K. Dane Snowden Chief, Consumer & Governmental Affairs Bureau Remarks on the Lands of Opportunity Initiative Commission Agenda Meeting August 6, 2003

Good morning, Mr. Chairman and Commissioners. Joining me at the table today is Kris Monteith, Deputy Bureau Chief of Outreach and Intergovernmental Affairs in CGB. In addition, we are joined by the office for Strategic Planning and Policy Analysis.

As my colleagues have demonstrated today, the Commission, through the concerted work of the bureaus, is committed to addressing the impediments to access to telecommunications services in rural America. The reports from my colleagues' show that these efforts are working. What I will report to you today is how the Consumer & Governmental Affairs Bureau ensures that information about the Commission's actions and resulting benefits reach the key stakeholders in rural America, especially the consumer. An informed consumer is critical to ensuring that every American has the opportunity to enjoy the benefits of the digital migration.

Our goal is to ensure that all Americans living in rural areas have access to affordable and quality telecommunications services. Our previous efforts have taught us that the outreach challenges are difficult, but not insurmountable. Today we outline our strategic plan for targeted outreach in rural America.

CGB's contribution to attaining our goal is reflected in an outreach strategy whereby the Bureau engages key stakeholders, informs and educates them about the Commission's work, and learns first-hand about the issues facing rural America generally, and at the community level, specifically. First, we identified rural areas where access to even basic

service remains a challenge. Second, based on previous successes in Indian Country, we developed a plan to engage key stakeholders and disseminate information throughout the target region. And third, we developed opportunities to learn about the unique challenges of that region.

When the Commission instituted its "Indian Telecommunications Initiatives" or "ITI" to improve access to telecom services in Indian Country, we gained valuable insight from our program. While maintaining our commitment to improve access in Indian Country, we are poised to bring ITI more aggressively to Alaska. We are taking the first steps to apply the ITI model to improve access to telecom services in the Appalachian and the Mississippi Delta regions. And finally, we are improving the way we communicate with rural America through the Commission's web facilities.

INDIAN COUNTRY

The Commission's aggressive outreach in rural America continues to evolve and is best represented by CGB's activities in Indian Country, the overall majority of which lies in rural America. While data indicates that penetration rates in Indian Country are on the rise, the penetration rate for American Indian households living on reservations and on "federal off-reservation trust lands" remains significantly below the national average.

Through ITI, CGB has engaged in an ongoing dialogue with tribes to understand the challenges they face in obtaining access to telecom services and to help identify solutions. Of the many impediments leading to low telephone subscribership, we have learned that a lack of information about federal assistance programs and the resources available from the Commission has contributed significantly to this problem.

In response, we have tailored ITI as a comprehensive outreach program, with a cornerstone being the dissemination of information to consumers, tribes and tribal governments about the Commission's process and policies. ITI informs consumers about federal programs available and is designed to address access impediments to telecommunications services. ITI includes: sponsoring interactive FCC regional workshops; participating in tribal conferences and events; meeting with individual tribes to discuss their specific telecom issues and providing information directly to key stakeholders. Informational materials include: a "Get Connected" pamphlet containing outreach materials for consumers which explains the universal service Lifeline and Link-up programs, an "Expanding Telecommunications Access in Indian Country" booklet specifically tailored to address telecom issues in these rural areas, and the Indian Telecommunications Initiatives brochure which guides the reader through the resources the Commission offers.

The most recent success of the FCC's ITI program was the <u>ITI Regional Workshop</u> and Roundtable held in Reno, Nevada in coordination with the Washoe Tribe of Nevada and California. The event was very successful: approximately 100 participants from over 20 tribes participated in the panel and roundtable discussions addressing essential telecommunications issues and policies affecting Indian Country. In addition, CGB has been working with individual tribes and tribal groups to provide information about the FCC's rules for forming a telecommunications company.

Building on this success, we have identified Alaska as the next region to direct our ITI efforts 227 – or nearly half – of the 560 federally-recognized tribes are located in Alaska, and comprise more than 80% of its rural population. Given the remote location of most Alaska Native Villages from the contiguous 48 states, the dissemination of information about access to telecom services represents a particular challenge.

We are confident that outreach efforts under the umbrella of ITI contribute to overcoming the impediments to telecommunication subscribership and infrastructure deployment in tribal communities in rural America. We have observed that the take rate for tribal Lifeline in rural America has increased, in many instances dramatically.

APPALACHIA

Next, CGB will launch the first phase of a targeted grassroots outreach campaign intended to inform low-income consumers living throughout 121 Appalachian Region counties that have been designated as "distressed" by the Appalachian Regional Commission (ARC). The Appalachian Region totals 410 counties throughout 13 states extending from northern New York to northeast Mississippi. The 121 counties are scattered throughout the Appalachian Region, and are challenged by substantial poverty and unemployment levels. Our analysis indicates that the number of households in this region without service is disproportionately large relative to the total number of housing units in the country. The number of households without service exceeds that in more sparsely populated rural areas where the penetration rate is substantially below the national average.

CENTRAL REGIONS

Rural communities between the Rockies and the Appalachians face many of the same challenges that confront Appalachia and federally-recognized reservations and that is - access to even basic telecommunications service. We are focusing efforts on a cluster of counties in the Mississippi delta region. This region exhibits penetration rates which lie within the lowest ten percent of the Nation.

OUTREACH INITIATIVES

As we embark on an outreach campaign in these identified regions, our mission remains focused on informing consumers about the availability of the Federal Lifeline and LinkUp support. We will participate in regional meetings, workshops, and conferences. We will continue to partner with other local, state, and federal agencies such as the USDA's Rural Utility Service, the Department of Health and Human Services, the Department of Labor and the Department of Transportation. In addition, we are expanding our ITI outreach to Alaska, and will be meeting with the Alaska Rural Development Council, leaders in several Alaska Native Villages, state officials, industry representatives and others, to begin a dialogue about how the FCC can partner with various stakeholders to facilitate the deployment of telecom services. We invite and look forward to key stakeholders in these areas joining us and exploring strategies to jointly facilitate and address the challenges in rural America.

Modeling our efforts on ITI we intend to initiate similar outreach campaigns in the Appalachian and Delta regions. For example as a first phase, CGB intends to work with the Appalachian Regional Commission to deliver educational materials to community centers, community health care providers and state and local public

welfare offices to ensure that those eligible for participation in the federal lowincome programs have knowledge of the availability of these programs.

As a next phase, we intend to expand the scope of this outreach to include the dissemination of information on other universal service programs. In addition, we will participate in regional workshops and conferences focusing on telecommunications issues. Specifically, CGB is exploring further opportunities for the Commission to coordinate with ARC to ensure that all Americans living in this region have access to affordable and quality telecommunications services.

WEBSITE

Lastly, outreach by the Commission often means access to the Commission. Our work to disseminate information through visits and workshops is only enhanced when consumers can reach out to us. We have established senior bureau points of contact who work together to streamline and exchange information about Commission actions that impact rural America. Another method for consumers in rural America to obtain information and reach us is through our <u>user-friendly</u> <u>website</u>. Intended to provide an easy point of access to Commission activities affecting rural America, the rural website is being revamped into a web portal with links to each bureau. We believe, this development will provide more efficient access to those interested in specific platforms within the Commission.

CONCLUSION

While we acknowledge that there are multiple barriers to access to basic service, we have learned that in some instances the only barrier may be a lack of information about resources which are available to make service affordable. The defined areas we have targeted represent approximately 10% of all households nationwide without basic service. If we can get 1% of these households on the network and sustain their participation,

the network becomes more valuable to all Americans. I look forward to reporting to you in 16 months the successful outreach in rural America, particularly these three regions.

Thank you, Mr. Chairman and Commissioners.