phased in. The remaining seven out of the eight Tribally-owned carriers receiving HCLS should see increases in their HCLS over the next 18 months.⁴ Additionally, the Commission estimates that only two Alaska carriers, Arctic Slope Telephone Association Cooperative and Matanuska Telephone Association, were capped – and their changes will be phased in. The remaining 15 out of 17 rate-of-return carriers in Alaska will see an increase in HCLS.

In addition, the Wireline Competition Bureau announced Connect America Fund Phase I amounts for price cap carriers. CAF Phase I allocates \$300 million to extend broadband up to 400,000 currently unserved homes, businesses, and community anchor institutions in rural America, including many unserved locations on Tribal Lands. For example, Alaska Communications Systems has been allocated almost \$4.2 million for building broadband to unserved consumers in the State of Alaska, while in Hawaii, Hawaiian Telecom has been allocated just over \$400,000 to extend broadband to unserved consumers in its area. In addition, CenturyLink, which serves the most Tribal Lands of any price cap carrier, has been allocated

⁴ Carriers are now required to invest their USF support in broadband-capable networks.

almost \$90 million. Price cap carriers have until July 24 to notify the Commission the amounts of money they plan to use, and the census blocks they will commit to build broadband in for receiving CAF Phase I support. While carriers are not required to participate, and we expect some carriers may accept only a portion of the money in light of the rigorous accountability and buildout requirements that accompany it, the Commission anticipates that hundreds of thousands of Americans will gain access to broadband even if carriers only accept a part of the available funds. Whatever amounts are not accepted, the Commission is committed to using the funds to further our broadband goals for the nation. The Commission expects that the expansion of broadband facilities during the CAF Phase I potentially will impact Tribal Lands, and the Commission will keep you apprised of the building commitments we receive from the carriers in and around Tribal Lands.

Mobility Fund Phase I and Phase II

Phase I of the Mobility Fund will provide \$300 million one-time support, with an additional \$50 million allocated to the Tribal Mobility Fund. For Phase II of the Mobility Fund, the Commission proposed to provide recurring support for mobile service, with an annual budget of \$500 million, of which up to \$100 million will be designated annually for the Tribal Mobility Fund, over a 10-year period. The Commission also sought comment on alternative proposals.

Carriers seeking to serve Tribal Lands may participate in both phases of the general Mobility Fund and the Tribal Mobility Fund. In addition, Tribally-owned or controlled providers seeking general or Tribal Mobility Fund Phase I support for the purpose of providing service on Tribal Lands will receive a 25 percent bidding credit, thus increasing the likelihood that Tribally-owned or controlled entities will receive funding and creating an atmosphere conducive to Tribal economic opportunity and development. Earlier this year, the Wireless Telecommunications Bureau scheduled the Mobility Fund Phase I reverse auction for September 27, 2012. Deemed

Auction 901, it will determine (1) which providers will receive Mobility Fund Phase I support to deploy 3G or better wireless service, (2) the specific geographic areas that the providers will cover in exchange for support, and (3) the level(s) of support the providers will receive. Eligible areas will include census blocks unserved today by mobile broadband services, and carriers may not receive support for areas they have previously stated they plan to cover. The auction will maximize coverage of unserved road miles within the budget, and winners will be required to deploy 4G service within three years, or 3G service within two years, accelerating the migration to 4G. Mobility Fund recipients will be subject to public interest obligations, including data roaming and collocation requirements.

The Wireless Bureau completed the final auction procedures in May, including finalizing the list of census blocks eligible to receive support in the auction. Over 50 interested parties commented on the procedures and/or census block eligibility. The Bureau anticipates rolling out a tutorial for prospective bidders prior to opening the short-form filing window on June 27th. In order to participate in Auction 901, a prospective applicant must file a short-form application by July 11, 2012. After the auction, each winning bidder will be required to submit a long-form application to qualify for Phase I support. The Commission anticipates making the first disbursement of Phase I support by early 2013.

The Bureau is also currently considering petitions by three carriers for designation as eligible telecommunications carriers (ETCs) in order to be eligible to receive USF support and participate in the Mobility Fund Phase I auction. In addition, the Bureau has received information from State Commissions about new ETC designations for carriers interested in receiving Mobility Fund support.

Connect America Fund Phase II

Staff also has begun the crucial work for moving to Phase II of our reforms. I will refer you to a recent report released on June 1st that describes the agency's efforts to develop the cost model for the price cap territories for Phase II.⁵ Last week, Commission staff also initiated a process to gather data regarding wire center boundaries for price cap carriers, which is necessary to determine where support should be targeted. This week, Commission staff will be soliciting public input on the key questions that need to be resolved in order to develop such a model.

The Commission has routinely solicited public comment in its modernization of the Fund. The Connect America Fund docket has been filled with an unprecedented amount of public comments on proposals offered by the Commission and others. The Commission has been working very hard to hear all parties' concerns and address them in a timely fashion. For example, the Commission has received numerous Petitions for Reconsideration and/or Clarification, and the Commission has already addressed numerous issues in three separate Commission level decisions. Moreover, Commission staff has issued multiple Orders that have offered clarifications that have been requested, and have spent hours on conference calls with State Commission staff and other parties, including several visits to Tribal Lands specifically focused on USF reform since the order was released, answering questions about implementation details. At all times, the Commission has had an open door policy to hear from all interested parties, and the Commission has worked diligently towards resolutions that benefit consumers and help us achieve our universal service goals.

Lifeline and Link Up Reform

At the end of January, the Commission comprehensively reformed and modernized the Lifeline and Link Up programs. For the past 25 years, Lifeline helped tens of millions of low-

⁵ Wireline Competition Bureau Issues Progress Report On The Connect America Fund (CAF) Phase II Model, Public Notice (rel. June 1, 2012).

income Americans afford basic phone service, and the percentage of low-income households with phone service has increased from 80% in 1985, when Lifeline began, to nearly 92% last year. However, the program was facing significant challenges that needed to be addressed, including the fact that consumers now have numerous providers from which to choose as compared to when Lifeline first began. This had the inadvertent result of some consumers obtaining more than one Lifeline benefit. In addition to addressing this issue by creating a National Lifeline Accountability Database to prevent multiple carriers from receiving support for the same subscriber, the Commission also made a number of other changes to ensure that the Lifeline program is as efficient and effective as possible, while meeting the Commission's newly instituted goals for the program to: (1) ensure the availability of voice service for low-income Americans; (2) ensure the availability of broadband service for low-income Americans; and (3) minimize the contribution burden on consumers and businesses.

Lifeline is also extremely important to consumers on Tribal Lands and in Native Communities. Some of these consumers face crushing cyclical poverty in Indian Country. Some Tribal Nations have poverty rates over 70%, such as the Standing Rock Sioux Tribe, which owns and operates Standing Rock Telecom, Inc, the most recently designated Tribal ETC. Through Lifeline reform, the Commission has made its commitment to connecting these communities a priority. The Commission worked to ensure that eligible families who need phone service can participate in the program in a way that makes sense for them – be it mobile or wireline service. The Commission addressed concerns about waste, fraud, and abuse through rigorous but not burdensome new certification and verification requirements. Importantly, the Commission ensured that the needs of Tribal communities would continue to be addressed as Universal Service transforms toward broadband. In the past, the Commission acknowledged the low subscribership to telecommunications services and low-income needs on Tribal Lands and

provided enhanced Lifeline and Link Up support to address those unique challenges. For example, in 2000, only an estimated 47 percent of Tribal households had phone service compared to 94 percent of all American households.

In reforming the Lifeline program, the Commission set a uniform Lifeline discount amount at \$9.25 per month on non-Tribal Lands, but recognized that low-income consumers living on Tribal Lands should continue to be eligible for enhanced Lifeline support—up to an additional \$25 per month in Lifeline support. The Commission eliminated Link Up support (which off-sets the cost of commencing service) on non-Tribal Lands due to the evidence that Link Up was no longer needed, but maintained the enhanced Link Up program on Tribal Lands for carriers receiving high-cost support, due to the significant telecommunications and connectivity challenges on Tribal Lands. As a result, to initiate phone service on Tribal Lands for qualifying low-income consumers, Link Up provides up to \$100.

The Commission also took steps to further advance the availability of Lifeline support for low-income consumers living on or near Tribal Lands. First, the Commission amended its rules to clarify that low-income residents of Tribal Lands may be eligible for program support based on either income or participation in certain federal or Tribal assistance programs. Second, the Commission amended its rules to expand program-based eligibility to participants in the Food Distribution Program on Indian Reservations (FDPIR), a federal program that provides food to low-income households living on Indian reservations and to Native American families residing in designated areas near reservations and in the State of Oklahoma. Third, the Commission established a process for Tribal Governments to seek designation of off-reservation Lands as Tribal Lands for the purpose of receiving enhanced Lifeline support, and clarified that low-income residents of Tribal Lands may self-certify as to their residency on Tribal Lands to receive additional support. The effects of this process will be that those who otherwise qualify for

enhanced Lifeline support be deemed eligible for such while giving Tribal Governments the tools necessary to ensure that their otherwise eligible Tribal members are able to obtain enhanced Lifeline service.

The Lifeline and Link Up support received by those carriers serving Tribal Lands can be a significant portion of their total USF support and further supports the business case for carriers on Tribal Lands. For example, in 2010, \$102.7 million was provided to carriers to reimburse them for providing phone service to low-income households on Tribal Lands.⁶ Thus, the low-income programs not only ensure that phone service is available for consumers, they also support the carriers' ongoing ability to offer service in their territories.

The Commission also recognizes that the Lifeline program can play an important role in helping to close the broadband adoption gap, while improving the business case for carriers to serve communities in Tribal Lands. As part of its plan to modernize the Lifeline program, the Commission recently launched a Broadband Pilot Program and will be accepting applications on July 2nd. The Commission is very interested in receiving applications for pilot projects on Tribal Lands, and provided some additional flexibility for Tribally-owned carriers to participate, and the Commission looks forward to continuing our work with Tribal Nations and Native Communities to learn more about what drives broadband adoption.

Continued Engagement with Tribal Nations and Native Communities

As the Commission implements its reforms, the Office of Native Affairs and Policy (ONAP) continues to engage with Tribal Nations and Native Communities to explain the changes, hear from them about what adjustments the Commission may need to make, and coordinate with them on the opportunities that these reforms offer them. This represents the

⁶ 2011 MONITORING REPORT at Table 2.2

unprecedented level of engagement and analysis that Tribal Nations and Native Communities are now experiencing at the Commission.

In this High-Cost Reform Connect America Fund proceeding alone, dozens of Tribal specific questions were presented in the proposed rulemaking, and the Commission engaged Tribal Governments and associations, Native institutions and community leaders, throughout the nation. We established an open and direct dialogue through ONAP and the Bureaus. On two separate occasions, both in the spring and fall of 2011, the National Tribal Telecommunications Association, the association of Tribally-owned telephone companies, had rounds of meetings with the Chairman and each of the Commissioners. They were joined by two major national inter-Tribal government organizations, the National Congress of American Indians and Affiliated Tribes of NW Indians. The Bureaus and Offices met several times with the individual Tribes and Tribal Nations and companies. The Office of Native Affairs and Policy took its very first beyond the beltway trip as a new office in late 2010 to a quarterly meeting of the Tribally owned telcos, and has consistently worked these regulatory priorities into virtually every effort they undertake on the ground in Indian Country.

ONAP also just recently launched, in May, the next generation of Tribal Nation and Native Community field training programs. These new “Tribal communications 101” meetings and consultations respond to the specific interests and needs of key regional partner organizations. Focused on delivering granular, specific information to Tribal leaders and their staff at the Tribal Planner and IT Director level, these regional training workshops have proven to be exceptionally well-received. Along with wireline, wireless, and broadcast opportunities, the Universal Service Fund reform and the new programs and opportunities for Tribal Nations and Native Communities have been a key feature in this training, and will continue to be. As part of these sessions, our new FCC Native Learning Lab provides hands-on instruction in a

“internet café classroom” setting to effectively teach the Commission’s web-based systems and applications thereby enhancing coordination with the FCC, improving information flow to Tribal Nation and Native Community decision makers, and ultimately increasing the quality of our consultation with Tribal Nations and the involvement of Native voices within our dockets.

A positive outcome of these regional training sessions has been the development of formal and informal Tribal working coalitions, where leaders and managers from Tribal Nations in varying states of telecom and broadband deployment work together, learning from each others’ experiences and mentoring others just starting the journey within their area. Our first two of these targeted meetings were held on the Swinomish Indian Reservation in Washington with the Affiliated Tribes of NW Indians, and on the Pala Indian Reservation in California with the Southern California Tribal Chairmen’s Association. Several other regions and partners are targeted. Our new regional, scalable training workshops will grow and go to other regions throughout the nation, and aim to make a tangible difference in helping Tribal Government and Native Community officials work with the Commission, interact with the communications industries, and lead their people to the myriad benefits of new communications capabilities. The Commission has much work to do, and is committed to meeting the modern communications needs of Tribal Nations and Native Communities.

Conclusion

Broadband is one of this generation’s most important challenges because it presents one of our most monumental opportunities. A consequence of the unfortunate history that Indian Country has endured is an endemic lack of many critical infrastructures in Tribal Nations and Native Communities. Virtually no critical infrastructure has come to Tribal Lands without federal investment, oversight, and regulation. The potential of broadband and communications technologies can do a great deal to level that terrible history. Extending broadband will help us

achieve a more equal opportunity for *all* Americans. If the Commission continues to work together with Tribal Nations and Native Communities to complete and perfect these reform efforts, we can ensure that the transition of the Universal Service Fund from voice to broadband opens the door for every citizen to become a part of our digital future of our country and that Tribal Nations and Native Communities enjoy a secure and enduring place in that future.

Thank you for the opportunity to testify today, and I look forward to addressing your questions.