

**Statement of
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**Testimony before the Senate Committee on Indian Affairs and the Senate Committee on
Commerce, Science and Transportation
Joint Oversight Hearing on Telecommunications Issues in Indian Country
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Good morning, Chairman Inouye, Chairman Hollings, Vice Chairman Campbell, Vice Chairman McCain, members of the Committee, tribal representatives and leaders, and distinguished guests. Thank you for the opportunity to present testimony today on this very important issue in Indian Country.

My name is Marcia Warren Edelman and I am the President of S.M.E. LLC, a consulting firm that provides strategic planning and business development services in the areas of Native American policy, economic development, and telecommunications and information technology. From 1999 to February of this year, I served as the Department of Commerce's Senior Policy Advisor to the Secretary for Native American Affairs where I had the opportunity to work on a number of issues and initiatives, including the Department's focus on closing the Digital Divide. I am also the co-author of "Native Networking: Telecommunications and Information Technology in Indian Country," a policy report and resource manual published by the Benton Foundation in 1999.

I am pleased to come before the Committees today to provide a broad perspective regarding the impact of the lack of telecommunications access to tribal nations, as well as to discuss a number of solutions that have been proposed to address this serious need.

As you have heard during the course of today's hearings, the lack of telecommunications access in Indian Country is urgent and severe. Based on the statistics and information related from tribal communities across the nation, it is clear that the infrastructure needed to support connectivity for every Indian individual in his or her home or community continues to remain, for the most part, unavailable and unaffordable. Three reasons can be cited as contributing factors to this situation:

- Lack of current and accurate information
- Lack of ongoing coordination of resources
- Lack of investment capital and technical assistance

Lack of current and accurate information

In 1999, three reports were published which examined the state of connectivity in Indian Country. All three found that Native Americans face an urgent situation where current infrastructure capabilities fall far behind that of the United States, threatening the economic, educational and cultural self-sufficiency of tribes and their communities.

“Falling Through the Net: Defining the Digital Divide” published by the Commerce Department’s National Telecommunications and Information Administration (NTIA) found that:

- For telephone penetration, rural Native American households (76.4%) rank far below the national average (94.1%).
- Rural Native American households' access to computers (26.8%) is also lower than the national average (42.1%)
- Overall, Native Americans are also behind in their access to the Internet (18.9%), compared to the national average (26.2%).

The Economic Development Administration (EDA) supported these findings in their report, “Assessment of Technology Infrastructure in Native Communities,” with similar data and identified the dilemma faced by many tribes in this area:

“Today, many Native communities find themselves in a vicious circle. The weak economic base of these communities makes it difficult to support infrastructure investment. And in turn, the poor state of infrastructure undermines their ability to undertake and attract successful economic development initiatives.”

Finally, the Benton Foundation’s report, “Native Networking: Telecommunications and Information Technology in Indian Country,” provided not only an effective guide to the policies and resources affecting tribes, but also presented the following challenge:

“Tribes must begin at home to define the needs and goals important to their communities, and then reach out and forge the relationships necessary to achieve those goals. As well, federal agencies, foundations, businesses and policy makers must include tribes and Indian people in their scope of telecommunications and technology growth and opportunities. Only then, when these two spheres meet and a new network of relationships is created, will the mandate of the Information Superhighway truly be fulfilled.”

Since 1999, the only new information that has been published on telecommunications access and policy in Indian Country is the July 2001 report by the National Congress of American Indians (NCAI) entitled, “Connecting Indian Country: Tribally-Driven Telecommunications Policy.” NCAI, under a grant from the AOL Foundation, created the NCAI Digital Divide Task Force in 2000 with the purpose of providing a forum for tribal leadership to address the top policy issues regarding telecommunications policy in their communities and on a national level. The report brings together the findings of the Task Force under four priority areas: access; economic development, workforce training and education; content; and sovereignty. I would like to refer the Committees to review this report on

www.indiantech.org or www.ncai.org, and consider the action items and specific policy changes recommended by the tribal leaders and representatives that served on the Task Force.

However, as important as policy discussions may be, it is imperative that current and accurate baseline data is obtained to fully measure the current status of telecommunications access in Indian Country. Currently, no new such data has been gathered or compiled, even though the 2000 Census has been completed and the National Telecommunications and Information Administration (NTIA) has published two more reports in the Falling Through the Net series – both without data on American Indians and Alaska Natives (due to inadequate sampling size of existing data).

Accurate statistics are extremely important, not only to measure the telephone penetration rates of our tribal communities, but also to identify other indicators of telecommunications access such as existing tower locations, the type of technology currently utilized (wireless vs. landline), and Internet access. Any new studies must also take into consideration the differences in Indian Country (large land-based tribes vs. reservations near urban areas) and it must continue to track this information consistently. The results of such a study would in turn provide federal agencies, businesses and tribes with the support needed to develop funding programs, strategic plans and viable business cases.

I encourage the Committees to identify the means to perform comprehensive and ongoing studies in order to update the 1999 information presented in the reports listed above.

Lack of ongoing coordination of resources

To this date, a number of Native organizations, federal agencies, businesses and non-profit organizations have been actively involved in addressing the issue of telecommunications access in Indian Country. All of their efforts deserve recognition for the excellent work that has been done to close the gap. Unfortunately, there has been no single organization that has provided coordination between these groups and/or served as a voice for advocacy, policy recommendations and resource coordination.

I encourage the Committees to consider supporting the creation of a national-level program or organization housed outside the federal government focused on promoting equal access to, and the appropriate use of, telecommunications and information technologies in Indian Country through coordination, research, analysis, the dissemination of information and federal policy advocacy.

Lack of investment capital and technical assistance

Telecommunications equipment, products and services are an expensive business. For many tribes, it is simply a luxury they cannot afford. In many cases, members of tribal communities cannot call relatives away at school or work, cannot call 911 in an emergency, cannot create a new business for lack of telecommunications infrastructure, cannot access online information that the rest of the nation takes for granted. “E-government” does not exist and cell phone coverage stops at reservation borders. This situation is unacceptable and tribes should not be expected to provide the funds to address this situation alone.

Fortunately, there exist a number of federal programs that have been able to work with tribes to begin addressing this issue:

- The **National Telecommunications and Information Administration (NTIA)**: NTIA has helped to extend the benefits of information and communications technology to American Indian and Alaska Native communities through two grants programs, the **Technology Opportunities Program (TOP)** and the **Public Telecommunications Facilities Program (PTFP)**. TOP provides matching grants to non-profit entities, tribal, state and local government, and since 1994 has funded over 18 tribal projects that are serving as models within Indian Country. In FY 2001, the program provided **\$4.2 million** to tribal communities throughout the nation, a record amount. PTFP has made a significant contribution to the public broadcasting system in Indian country by providing matching grants to over 40 tribal communities throughout the United States for the planning, construction, and replacement of outdated public radio and television equipment. In addition, PTFP funded the establishment of the American Indian Higher Education Consortium (AIHEC) satellite-based distance-learning network, which serves 31 tribal colleges.
- The U.S. Department of Agriculture's **Rural Utility Service (RUS)**: RUS has made loans to five tribal entities to create tribal telephone companies, including the Gila River Telephone Company, Tohono O'Odham Utility Authority, Fort Mojave Telecommunications, Cheyenne River Sioux Telephone Authority, and San Carlos Apache Telecommunication Utility. Together, these companies now provide service to approximately 8,000 Native American subscribers. In addition to loans, the RUS also provides technical assistance and counseling in formulating development plans.
- The **Economic Development Administration (EDA)** has provided much-needed funding to a number of tribes for planning and economic development that focuses on and/or utilizes telecommunications and information technology.

In addition, a number of private foundations are working in partnership with tribes and businesses to create infrastructure, access to hardware and software, and technical assistance for telecommunications needs in Indian Country. I encourage the Committees to access www.digitaldividenetwork.com for more information on these projects.

However, the fact remains that tribes need **access to capital** in order to significantly impact the current lack of infrastructure so common in their communities today. Funding from federal programs is imperative for all areas of telecommunications access, but most especially for **planning and needs assessments**, as each situation of each tribe is unique does not necessarily apply to all tribal communities. Based on the accurate determination of needs and goals, capital can then be applied to other priority areas such as:

- technical assistance
- development of "last mile" telecommunications

- equipment purchase and maintenance
- pilot programs/projects
- seed capital for telecommunication and information technology business development

In addition, it is essential for the Federal Communications Commission (FCC) to maintain an active and ongoing relationship with tribes to examine any existing **regulatory barriers** that may exist, as well as identify programs and successful models to increase telecommunications access in underserved communities.

Lastly, a vehicle must be created to encourage **outside investment** in our tribal communities, either through loan funds, investments, joint partnerships, etc. to work in conjunction with federal and private funding. One source of capital is not enough to address this issue, especially in consideration of the importance and long-term nature of telecommunications access.

I encourage the Committees to support existing or proposed legislation that facilitates increased access to capital for telecommunications infrastructure development and maintenance, planning and business development.

In conclusion, I would like to commend the Committees for holding this joint hearing on tribal telecommunications issues and I look forward to seeing the creation of legislation that will address this issue, which is of great relevance and importance to tribal nations throughout the country. Thank you for your invitation to testify, and I welcome any questions you may have.