



NEWS

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FEDERAL COMMUNICATIONS COMMISSION TAKES STEPS TO PROMOTE ACCESS TO TELECOMMUNICATIONS ON TRIBAL LANDS

Actions to Lower Prices for Phone Service for Individuals on Tribal Lands

Washington, D.C. – The Federal Communication Commission (FCC) took steps today to promote the deployment and subscribership of telecommunications services to individuals living on tribal lands, including both Indian reservations and Alaskan Native lands. In three separate actions announced today, the FCC:

- adopted a policy statement which embraces tribal sovereignty, the federal trust responsibility and Indian self-governance;
- substantially reduced the price of basic local phone service for income eligible customers on tribal lands;
- streamlined the process for receiving universal service support for companies who seek to serve tribal lands as an eligible telecommunications carrier; and,
- changed its auction rules to provide greater incentives for wireless carriers to serve tribal lands.

In the Telecommunications Act of 1996, Congress directed the FCC to ensure that all Americans have access to affordable telecommunications services. In response to concerns regarding extraordinary low levels of subscribership for individuals on reservations, which is half the national average, the FCC held two field hearings in Indian country last year to learn first hand of the barriers to telephone service deployment and subscribership. Based on information and analysis provided through these hearings and discussions with Indian leaders, the FCC initiated two rulemakings aimed at promoting telecommunications services on tribal lands. Today, the FCC has adopted rules in response to these proposals as well as a policy statement to guide its relationship with sovereign tribal governments.

By virtually any measure, communities on tribal lands have historically had less access to telecommunications services than any other segment of the population. The current nationwide telephone penetration rate is 94 percent, while 1990 census data indicate that only 47 percent of Indian households on reservations have telephone service. This puts affected tribal communities at a tremendous social and economic disadvantage, in a world where a phone is a necessity. Today's actions will greatly increase the ability of people on tribal lands to get and keep a phone.

Following is a summary of each of the items adopted today:

The Policy Statement:

- The Commission, for the first time, has articulated its commitment to promote a government-to-government relationship between itself and federally recognized tribes.
- The policy statement recognizes the sovereignty of tribal nations and the FCC's trust responsibility to federally-recognized Indian tribes.
- In accordance with the policy statement, the FCC will consult with tribal governments prior to implementing regulatory actions that significantly or uniquely affect tribes.

Discounts on Local Phone Service (Common Carrier Bureau)

Enhancing low-income subscribers' ability to pay is a crucial component to solving the problem of low subscribership on tribal lands. In response to this, the FCC has amended its universal service rules to substantially reduce the bills of people on tribal lands by providing additional, targeted support to carriers. Specifically, the order:

- Increases the discount off the local phone bill that eligible low-income consumers on tribal lands can receive under the current federal Lifeline program by \$25. Under the new rules, carriers may receive between \$30.25 - \$32.85, depending on various factors such as state matching. As a result, depending on their current rate levels, most customers will receive basic local phone service for \$1 a month; all customers should see service under \$10 a month.
- Increases the assistance available for the costs of initiating service provided under the current Link Up program by \$70 to a total of \$100 per customer. This will reduce the initial connection charges and line extension costs associated with initiating phone service to income eligible customers on tribal lands.
- Broadens the consumer qualification criteria for Lifeline and Link Up so that means-tested, or income-based, programs in which low-income tribal members are more likely to participate in are included.
- Requires eligible telecommunications carriers to publicize the availability of Lifeline and Link Up support in a manner designed to reach those likely to qualify for those discounts.

Designation as an Eligible Telecommunications Carrier (Common Carrier Bureau)

The Telecommunications Act requires a carrier to meet certain criteria to be designated an eligible telecommunications carrier in order to receive Lifeline and other universal service support. The law requires states to make these designations for carriers over which they have jurisdiction, and the FCC to make designations for carriers that are not subject to state jurisdiction. The order:

- Establishes a process for carriers to determine from whom they should seek designation to receive support to serve high cost areas, both on tribal lands and non-tribal lands.
- Commits to rule within six months on petitions seeking designation as eligible telecommunications carriers.
- Applies this procedural framework to a number of pending petitions seeking eligible telecommunications carrier designation.

- In a Further Notice, seeks comment on ways to expedite the process of designating carriers as eligible telecommunications carriers under section 214(e).

Changes to Spectrum Auction and Other Wireless Initiatives (Wireless Bureau)

The FCC adopts rules that provide incentives for wireless telecommunications carriers to serve individuals living on tribal lands. Specifically, the FCC has:

- Established bidding credits that will be available in future auctions in markets that contain qualifying tribal areas that have a telephone service penetration rate below 70 percent. To qualify for the credit, winning bidders must commit to use the license to deploy facilities and offer service to qualifying tribal areas, and must obtain tribal consent to such deployment. Bidding credit amounts will be calculated based on wireless infrastructure costs and the geographic area of the tribal lands to be served. The credit amount will be capped at a specified percentage of the total bid amount for the license.
- Addressed issues concerning possible relief from technical and operational rules to promote deployment of wireless services on tribal lands. The FCC stated that it will work with tribal authorities and associated carriers in instances where waivers or other relief from regulatory requirements would assist their efforts.
- Stated that in order to avoid splitting tribal lands among multiple licensing areas, the FCC will consider tribal land boundaries in defining licensing areas for future services.
- In the Further Notice of Proposed Rulemaking, the FCC seeks comment on: (1) whether to award bidding credits to carriers who commit to serve non-tribal areas with low penetration rates; (2) whether to award transferable credits for use in future auctions to licensees in already-established wireless services who deploy facilities and provide service to unserved tribal communities; and (3) whether to make credits available to licensees that enter into partitioning agreements with tribal authorities.

Action by the Commission June 8, 2000, by Policy Statement (FCC 00-207). Chairman Kennard, Commissioners Ness, Furchtgott-Roth, Powell and Tristani.

Action by the Commission June 8, 2000, by 12th Report and Order, Memorandum Opinion and Order, and Second Further Notice of Proposed Rulemaking (FCC 00-208). Chairman Kennard, Commissioners Ness, Furchtgott-Roth, and Tristani with Commissioner Powell dissenting in part and Commissioners Ness, Powell and Tristani issuing statements.

Action by the Commission June 8, 2000, by Report and Order and Notice of Proposed Rulemaking (FCC 00-209). Chairman Kennard, Commissioners Ness, Furchtgott-Roth, Powell and Tristani with Commissioners Ness and Tristani issuing statements.

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