

STATEMENT OF CHAIRMAN KEVIN J. MARTIN

September 15, 2005 Open Meeting

Effects of Hurricane Katrina

Atlanta, Georgia

Thank you all for your excellent presentations. We appreciate all the efforts that you have taken, under extremely trying circumstances, to deal with this unprecedented disaster. The hurricane that struck the Gulf Coast states on August 29th devastated the region. People lost their homes, their businesses, and even their lives. Our hearts go out to all of the survivors who are now struggling with putting their lives back together.

Today we focus on one part of the damage and rebuilding effort: the communications systems. The destruction to the facilities of the communications companies in the region was extraordinary. More than three million people lost their phone service, more than a thousand wireless towers were knocked down, and over 100 broadcast stations were knocked off the air. As a result, it was extremely difficult for hundreds of thousands of people to receive news and emergency information and to communicate with their loved ones. Emergency workers and public safety officials had difficulty coordinating. It is at times like these that we are reminded of the importance of being able to communicate. While no communications network could be expected to remain fully operational in the face of a direct hit from a category four or five hurricane, that fact was little consolation to the people on the ground.

Fortunately, the work to restore communications began immediately. The communications companies in the region undertook, and continue to undertake, Herculean efforts in formidable circumstances to rebuild, reconnect, and broadcast. Service providers had to deal with extreme flooding, lack of power, dwindling fuel resources for generators, and security. Despite these obstacles, three radio stations in New Orleans continued to operate throughout the storm, and a fourth resumed operations within several hours of losing power. Wireline carriers were able to begin restoring service within five days, with significant improvement accomplished within a week. Wireless carriers began to restore service within two days and achieved substantial improvement by the weekend.

As our witnesses described today, companies are going beyond restoring their own facilities. Broadcasters are sharing facilities and precious gasoline with their competitors. BellSouth has helped competitive wireline service providers and wireless companies resume service by making its emergency operations center available to them, as we will see on our tour. BellSouth also has committed its facilities in New Orleans to wireless providers to make restoration of wireless service a priority. Satellite providers are wiring over 100 shelters so that evacuees can receive critical information – as well as entertainment – from television.

We at the Commission have devoted significant time and resources to cut bureaucratic “red tape,” enable disaster relief officials to communicate, and facilitate companies’

ability to quickly restore services in the region. We have waived numerous rules to enable telephone companies to re-route traffic, disconnect and reconnect lines, and switch long distance providers so that consumers' phone calls could get through. We waived rules to enable non-commercial broadcast stations to air fundraisers for disaster relief efforts and to transmit local commercial programming to get critical emergency information to the public. We took action to ensure wireless carriers continue to maintain service to consumers who have been dislocated due to the hurricane and evacuation. We have granted more than 100 temporary frequency authorizations for emergency workers, organizations and companies to provide wireless and broadcast services in the affected areas as well as in shelters around the country.

Since the day after the hurricane struck, we have reached out to affected companies – often numerous times a day – to identify their greatest needs so that we could communicate those needs to other federal officials who have the ability to help companies on the ground. We have been open all day, seven days a week, since the day of the hurricane, which has enabled us to respond to most requests for special authority or waivers within four hours, and all requests within 24 hours. I am extremely proud of the efforts and dedication of the over 200 FCC employees that have helped us in this endeavor. They embody what it means to be a public servant, and I am grateful to all of them.

The witnesses here today represent the many workers and companies who rose to the challenge in the aftermath of Hurricane Katrina. While the task of restoring all services remains significant, you have made great progress. From this process, we need to learn what worked, what did not, and what the Commission should do now to make our communications networks more robust in the future. We need to improve our ability to serve the public in the event of another disaster, and we need to provide leadership to the industry to focus attention on what could be improved.

Today – to provide support to those in need and to improve the ability of the public and emergency responders to communicate during a crisis – I am pleased to announce my intention for the Commission to take three actions.

(1) Provide over \$200 million of immediate relief to the affected areas;

First, I propose to provide \$211 million in universal service funding to the disaster area. We will work through four existing programs to provide this support. We will use the Low Income Program to help those who have been cut off to reestablish their lines of communication. For all people eligible for FEMA disaster assistance, we will provide support for wireless handsets and a package of 300 free minutes for evacuees and people still in the affected area without telephone service. For all people eligible for FEMA disaster assistance, we also will provide support to pay the costs of reconnecting consumers to the network as the disaster-struck area is rebuilt.

Through the Rural Health Care Program, we will support those individuals providing emergency health care services in the region. We will allow public and non-profit health care providers, including American Red Cross shelters, to apply for support of their

telecommunications needs. We will increase discounts from 25% to 50% for qualified providers in the area. To speed the delivery of support, we will modify the filing window for this Funding Year to allow health care providers to submit new or revised applications.

We will use the E-rate Program to help reconnect schools and libraries throughout the region. We will open a new Funding Year 2005 filing window for schools and libraries affected by the hurricane. We will treat schools and libraries struck by the hurricane at the highest level of priority (90%) for Funding Years 2005 and 2006. The Commission can authorize \$96 million in E-rate funds for the approximately 600 schools and libraries in Louisiana, Mississippi, and Alabama hit by the hurricane. We will also allow schools and libraries serving evacuees to amend their Funding Year 2005 applications to account for the unexpected increase in population.

Finally, we will allow carriers to use the High Cost Program to prioritize rebuilding facilities damaged by the hurricane. We will allow telephone companies greater flexibility to use USF support to prioritizing rebuilding wire centers affected by the hurricane.

(2) Examine ways to improve network reliability and public safety communications in times of crisis; and

Second, I am establishing an independent expert panel composed of public safety and communications industry representatives that will be charged with reviewing the impact of Hurricane Katrina on the communications infrastructure in the affected area. The panel will make recommendations to the Commission regarding ways to improve disaster preparedness, network reliability, and communication among first responders such as police, fire fighters and emergency medical personnel.

(3) Create a new FCC bureau to better coordinate our planning and response efforts when disaster strikes.

Third, I intend to propose the creation of a new Public Safety/Homeland Security Bureau. The Bureau will coordinate public safety, national security, and disaster management activities within the FCC. The Bureau will develop policies and rules to promote effective and reliable communications for public safety, national security, and disaster management. It will have responsibility for issues including:

- Public Safety Communications, including 911 centers and first responders
- Priority Emergency Communications
- Alert and Warning of U.S. Citizens
- Continuity of Government Operations
- Disaster Management Coordination (i.e., infrastructure reporting and analysis in times of disaster)
- Disaster Management Outreach
- Communications Infrastructure Protection
- Network Reliability and Interoperability

- Network Security

I look forward to working cooperatively with my colleagues at the Commission to achieve these goals. They have been extremely supportive in all of the Commission's efforts to address the aftermath of Hurricane Katrina thus far, and I thank them for their hard work. We also will work with Members of Congress and will look to them for guidance on these issues.

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We have heard today in detail the catastrophic nature of the damage that Hurricane Katrina inflicted on the Gulf Coast region. We also have heard how hard people worked to restore communications services – services that are critical to coordinating lifesaving rescue efforts and to contacting loved ones during an emergency. We have heard what worked well, but also what needs improvement in order to ensure basic communications services function in the immediate aftermath of disaster. Such communication is particularly important for public safety officials and emergency relief workers.

It is our goal that the Federal Communications Commission learn from this disaster. We need to determine how we can help companies strengthen our communications infrastructure; create more robust and reliable networks; and improve the ability to quickly restore service when disaster does strike. We also need to improve our own ability to respond in times of crises.

I believe the efforts I have outlined today are a good first step. Again, I thank the witnesses for their participation today, and I look forward to continuing to work together to improve our Nation's communications infrastructure.