

**Written Statement of Commissioner Mignon L. Clyburn
Federal Communications Commission**

**Before the
United States Senate Committee on Indian Affairs**

**“Universal Service Fund Reform: Ensuring a Sustainable
and Connected Future for Native Communities”**

June 7, 2012

Chairman Akaka, Vice Chairman Barrasso, and Members of the Committee, it is a pleasure to be here before you representing the Federal Communications Commission. I am grateful for the opportunity to provide updates on the Commission’s process in reforming the Universal Service Fund and our continued efforts to collaborate with Tribal Government and Native Community leaders to ensure a sustainable and connected future for Tribal Nations and Native Communities.

Twice last year, Geoffrey C. Blackwell, Chief of the Commission’s Office of Native Affairs and Policy, testified before you about our agency’s monumental task to reform an outdated and broken Universal Service Fund.¹ In addition, he provided you an overview of other proceedings where the Commission is working on improving the connections to Tribal Nations and Native Communities. I would like to incorporate his earlier testimony due to its extensive coverage of our ongoing work and focus my testimony solely on the topic of concern for today’s hearing: Our implementation of USF reform and the progress we have made since December of 2011.

First, I will discuss the Commission’s implementation of the high-cost fund portion of USF reform. I then wish to turn to our reform of the low-income programs supported by USF

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.

called Lifeline and Link Up, which the Commission adopted in January. Finally, I will provide an update on the Commission's adoption of a Further Notice of Proposed Rulemaking in April to reform the USF contribution system.

In all of these reforms, and in 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 high-cost support 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 service on Tribal Lands. Recognizing the important role that all parties play in expediting services to Tribal Lands, these 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 of dollars 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, recognizing that Tribal consumers should continue to be eligible for enhanced Lifeline and Link Up support above levels on non-Tribal Lands.
- Expand the list of Lifeline qualifying programs for Tribal consumers; and
- Establish a Lifeline Broadband Adoption Pilot Program, with the intent to include at least one pilot project on Tribal Lands.

While this is not an inclusive list of steps we have taken to address consumers on Tribal Lands and Tribally-owned carriers, I hope it shows that the Commission and I personally, take our statutory responsibility to advance the deployment of voice and broadband service on Tribal Lands very seriously. The Commission also takes 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 the 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. This vote was a long time coming. 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, as you are well aware, there still exists an unacceptable gap in Indian Country. The Fund has helped achieve an overall higher telephone penetration rate in our

nation, which currently stands at 95.6 percent² and while that remarkable achievement of the Fund should not be overlooked, technology has rapidly progressed 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. While approximately six percent 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, operate a small business, or finish your homework without broadband. In fact, we know that 80% of Fortune 500 companies require that you apply online, and high school students with access to broadband at home have higher graduation rates. So those Americans who lack broadband access at home and on the go, were first and foremost in my mind as I considered the issues in the USF reform proceeding.

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

For Tribal Nations, access to broadband is particularly critical. For Tribal Governments themselves, the benefits of broadband infrastructure, both fixed and mobile, 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 ability to create opportunities for economic empowerment and to build systems of governance that engage industries, demonstrate stability, and encourage the deployment of other services.

FCC Chairman Genachowski crafted a plan that transforms the way we spend the \$4.5 billion of the high-cost portion of USF each year. The Commission's proceeding to reform USF was unprecedented. We worked with many interested parties, including 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. We 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.

We 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) to ensure universal availability of modern networks capable of providing mobile voice and broadband service where Americans live, work, and travel; (4) to ensure that rates are reasonably

comparable in all regions of the nation, for voice as well as broadband services; and (5) to 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 an injection 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 for mobile service to be extended to currently unserved roads on Tribal Lands. We expect 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. These carriers serve less than five percent of all telephone access lines in the U.S. and have about 17% of Americans who are not served by broadband in their territories. 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, we 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 high-cost support will experience no change or even 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. One will see a

decrease just shy of ten percent.³ What is most significant is that 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 when we 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 we have set out 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 our 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. Our reform establishes for the first time, the explicit goals to preserve and advance the availability of voice service and the modern networks capable of delivering both voice and broadband services; as such, we will certainly consider the impact of our reforms on achievement of those goals.

In Phase II of the reform, which will begin in 2013, we have allocated up to \$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 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

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

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. We have provided for up to \$500 million of ongoing support through the Mobility Fund, of which up to \$100 million is exclusively for support on Tribal Lands, to ensure we have covered as many roads as possible where mobile carriers will not serve without financial assistance. We also have 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 the identical support mechanism, as many had called for, we are able to focus our limited funds from supporting multiple networks in a geographic area to ensuring that a broadband-capable network reaches as many Americans as possible. We are shifting money from areas that do not need support (or as much support) to areas where a broadband network is still needed. We also are requiring that providers meet firm deadlines with appropriate accountability and reporting for the money spent and oversight by the FCC, State Commissions, and Tribal Governments. Moreover, by setting a budget we are helping to stabilize the contribution factor and minimize the burden on consumers and businesses who pay into the fund.

Of great importance to me, is the beneficial impact this reform will have on consumers and their communities, including those living and/or 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, our 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, we expect 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 its benchmark analysis for high-cost loop support (HCLS), using a quantile regression. 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, and it fully subsidized high expense levels, 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.

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 a carrier serves Tribal Lands and whether a carrier serves 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 was capped—and its changes will be phased in, as I mentioned. The remaining seven of the eight tribally-owned carriers receiving

HCLS will see no reductions in their HCLS, and indeed should see a little more HCLS over the next 18 months.⁴

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 for up to 400,000 currently unserved homes, businesses, and community anchor institutions in rural America, including 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 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, the Commission anticipates that hundreds of thousands of Americans will gain access to broadband even if carriers only accept a portion of the available money. We are committed to using whatever amounts are not accepted to further our broadband goals for the nation.. We expect that the expansion of broadband facilities during the CAF Phase I potentially will impact Tribal Lands, and we will keep you apprised of the building commitments we receive from the carriers in and around Tribal Lands.

Mobility Fund Phase I

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,

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

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.

It is no secret that I have a deep connection to rural America, and I believe our reforms will allow us to come even closer to achieving Congress' goal of providing *all* Americans access to affordable voice and advanced communications services. But I also recognize that these efforts to modernize the Fund—a decade in the making—may not resolve all the issues that were raised in the proceeding, and our agency has been working very hard to hear all parties' concerns and address them in a timely fashion. For example, we have received numerous Petitions for Reconsideration and/or Clarification, and the Commission has already addressed numerous issues in three separate Commission-level decisions. Moreover, our 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, we have had an open door policy to hear from all interested parties, and we have 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-income Americans afford basic phone service, and the percentage of low-income households

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

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.

The priorities for me as we worked on these programs were that eligible families who needed phone service could sign up for and participate in the program; that we continued to allow families to choose the service that makes sense for them—whether that is mobile or wireline phone service; that we addressed the waste, fraud and abuse in the programs and set a savings target tied to those reforms; that we accommodated the exceptional needs facing Tribal and Native Communities; and that we begin to reorient the program towards tackling the broadband adoption gap low-income consumers face.

In its Lifeline Reform Order, the Commission continued to recognize the unique challenges facing consumers on Tribal Lands. 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.

We also took steps to further advance the availability of Lifeline support for low-income consumers living on or near Tribal Lands. First, we amended our 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, we amended our 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, we 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 we clarified that low-income residents of Tribal Lands may self-certify as to their residency on Tribal Lands to receive additional support.

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 of additional support was given 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. We are very interested in receiving applications for pilot projects on Tribal Lands, and provided some additional flexibility for Tribally-owned carriers to participate, and we look forward to continuing our work with Tribal communities to learn more about what drives broadband adoption.

Contribution Reform

At the end of April, the Commission launched a proceeding to reform and modernize how Universal Service Fund contributions are assessed and recovered. The current contribution system has given rise to uncertainty, inefficiency and market distortions, with consumers and businesses, who ultimately pay for the USF, bearing the brunt of stresses on the contribution system. Reform of how funding is collected to support universal access to voice and broadband is the next step in the Commission's continuing efforts to overhaul and modernize the Universal Service Fund.

Building upon the Commission's sweeping reforms to modernize the high-cost and low-income components of the Fund to help bring broadband and voice service to all Americans, while increasing fiscal responsibility and limiting the overall contribution burden, the Further Notice seeks comment on a variety of alternatives to reform the system by which the

⁶ 2011 UNIVERSAL SERVICE MONITORING REPORT, CC DOCKET NO. 98-202 (Data Received Through October 2011) at Table 2.2. This amount is in addition to the basic support levels for Lifeline and Link Up offered to carriers serving Tribal Lands.

Commission's universal service programs are funded to promote efficiency, fairness, and sustainability. In particular, the Notice asks: (1) what services and service providers should contribute to the Fund; (2) how should contributions be assessed—on revenues, the number of connections, by phone numbers, or a hybrid approach; (3) how to reduce the cost, promote transparency and increase clarity of the contribution system; and (4) whether consumers could benefit from increased transparency and limitations on how providers recover their USF costs. In undertaking contributions reform, the Commission is guided by its overarching goal of ensuring the delivery of affordable communications to all Americans, while safeguarding core Commission objectives, including the promotion of broadband innovation, investment and adoption.

As the Commission embarks upon this next phase to modernize the Universal Service Fund for the 21st century by addressing the contributions side of the equation, the Commission is encouraging detailed input from all stakeholders, including Tribal Governments who play a crucial role in overseeing communications services provided on Tribal Lands. I look forward to working with all interested parties to complete this proceeding in a timely fashion.

Continued Engagement with Tribal and Native Communities

As we implement our reforms, our Office of Native Affairs and Policy continues to engage with Tribal Nations and Native Communities to explain the changes, hear from them about what adjustments we may need to make, and coordinate with them on the opportunities that these reforms offer them. I want to underscore the unprecedented level of engagement and analysis that Tribal Nations and Native Communities are 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. An open and direct dialogue was established 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. Moreover, the Bureau's 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.

We 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 staffs 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 an "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 proceedings.

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 who are 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 expand to other regions throughout the nation, and we will 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.

This work has been a priority of Chairman Genachowski's administration, which I wholeheartedly support. I know we have much work to do, and we are 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. Extending broadband to all corners of this nation will help us achieve a more equal opportunity for all Americans. If we work together 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 the digital economy. When that occurs, the decade-long struggle to achieve these reforms will have been well worth the effort.

Thank you for the opportunity to offer you this update, and I look forward to answering your questions.