

**WRITTEN TESTIMONY
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Remarks of Commissioner-Chairman Jim Irvin before the Federal Communications Commission on Promoting Telephone Service to Native Americans on Tribal Lands

**Presented: March 23, 1999
Gila River Reservation, Arizona**

Arizona's recent history has encompassed the gradual development of relations between local, State and Tribal authorities as neighboring communities grow closer and closer together. Inevitably, progress and prosperity brings opportunity, and today's meeting addresses the need and desire to bring telecommunication service to Native American lands. This issue has been overlooked in the past, but as we move from isolation to bordering communities, attitudes are changing. As regulators, we in State and Federal government must recognize that different cultures operate under different principles. Therefore, flexibility and partnership building must be the cornerstone of any general plan to promote telecommunication service within traditionally unserved or underserved areas. Today, I will focus on what Federal, State and Tribal authorities can do to provide the incentives needed to accomplish this goal – a goal I believe is most relevant to Chairman Kennard, Commissioner Ness and Commission Furthgott-Roth, as evidenced by their attendance today.

The Arizona Corporation Commission has jurisdiction over non-tribal telephone companies serving Native American lands in Arizona. The largest – Navajo Communications, Inc., ("Navajo") serves approximately 10,800 residential customers at this time. However, data submitted by Navajo suggests that another 12,544 households on the lands they serve enjoy the use of electricity, but do not have telecommunication service. Not included in this figure are the number of households on tribal lands which

do not have electricity, and thus no telephone service. An estimate given by the *U.S. News & World Report* (Feb. 2, 1998) that the number of unserved and underserved customers in Arizona reaches 5,000 people falls far short of the real number.

A major issue not only on tribal lands, but throughout Arizona, involves line extensions and/or construction charges needed to provide service in low density rural areas. Many individuals who live in tribal communities have requested service, but found that the cost to build facilities was economically unfeasible, and as a practical matter, could not obtain service. According to Navajo, the estimated costs to customers for constructing the necessary facilities in 1997 ranged from \$1,560 dollars to \$157,000 dollars. Hardly cost efficient, indeed.

This issue can and should be addressed by Federal and State regulators through sound universal service policies. One suggested reform includes changing existing incentives to carriers contained in traditional Federal and State Universal Service funding programs. Existing incentives fail to attract participants because they are based upon average costs and nationwide average benchmarks – therefore geared more toward keeping local service rates low of existing customers rather than getting facilities built to served unserved or underserved areas. Arizona's Universal Service Fund Task Force – a committee on which I serve as Chair – is considering changes to how USF monies are administered, beginning with the possible offset of construction costs in the unserved and underserved areas of the state, with particular focus on tribal lands. We can either block grants for specifically designated areas for facility construction, or provide contributions to offset line extension charges, both on a Federal and State level.

We should also encourage the use of innovative technologies – such as wireless service – to serve geographic areas with no existing infrastructure. Although the major stumbling block with wireless communication remains its cost, Federal and State authorities should provide more incentives – or facilitate access to Federal universal service high cost funds – which can help to address the existing disparity between wireless and wireline rates.

However, in my opinion, the most effective way to make telephone service available to all households located on tribal lands is to foster joint ventures between newly created tribal owned and existing non-tribal owned entities. Our policies should provide incentives to promote such relationships. But again, Federal and State regulators must recognize that there exists a wide variety of Native American cultures, each with its own specific set of values and history, and each must be dealt with on an individual basis. As an example, the Salt River Pima Indian Community has entered into a joint partnership with Mountain Telecommunications by creating its own company, Saddlebrook Communications, to serve households located within their community. Anytime an individual or community becomes actively involved, or has some personal and financial stake on a project, success will not only come easier, but provides a sense of self-accomplishment.

In my opinion, many Arizona tribes have the financial capacity to play major roles in providing telecommunication service to their people. Moreover, all tribes – even those who have not become self-reliant – possess the political will to do so. Federal and State regulations should mirror their efforts of self-reliance, and incentives can be created to see that these goals are realized. Likewise, companies who desire to offer service on

tribal lands must realize that business is conducted differently in these communities. For instance, Western Wireless has stated that it encounters problems placing antenna towers on tribal lands because there is: 1) no single point of contact or decision-maker, 2) no formal process for gaining approval for placement, 3) a need for greater understanding of laws and policies governing the placement and operation of antenna towers. While joint ventures might alleviate some concerns, it is vital for non-Indians to understand the culture of the people they wish to serve. Failing to appreciate the fact that tribes throughout North American are varied and diverse can act as an obstacle to sound partnerships. While each enjoys a common heritage of being "Native American," all tribes cannot be lumped together under one banner. Only in this manner can tribal representatives retain a voice in formulating tribal policies which lead to economic growth and opportunities.

I want to thank Chairman Kennard, Commissioners Ness and Furthgott-Roth, as well as the Gila River Tribe, for allowing me the opportunity to provide a State perspective on the issue of bringing telecommunication service to reservations in Arizona. Ours is a world that gets smaller everyday, and only through cooperation and discussion can we effectively address the problems facing each of us as communities or as Nations. Today, we have embarked upon the right path.