

## **National Summit on Emerging Tribal Economies**

**September 19, 2002**

**9:00 a.m.**

**Phoenix, Arizona**

### **Remarks of Michael K. Powell Chairman, Federal Communications Commission**

#### **I. Introduction**

Good morning. I want to thank the National Summit planners for the opportunity to speak at this important event. It's gratifying to see the enormous interest and attendance that the summit has engendered, and it is wonderful to see that conference registration has far exceeded the hopes of all of the National Summit's organizers. In particular, I want to recognize all of the efforts of the host tribes in Arizona for their dedication to this forum, the tribal leaders and representatives who spent countless hours in planning and preparation, and finally I want to thank the corporate partners for exhibiting and educating us about their products and services.

I also would like to point out that I am not the only representative of the Federal Communications Commission attending this conference today. We are fortunate to have my colleague Commissioner Michael Copps and his staff at the conference, who will be speaking later on this afternoon. Also, there are a number of key staffers of the agency in the audience, including K. Dane Snowden of our Consumer & Governmental Affairs Bureau and Kris Monteith, Associate Bureau Chief responsible for intergovernmental affairs, Geoff Blackwell, and the infamous Nancy Plon. Each of us is here to talk, to listen, and to work toward reducing barriers that separate Indian country from the benefits of sustainable economic development.

Producing employment opportunities in Indian Country and developing sustainable tribal economies are the twin themes of my remarks this morning. It is my long-held belief that access to telecommunications is essential to reaching these two core goals. Empowering Indian Country and allowing you to control your own nation and its infrastructure is the central objective of our work. The Commission stands ready to work in partnership with Indian tribes to realize the goal of creating a self-sufficient and empowered Indian economy. Our government-to-government relationship demands no less.

At the outset I want to note that ours is not exclusively an economic exercise. In economic theories generally, what can't be quantified often gets lost, and there's much in Indian Country that can't be quantified. For example, cultural differences can't be quantified, yet they play a very important part in terms of the way we do things. Also, the federal government's relationship with the tribes – including that of the Federal

Communications Commission – is unique: we deal as sovereign government-to-sovereign government. This relationship cannot be quantified, but I want to assure you that the mutual respect that is appropriate for this trust relationship is an important component of the Commission’s processes.

## **II. Economic Empowerment**

In the last ten years, the Internet evolved to become a dominant force in changing the way we learn, do business, provide healthcare, and entertain ourselves. It is no easy task to keep up with the technological developments associated with this evolution, but we must develop an understanding of this change if we are to realize its promise. In such times, moving backward or even maintaining the *status quo* is not an option. Rather, embracing and understanding this change is the path to economic development and empowerment. In Indian Country, this means that if networks are to realize their highest and best use, we all need to move forward together.

In this fast-changing environment, creating sustainable economies will depend a great deal on how consumers respond in a networked economy. Consumer demand patterns are changing quickly, but make no mistake, consumers are demanding the products and services that a networked economy provides. Who could have predicted the numbers of consumers logging on to E-bay or the websites that trade in Indian artwork? I am an avid spectator of developments on the ‘Net. Before I arrived here I toured some of the sites that support the Indian community. Who could have predicted ten years ago that the National Congress of American Indians would host a wonderful site called [Indiantech.org](http://Indiantech.org)? Encouraging developments such as these challenge us to move past ways of thinking that were honed long before the digital revolution to recognize and seize the opportunities that new consumption patterns present.

An obvious example of such change is the development of telemedicine. When I went to law school, some of the medical tort cases I read spoke of a “locality rule” that protected rural medical practitioners from certain kinds of liability. The reasoning was that a medical doctor in a tiny rural town couldn’t possibly be held to the same standard of competence as a big-city doctor in a big clinic, who had access to every modern tool and other colleagues with whom to consult.

The locality rule has been eroded, in part because of the Internet, and particularly telemedicine. Now, a doctor in a small town can send x-rays and information to his colleagues at large clinics for discussion and diagnosis. In other words, the standard of health care across the board is becoming higher, in part because of the possibilities offered by improved telecommunications. Someone in Moose Lake, Minnesota, can consult with someone at the Mayo Clinic in Rochester, in a heartbeat. Telemedicine should wipe out the need for a legal excuse for inferior health care.

Looking forward, together we will face challenges in areas that will help create the America of the 21<sup>st</sup> century. Although we’d like to wire the world immediately and have all manner of wonderful benefits that broadband can bring immediately, we must also be disciplined to ensure that we do not re-create the irrational expectations of the late

1990s. Viewed through a more realistic lens, technology is still forcing a restructuring of everything we do, and no more so than in the case of broadband deployment. Our overall concern in this area is to prepare America – all Americans – to embrace what the new century will bring.

Despite these changes I remain optimistic about the future. There is no doubt that the creation of tribal information economies can greatly improve the economic situation of many tribes and their individual members. Information technology and access to telecommunications as a means toward economic empowerment is essential to the future growth and strengthening of tribal life. Correctly introduced, it can bring significant advances to tribal financial, social, political, healthcare and educational systems. Targeted initiatives such as tribal information parks connected to broadband networks, can generate economic empowerment and unlock the entrepreneurial talents of your people. Virtual workforce development through information technology can provide opportunities for tribes to provide high-quality, technologically-savvy workforces at much lower costs than are available in more urbanized parts of the country.

With a sufficient technology infrastructure, Indian Country can take advantage of many of the economic realities of rural life to become competitive in any number of technology industries. Independent professional workers working from reservations via broadband facilities could constitute an attractive workforce for both tribal and non-tribal companies. Broadband infrastructure deployed to support tribal entrepreneurs will allow them to gain access to business information once reserved only to the largest multinational corporations. With access to broadband telecommunications services, updated commodity prices are within reach, collaboration with engineers to build physical infrastructure such as roads, and software programmers to build computer infrastructure is possible.

Ask Sonny Van, a 20-year-old high school graduate, and member of the Northern Ute tribe. Van's job options until recently were limited to chopping wood or changing oil at a Wal-Mart 24 miles away for \$7 an hour. Today, he works as a \$9-per-hour technical-support specialist and maintains computers for Uintah River Technology (URT), a technology-outsourcing startup with \$2.3 million in seed capital. This opportunity was made possible after Northern Ute elders paid telecommunications companies to install hundreds of miles of high-speed optical cable through the mountainous terrain of the 4.5 million-acre Uintah and Ouray Reservation located in Utah. With access to telecommunications, other information technology opportunities are available. *Business Week* magazine reports that Indian outsourcing entrepreneurs providing software consulting and data entry to call centers operations can undercut domestic competitors by as much as 50% in terms of price.

Once deployed, the benefits of broadband platforms can develop in unanticipated and positive ways that foster sustainable economic development. For example, in addition to basic local and long distance communications between tribes and the world, there is no reason that a broadband platform cannot include videoconferencing functionality and enable the provision of video services. Telemedicine applications can leverage this infrastructure to bring distant specialists closer to the immediate healthcare

needs of people living on reservations. Each of these efforts can have a tangible effect on the lives of people living on the reservation.

Relatively soon after broadband networks are deployed, a tipping point may arrive. As information is imported to Indian Country, and employment opportunities grow, the rate of young people leaving the reservation may slow. As more young people remain on the reservation, economic development to meet these new consumer demands will grow. Ancillary businesses, typically in the service sector, may find their way in the evolving and expanding economy of the reservation. The benefits of this virtuous cycle of economic opportunity, employment, and decreasing departure rates can have significant benefits in terms of creating sustainable economic and cultural communities on the reservation. Again, there is cause to be optimistic about the future in a networked world.

Of course, I fully appreciate that this technological nirvana is not here today. Many reservations lack the infrastructure to support basic telecommunications services. To be sure, we can and will continue to support the development of telecommunications infrastructure to bring basic telecommunications services to unserved and underserved areas and ultimately lay the foundation for the deployment of broadband service.

### **III. Consultation and Outreach**

As I discussed above, it is clear that things are moving ahead rapidly in the world of telecommunications, so a fair question is to ask whether the Commission can keep up. Modernization, like charity, begins at home. Change has in fact been sweeping the FCC as an organization, and for a very simple reason: when the Commission was established, the only telecommunications we had were the telephone and the radio, with television joining in the next decade. The Commission was originally geared to deal with media whose possibilities were just starting to be recognized. With that in mind, I would like to talk a little about how the Commission has adapted to this change, and then toward the end of my remarks, I would like to speak for a moment about three important areas that the Commission is focused on: Our Indian Training Initiative, our efforts in the area of Lifeline and Linkup support, and the Commission's work in the area of tower siting.

In March 2002, the Commission launched a new business plan to ensure that the agency is more responsive, effective, and efficient going forward. This new plan has, in part, aligned the FCC's functions with the dynamic and converging communications markets. Of particular interest to this audience is the formation of a new intergovernmental affairs function, housed in our Consumer & Governmental Affairs Bureau. This intergovernmental affairs office was created – in part – to honor and respect the government-to-government relationship we have with federally-recognized tribes. A consequence of this reorganization is to raise the profile of Indian issues at the Commission by assigning them to our Bureau Chief, Dane Snowden. This new structure more effectively supports the Commission's consultation and outreach efforts.

The Intergovernmental Affairs Office is available to assist tribal leaders and Indian consumers in getting answers to their communications questions. With this new

function, our goal is to develop solid, mutually beneficial relationships with our state, local, and tribal counterparts so that we move forward to achieve our goals in a way that furthers all of our interests and benefits American consumers.

We recognize that there is no one-size-fits-all solution to a given problem. Thus, what we'd like to do is facilitate the efforts of the tribes to determine their own telecommunications future as they see fit. We'd like to work together, to help get Indian communities the tools that will empower them to be creative and innovative in bringing solutions that fit their own particular needs and the desires of their community members. Indians want a helping hand, not a handout!

While challenges remain, it is important to shine the light on the many successes in Indian Country. One common theme to those successes appears to be that in each case, the tribal community charted its own course to fit its particular circumstances and needs – taking advantage of the government programs available to assist.

Let me start with a resounding success story. Earlier this year, I congratulated the Mescalero Apache Tribe on the first anniversary of MATI – Mescalero Apache Telecom Inc. – New Mexico's first tribally-owned telephone company. When MATI purchased the local telephone facility, only 45 percent of the homes on the reservation had telephone service. In its first year of operation, the company has connected previously unserved areas of the reservation – more than doubling subscribership.

In addition to offering new services, including caller ID and a local telephone office to pay bills, they recently installed a new network switch with broadband capability, providing high-speed DSL Internet access to 95 percent of the homes on the reservation. Most importantly, MATI is training tribal members for telephone company employment and sharing its experience with other tribes. Mescalero met the difficult challenge of offering service to its residents, and the FCC will serve as a resource for companies like Mescalero. Other tribes may have different challenges; the Commission's role is not to offer one size fits all solutions, but to be a resource for innovative ways to provide service.

Another success story is Gila River Telecommunications, Inc. in Chandler, Arizona, which was established in 1988 to provide telecommunications services to the Gila River Indian Community. GRTI currently has 30 employees and over 3,600 lines, of which about 48% are business lines. Eight central offices with digital switching equipment are connected by fiberoptic cable. The company offers enhanced services such as cellular, paging, Internet, and satellite TV.

Another advance came last year, when the FCC designated Western Wireless as an Eligible Telecommunications Carrier for the Oglala Sioux tribal members living on the Pine Ridge Indian Reservation in South Dakota. This designation allows Western Wireless to receive Federal Universal Service support for providing telephone service to tribal members living on the reservation. This is what I mean by doing what we can to empower and assist tribes for them to take advantage of the opportunity.

Other tribally-owned and operated companies include Fort Mojave Telecommunications, Inc. (Arizona, Nevada, and California) the Tohono O’Odham Utility Authority (Arizona), Saddleback Communications (Arizona), and San Carlos Apache Utility Authority, Inc. (Arizona). Each is an employer as well as a service provider, doing double duty to serve its community.

The Commission also has a number of other programs and activities that are under way. To further the deployment of basic and advanced telecommunications services in Indian Country, the Commission recently announced the Indian Telecommunications Initiatives, which includes a series of interactive workshops among tribes, government agencies, and industry to address telecom issues facing residents of Native American communities.

This initiative will facilitate partnerships among these groups to improve telecommunications coverage in those communities. We are actively engaged in conversations with representatives of Indian Country to help us develop and fine tune our plan for ITI, so that we can maximize its value to the target audience.

The Commission will hold a series of regional interactive workshops among tribes, federal agencies and the communications industry to address telecommunications issues facing Indian Country in a targeted manner. This approach acknowledges that different tribes are at different stages of economic development and that their experiences vary with telecommunications deployment. We propose that regional workshops be held in regions of the country convenient to Native Americans in surrounding areas. Specific workshop sites should be identified in consultation with tribal governments and Native American organizations, such as the National Congress of American Indians and the National Indian Telecommunications Institute. The regional concept, in conjunction with a workshop lasting only one day, should minimize the costs to attend, thereby increasing attendance and participation.

It is important that the specific agenda for each regional workshop be developed in collaboration with tribal leaders and representatives from the particular region in question. In that manner, the Commission will endeavor to target the agenda to fit the particular needs of the regional tribes, recognizing that they may be in different stages of development in terms of the availability and deployment of telecommunications services on tribal lands. To the extent possible, these workshops should be interactive in nature, aimed at providing attendees with a “hands-on” experience.

Our longstanding federal support programs are reinforced by these outreach efforts. As some of you may already be aware, the Commission implements two enhanced federal universal service programs specifically designed to provide financial assistance to low-income telephone subscribers and ensure that all low-income Americans – particularly low-income Native Americans – can afford telephone service. They are called the Link-Up and Lifeline programs.

Under my Chairmanship, the FCC will work to ensure that these support programs are administered in a way that directs the support to those who require it most. To make these programs more accessible, our Consumer & Governmental Affairs Bureau

recently launched our “Get Connected: Afford-a-Phone” outreach program, designed to spread the word about the Federal Lifeline/Link-Up programs, which make it possible for qualifying low-income households to get and retain telephone service.

I have also directed the staff to re-examine what we can do to further assist low-income consumers living “near reservations.” Our goal must be to ensure that Lifeline and Linkup support is targeted to the most underserved areas of the Nation. A number of parties, including most recently Smith Bagely and the Washington Utilities and Transportation Commission, have submitted proposals to address this issue. The Commission will move expeditiously on this matter. We will act to ensure that the agency precisely identifies the geographic areas that are “near reservations” and therefore entitled to support.

Tower siting remains an area of concern for both the Commission and tribal governments. The Commission will take the extra step to consult with tribes to ensure that tribal concerns are part of the decision-making process. We are making great efforts with regard to the new nationwide Programmatic Agreement currently under consideration. We have invited the tribes to participate in developing the Programmatic Agreement by a public notice issued this past February. We have kept in contact with those tribes that have expressed an interest. The development of the Programmatic Agreement remains an on-going process, and there remains ample opportunity for the Tribes to participate fully as consulting parties in that process which we invite them to do. To the extent any tribe indicates an interest, the Commission will engage the tribe in individual consultation on an government-to-government basis and will fully consider its concerns.

These are but a few of the specific examples of the government-to-government exercises of our regulatory jurisdiction. In addition to the internal assessments that tribal governments must undertake, to ensure that access to telecommunications infrastructure supports sustainable economic development, I encourage tribal governments to continue to engage the Commission with respect to tribal telecommunications issues. I hope that you participate – formally or informally – in as many FCC proceedings as possible, because we want to hear what you have to say. A proactive, participatory approach will ensure that neither the tribes nor the FCC will be in a defensive or adversarial position when the FCC issues any one given decision. We may not always agree with each other’s position, but with increased participation on our part and yours, understanding of the reasoning that underlies individual decisions is possible.

In closing, I want to state plainly that I am optimistic about the possibilities for Indian country. I have never wavered in my belief that telecommunications technologies offer tremendous opportunities for tribes and individuals living on reservations. With a thorough understanding of tribal needs and a well informed Commission, we will be in a position to ensure that the Federal Communications Commission empowers – and does nothing to impede – the development of sustainable tribal economies.

Once again, I want to thank you for inviting me to speak today and to share some of my thoughts and vision. I am confident that – together – step-by-step we will achieve

the benefits of creating sustainable economies on tribal lands. Enjoy the rest of this fabulous conference, and God-speed.