

LANDS OF OPPORTUNITY:
BUILDING RURAL CONNECTIVITY

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Good morning, Mr. Chairman and Commissioners. Joining me at the table today are Kris Monteith, Deputy Bureau Chief, Outreach and Intergovernmental Affairs, Sue McNeil, Chief, of CGB's Office of Intergovernmental Affairs, and Sherry Dawson, Deputy Chief, CGB Consumer Affairs and Outreach Division.

Before I begin my presentation, I would like to first welcome and acknowledge the Appalachian Regional Commission's Federal Co-Chair, Ms. Anne Pope, and staff members from the Rural Utilities Service representing Administrator Hilda Legg, who have joined us this morning.

A year ago, I outlined CGB's strategic plan for targeted outreach to rural America as part of the Chairman's overall strategic plan for the agency. Today, I am pleased to report that we have made great strides. This report highlights our accomplishments to date, the lessons learned, and our next steps to ensure that rural Americans continue to have an opportunity to participate in the digital revolution.

Background

As we set forth last year, the broad goal of the "Lands of Opportunity: Building Rural Connectivity" outreach campaign is to ensure that all Americans living in rural areas have access to affordable and quality telecommunications services. Recognizing the scale of that goal, we targeted three key regions where the needs are particularly acute:

- Alaska Native Villages;
- the Appalachian Region; and,
- the Delta Region.

We have also continued our commitment and focus on Indian Country.

Starting with Alaska Native Villages, I would like to highlight some of the Commission's accomplishments to-date.

Alaska Native Villages

Last fall, members of the Consumer & Governmental Affairs, Wireline Competition and International Bureaus visited seven Alaska Native communities in the Northwest Arctic and Yukon-Kuskokwim Delta regions of Alaska. We went to observe first hand how advanced telecommunications services supporting innovative distance learning applications and telemedicine are being used to improve cultural welfare and health of residents in some Alaska Native Villages. We also wanted to determine how the FCC might promote the successful deployment of similar services in other Native communities.

By way of background, Alaska is one-fifth the size of the "lower 48" states and two and one half times the size of Texas. Very few of the communities are connected by roadway--they can be reached only by air, or, in some cases, by waterway and the highway of ice it creates in winter. Often, poor weather conditions limit air and boat travel.

We visited two schools located more than 25 miles above the Arctic Circle in the Northwest Arctic Borough and a school in the Native Village of Akiak, which is located 29 miles upstream from Bethel. Through the use of broadband technologies and the E-Rate programs, we learned how these schools are able to access the Internet; facilitate videoconferencing in the School District; augment existing curriculum; and, preserve native language and culture through the development of innovative computer applications.

Through our visits to the Maniilaq Health Center in Kotzebue and the Yukon Kuskokwim Regional Hospital in Bethel -- as well as surrounding villages -- we learned how important telecommunications is to the provision of rural health care. Through Rural-Health Care funding, satellite technologies are being used to connect health clinics in remote communities with centrally-located specialists that are able to diagnose medical problems and devise treatment regimens to be implemented by clinic personnel. On the level of life and death situations, Alaska's 1st live surgery "by means of videoconferencing" was performed in June 2003 by Maniilaq Medical Director, Dr. Michael Orms. Through videoconferencing, Dr. Orms saved the

life of a woman who required immediate medical intervention and could not be Med-A-Vac'd to Anchorage because of weather conditions. This is reality to many living in Rural America.

These are but two of the many examples in which programs like E-Rate and Rural Health Care are being used to better the economic and cultural welfare of Alaska's residents. All of this is done while enabling residents to remain in the community and preserve their Native traditions and way of life.

The Appalachian Region

As we suggested in our report last year, I am pleased to say we are on the road in Appalachia. In the past year, CGB has formed a strategic partnership with the Appalachian Regional Commission (ARC) to address low penetration rates and other deployment issues. This partnership consists of the FCC joining ARC and their 410 rural counties which spread from northern New York to Northeast Mississippi that make up the Appalachian Region. Working with ARC, we are engaged in cooperative outreach which permits us to maximum our efforts and successes.

At the grassroots level, we have released a news feature on the benefits of broadband to over a thousand radio stations serving Rural America.

This year we also participated in conferences and symposiums to educate consumers in Appalachia about federal universal service programs – like Lifeline and LinkUp - and other important telecom services.

And, through focused programs with key stakeholders, we have explored the potential of specific technologies to promote the economic development, safety, and the general well-being of the citizens in this region.

The Delta Region

Just last week, we partnered with the ARC, the Tennessee Regulatory Authority and the Rural Utilities Service of the USDA in holding a two-day program in Tennessee highlighting telemedicine, homeland security, and policies to bring advanced services to Appalachia. Our

efforts in Appalachia will continue to focus on the needs of this region and how telecommunications might offer solutions.

As the Commission's Indian Telecommunications Initiatives served as a model for our efforts in Appalachia, our efforts in Appalachia have in turn served as a model for our approach to the Mississippi Delta Region. We are also launching similar, broad-based outreach efforts in that area of the country.

Facing some of the same economic and geographic challenges as Indian Country and Appalachia, the Delta Region exhibits penetration rates which lie within the lowest 10% of the Nation. Like ARC, the Delta Regional Authority (DRA) is charged with facilitating economic development in the region.

We have met with the DRA and are developing a partnership through which we can engage in targeted efforts to address the unique telecommunications needs of this region. As a first step, in a cooperative undertaking with the DRA, next week we are launching a direct outreach campaign to nearly 2,000 DRA local leaders in each of the 240 counties and parishes in the 8 states that comprise the Delta Region. This campaign includes information on Lifeline and Link-Up and the Rural Health Care program, as well as information explaining how broadband can serve rural communities. We are exploring other joint outreach opportunities with the DRA, including workshops, public forums, and media news spots, in an effort to reach out to this distressed area.

Indian Country

I am happy to report that our focus on Alaska Native Villages, Appalachia, the Delta Region and other parts of rural America, has been in tandem with our outreach in Indian Country. Since our report last year, our Indian Telecommunications Initiatives (ITI) have seen more outreach and work with American Indian Tribes and Alaska Native Villages than ever before. We logged thousands of miles within Indian Country experiencing for ourselves a snapshot of the telecom challenges tribes face everyday. In the process we have strengthened our trust relationship with the Nations of Indian Country. Also, to better understand Tribal issues, we added new Tribal and Rural voices to those formally advising the Commission on our Intergovernmental and Consumer Advisory Committees. With each of our ITI efforts, we solidified old friendships, established new partnerships, and focused on new areas of Indian Country where the FCC had never before visited.

To give you a highlight:

- We made multiple tribal visits aimed at discussing telecom options and increasing telephone penetration rates to tribal homelands throughout the U.S.
- In Washington, we hosted the leadership of several tribes at the 2nd Annual FCC-National Congress of American Indians meeting to address expanding access in Indian Country.
- Throughout Indian Country, we have participated at Tribal conferences and meetings to promote an understanding of the FCC's programs, policies and rules.
- We hosted the second ITI Regional Workshop and Roundtable in Rapid City, SD on telecommunications development in Indian Country.
- We also took our outreach directly to the citizens of Tribal lands, holding a Consumer Forum on the Standing Rock Reservation.
- And we continued to highlight issues and achievements through our new tribal newsletter and our Indian web portal – both designed as resources for Tribes.

And the FCC's efforts have not gone unnoticed in Indian Country. For our work with ITI and our policy consultation efforts throughout the agency, the Commission was honored by the National Congress of American Indians with their 2004 Federal Agency Leadership Award. This is a first for the FCC and truly a great honor we will strive to meet in our future work in Indian Country.

Outreach in Other Rural Areas of the Country

While focusing on specific areas such as Alaska Native Villages, Appalachia, the Delta Region, and Indian Country, CGB has also focused on opportunities to promote advanced services in other rural areas of the country.

We took our rural outreach initiative to America's Heartland to hear about the challenges in bringing broadband deployment to these communities. In Kansas, we discussed the economic development opportunities that broadband services afford, and how providers in Kansas are finding innovative solutions to meet the needs of rural Kansans every day. We also heard how Senator Brownback, Governor Sebelius, Kansas State Representative Tom Sloan, and others are examining federal and state policy changes that will incent broadband deployment to rural communities.

In South Dakota, the home-state of Commissioner Adelstein, both the Commissioner and Chairman Powell joined South Dakota Governor Mike Rounds, PUC Chairman Bob Sahr, and other state officials, at the FCC's Wireless Internet Service Provider (WISP) forum focusing on the benefits of wireless broadband to rural communities throughout the Midwest.

And finally, in addition to the Localism Hearing and the ITI workshop, the Commission also hosted a consumer forum in coordination with the South Dakota PUC, to reach out to consumers about advanced services and emerging technologies that have the potential to bring great economic benefits to this region of the country. As a part of our internal coordination strategy and to ensure the Commission has a holistic approach to rural America, we continue to coordinate our rural activities with the Bureau-and-Office Senior points of contact.

So after crisscrossing the country for the past year, I am pleased to report that our outreach efforts have yielded fruit. With our increased outreach efforts in Tribal areas we have seen increases in the number of subscribers receiving Lifeline assistance. With the increased awareness of its availability, the number of subscribers in Tribal areas receiving Lifeline assistance in 2003 went up by over 30% from the previous year.

The past year has seen an increase of nearly \$1.5 million in Universal Service High-cost support to tribally owned telecommunications carriers and an additional \$2.5 million projected in 2004. While updated census figures showing penetration rates in tribal areas are currently unavailable, we are confident that the recent upward trends we have witnessed will continue.

One measure of our success is the level of interest our efforts have generated. We have seen much greater attendance at our ITI Regional Workshop and Roundtable, as well as at other outreach events. We are receiving more requests for consultation and participation from

consumer, local government, and community groups. Of course, the key barometer of interest in any subject these days is hits on our web page – which are also up dramatically. I am confident that in time we will see similar results from our efforts in other targeted regions as well.

So what have we learned from all of our outreach efforts?

Broadband has potential to serve as the ultimate economic, educational and healthcare growth engine for the Nation – *particularly rural America*. Advances in broadband services, offered over telephone and cable wires, licensed and unlicensed wireless connections, satellite, digital television, and even over ubiquitous electrical power lines provide the opportunity to significantly improve the quality of life in rural America.

We have also learned that to deploy telecommunications effectively throughout rural areas, it is essential to understand the needs, culture, and objectives of key stakeholders. For example, throughout the FCC's visits to Indian Country, we have seen how dedicated and resourceful Tribes have developed innovative applications to address their specific needs.

Thus, the FCC is working cooperatively with industry, state, local, and tribal governments consistent with Congress and the Administration toward the goal of developing a nationwide broadband infrastructure that connects all Americans.

Finally, success requires commitment and leadership. As we have traveled all over the country, we have met committed leaders of all backgrounds, working to develop the partnerships and relationships it takes to bring telecommunications to their unique areas.

So where do we go from here?

We plan to continue our current programs, stepping up mass distribution efforts such as video and radio news releases and satellite media tours. We will continue to explore how best to reach consumers directly through local libraries and other methods. And, of course, we will continue our face-to-face outreach efforts, rolling up our sleeves and sitting across the table from our government counterparts and from consumers throughout rural America to discuss telecom deployment issues.

We also plan to maintain and enhance our relationships with Appalachian Regional Commission, Delta Regional Authority and other agencies such as Rural Utilities Service. For example, we recently convened the first Interagency Forum on Consumer Outreach Best Practices and Partnerships. We hosted representatives from 15 federal agencies in a day-long program to address how we can achieve common strategic goals and, specifically, began the process of forming partnerships to undertake collaborative outreach programs aimed at rural communities.

Over the last year, our outreach demonstrated time and again how critical the deployment of basic and advanced telecommunications services is key to the continued economic health and growth of the Nation. Moving forward, CGB will continue its work to ensure that the benefits of broadband technologies are realized throughout rural America. Through our continued partnerships with state, local and tribal governments, industry and consumers, we will work to facilitate the deployment of the broadband infrastructure necessary for a connected society that gives *all* Americans more choices, more value, and more opportunity.