

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Lifeline and Link Up Reform and Modernization)	WC Docket No. 11-42
)	
Lifeline and Link Up)	WC Docket No. 03-109
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Advancing Broadband Availability Through Digital Literacy Training)	WC Docket No. 12-23
)	

**COMMENTS OF
THE GILA RIVER INDIAN COMMUNITY AND
GILA RIVER TELECOMMUNICATIONS, INC.**

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EXECUTIVE SUMMARY

The Gila River Indian Community (“GRIC”) and Gila River Telecommunications, Inc. (“GRTI”), by its attorneys, hereby submit these comments in response to the Further Notice of Proposed Rulemaking of the Federal Communications Commission (“FCC” or “Commission”) into proposals to comprehensively reform and modernize the universal Lifeline and Link Up programs. GRTI is a telecommunications carrier that is wholly-owned and operated by the GRIC. GRTI is in a unique position to address longstanding issues regarding access to telecommunications and broadband services in tribal lands and makes specific recommendations concerning access to broadband, telecommunications, and digital literacy training.

First and foremost, the GRIC and GRTI urge the Commission to allow households on tribal lands to apply the entire \$34.25 of the enhanced Lifeline discount to the cost of bundled voice and broadband service. This would directly increase the broadband adoption rate on tribal lands. The benefits of increased adoption would be immeasurable. Moreover, this proposal would be cost effective and would result in a minimal increase in low-income program expenditures. Further, applying the enhanced Lifeline discount to one bundled package administered by one eligible telecommunications carrier would ease concerns related to waste, fraud and abuse. In light of the extreme importance of this proposal, GRTI offers that the Link Up program could be eliminated if the FCC determines it necessary to provide additional cost savings to offset the increased costs of this proposal. While GRTI offers comment herein on other proposals that could benefit residents of tribal lands, GRTI’s overwhelming first priority is for the Commission to adopt this proposal.

In addition, the GRIC and GRTI strongly support the use of Universal Service Fund (“USF”) support to implement digital literacy programs on tribal lands. The Commission has the opportunity in this proceeding to have a profound impact on the lives of residents of tribal lands by approving the use of USF support to provide digital literacy training. In doing so, the Commission should take care to implement the program in a manner that best addresses the unique cultural and other characteristics of tribal lands, such as ensuring that the programs: (i) support outreach to educate residents of tribal lands on the importance of digital literacy; (ii) encourage residents of all ages to become digitally literate, especially elderly residents, (iii) provide for access to digital literacy training in more than just schools and libraries; and (iv) provide for additional support for residents of tribal lands as well as a priority for funding for tribally-owned and operated telephone carriers.

Finally, the GRIC and GRTI request that the Commission consider a means to reduce the administrative expenses imposed upon small eligible telecommunications carriers (“ETCs”) as a result of participation in the Lifeline program. Administration of the Lifeline program will cost GRTI approximately \$100,000 in 2012. This is a high cost for a carrier that receives only \$300,000 annually from the low-income program. While reducing fraud, waste, and abuse is important, the Commission also should ensure that ETCs are not expending significant funds in Lifeline administrative costs that could otherwise be used to reduce the cost of and improve service to Lifeline customers.

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The Gila River Indian Community (“GRIC”) and Gila River Telecommunications, Inc. (“GRTI”), by its attorneys, hereby submit these comments in the above-referenced proceeding in which the Federal Communications Commission (“FCC” or “Commission”) seeks further comment on proposals to reform the Lifeline and Link Up programs.¹

First and foremost, the GRIC and GRTI urge the Commission to allow households on tribal lands to apply the entire \$34.25 of the enhanced Lifeline discount to the cost of bundled voice and broadband service. This would directly increase the broadband adoption rate on tribal lands. The benefits of increased adoption would be immeasurable. In addition, the GRIC and GRTI strongly support the use of Universal Service Fund (“USF”) support to implement digital

¹ *Lifeline and Link Up Reform and Modernization, et al.*, Report and Order and Further Notice of Proposed Rulemaking, WC Docket Nos. 11-42, 03-109, 12-23, CC Docket No. 96-45 ¶ 1 (rel. Feb. 6, 2012) (“*Lifeline Reform Order and FNPRM*”).

literacy programs on tribal lands. In doing so, the Commission should take care to implement the program in a manner that best addresses the unique cultural and other characteristics of tribal lands. Finally, the GRIC and GRTI request that the Commission consider a means to reduce the administrative expenses imposed upon small eligible telecommunications carriers (“ETCs”) as a result of participation in the Lifeline program.

I. The Commission Should Afford Greater Lifeline Support on Tribal Lands

Broadband has become central to American life. Nearly four out of every five adult Americans use broadband.² The number of Americans using broadband as their primary source of political information continues to increase.³ Major political movements in this country and abroad (including the Tea Party Movement, Occupy Wall Street, and the Arab Spring) were started by individuals using the Internet to connect with like-minded individuals. Social networking websites now have hundreds of millions of users. As the National Broadband Plan noted, however, “[s]ome segments of the population . . . are being left behind.”⁴

Perhaps no segment of the population is left further behind than residents of tribal lands. Estimates of the low level of broadband adoption on tribal lands show that immediate action is needed to improve the plight of residents of tribal lands.⁵ One proposal contained in the *Lifeline*

² Lee Rainie, Pew Internet & American Life Project, *The Internet as a Diversion and Destination* 6 (2011).

³ Aaron Smith, Pew Internet & American Life Project, *The Internet and Campaign 2010* 3 (2011) (showing increase in voters using the Internet as primary source for campaign information).

⁴ *Connecting America: The National Broadband Plan* 167 (2010) (“*National Broadband Plan*”).

⁵ *Id.* at 23 (suggesting that broadband adoption on tribal lands is less than 10%).

Reform Order and FNPRM could help turn the tide.⁶ The Commission should immediately allow households on tribal lands to apply the full enhanced Lifeline discount to the cost of bundled voice and broadband⁷ service (the “Tribal Bundled Proposal”). This action would directly and immediately increase the broadband adoption rate on tribal lands. While GRTI offers comment herein on other proposals that could benefit residents of tribal lands, GRTI’s overwhelming first priority is for the Commission to adopt the Tribal Bundled Proposal.

A. Apply the Full Enhanced Lifeline Discount to the Cost of Bundled Voice and Broadband Service on Tribal Lands

The Commission should immediately adopt the Tribal Bundled Proposal.⁸ Of all of the proposals contained in the *Lifeline Reform Order and FNPRM*, this proposal would have the greatest positive impact in raising the broadband adoption rate on tribal lands.⁹ Moreover, the Tribal Bundled Proposal would be cost effective and would result in a minimal increase in low-

⁶ *Lifeline Reform Order and FNPRM*, *supra* note 1 ¶ 473 (seeking comment on whether households should be able to allocate their Lifeline discount between both voice service and broadband service).

⁷ For the purposes of these comments, the term “broadband” does not mean minimum speeds of 4 mbps downlink and 1 mbps uplink. As GRTI demonstrated in earlier comments, establishing minimum speeds to which low-income residents of tribal lands must subscribe is not an effective way to increase broadband adoption on tribal lands. Residents of tribal lands may not have the financial resources to afford, or digital literacy skills necessary to value, such higher minimum speeds. *See* Comments of Gila River Telecommunications, Inc. to *Notice of Proposed Rulemaking* in WC Docket Nos. 11-42, 03-109, CC Docket No. 96-45, at 6-7 (filed Apr. 21, 2011) (“GRTI *NPRM* Comments”). Consequently, the Commission should allow tribal households to apply the enhanced Lifeline discount to bundled packages which include broadband service at any speed.

⁸ *Lifeline Reform Order and FNPRM*, *supra* note 1 ¶ 473 (seeking comment on whether households should be able to allocate their Lifeline discount between both voice service and broadband service).

⁹ Under the current rules, Lifeline households may only apply Lifeline support to the cost of the voice component of bundled services. *See Lifeline Reform Order and FNPRM*, *supra* note 1 ¶ 315 (“[E]ach subscriber’s Lifeline discount can be no larger than if he or she chose a basic voice plan.”).

income program expenditures. Further, applying the enhanced Lifeline discount to one bundled package administered by one eligible telecommunications carrier (“ETC”) would ease concerns related to waste, fraud and abuse.

Cost is the greatest barrier to broadband adoption on tribal lands. The National Broadband Plan found that cost, more than any other factor, was the biggest barrier to adoption in America.¹⁰ On tribal lands, cost is an even higher barrier due to higher costs of service and the limited financial resources of tribal residents.

Higher costs of service on tribal lands can be attributed to a variety of factors. For example, GRTI experiences higher costs due to the historical lack of critical infrastructure,¹¹ low population densities,¹² high middle-mile costs, and GRIC-imposed requirements (i.e., obtaining cultural clearances and rights-of-way) in the GRIC. Unfortunately, carriers are forced to pass the higher costs of service along to customers in the form of higher monthly service fees. GRTI must charge \$59.95 per month for bundled voice and DSL (1.5 mbps downlink/256 kbps uplink) service. This is a high price for such service, but a price that reflects the costs incurred by GRTI.

Moreover, tribal residents have limited financial resources to pay for broadband service. According to the 2010 Census, 28.4% of American Indian and Alaska Native households are in poverty, compared to 15.3% of the nation as a whole.¹³ The median income of American Indian

¹⁰ *National Broadband Plan*, *supra* note 4, at 168 (stating that 36% of non-adopters cite cost as the main reason for non-adoption).

¹¹ See *Connect America Fund, et.al.*, Report and Order and Further Notice of Proposed Rulemaking, WC Docket No. 10-90, 26 FCC Rcd 17663 ¶ 1059 (2011) (“*USF Transformation Order and FNPRM*”) (“Tribally-owned and operated carriers serve cyclically impoverished communities with a historical lack of critical infrastructure.”).

¹² See GRTI *NPRM* Comments, *supra* note 7, at 4.

¹³ United States Census Bureau, Profile America Facts for Features, American Indian and Alaska Native Heritage Month: November 2011 (2011), *available at*

and Alaska Native households was \$35,062, compared to \$50,046 as a whole.¹⁴ In the GRIC, almost 38% of residents are below the federal poverty line, and the median household income in the GRIC is less than \$25,000.¹⁵ Consequently, few tribal households have the discretionary income to afford the high cost of broadband service. Adopting the Tribal Bundled Proposal would help bring the cost of broadband service to an attainable level for many residents of tribal lands.

This proposal also would be a cost effective way of increasing broadband adoption. As the National Broadband Plan notes, broadband adoption on tribal lands is less than 10%.¹⁶ In the GRIC, less than 1% of residents subscribe to fiber-to-the-home (“FTTH”) service, the only service available in the GRIC that delivers residential speeds of equal or greater to 4 mbps downlink and 1 mbps uplink.¹⁷ Most likely, many of those who have adopted broadband on tribal lands do not qualify for Lifeline. Therefore, allowing households to apply the full enhanced Lifeline discount to a bundled voice and broadband package would not displace funds that customers already are spending to pay for broadband service. However, even assuming that all 10% of broadband adopters on tribal lands qualify for Lifeline, the Tribal Bundled Proposal only would displace funds already spent for broadband service in less than one out of ten tribal

http://www.census.gov/newsroom/releases/archives/facts_for_features_special_editions/cb11-ff22.html.

¹⁴ *Id.*

¹⁵ Arizona Department of Health Services, Bureau of Health Systems Development, *Gila River Indian Community Primary Care Area: Statistical Profile – 2010* (2010), available at <http://www.azdhs.gov/hsd/profiles/21121.pdf>.

¹⁶ *National Broadband Plan*, *supra* note 4, at 23.

¹⁷ Approximately 22% of residents subscribe to GRTI’s low-speed DSL service. This supports the contention that residents of tribal lands may not have the financial resources to afford, or digital literacy skills necessary to value, broadband service at minimum speeds of 4 mbps downlink and 1 mbps uplink. Consequently, Lifeline households on tribal lands should be able to apply the enhanced Lifeline discount to a service of their choosing.

Lifeline households; an insignificant amount considering the benefits of increased broadband adoption. The remaining low-income support expended through this rule change would go directly towards increasing broadband adoption.

Moreover, the impact of the Tribal Bundled Proposal on the USF would be relatively insignificant. In the case of GRTI's customers, this proposal would result in an additional \$14 per Lifeline household that ultimately adopts broadband. Specifically, GRTI's bundled voice and DSL service is approximately \$60 per month. Because GRTI's standalone local calling plan is approximately \$20 per month, the current rules allow GRTI's enhanced Lifeline households to apply a Lifeline discount of \$20 to the cost of this bundled package, lowering the total price per month to approximately \$40. Under the Tribal Bundled Proposal, GRTI's enhanced Lifeline households would be able to apply the full \$34.25 enhanced Lifeline discount to the cost of this bundled package. Therefore, this rule change would lower the cost of GRTI's bundled voice and DSL package from approximately \$40 to less than \$26. Compared to some of the other proposals on which the Commission seeks comment,¹⁸ this proposal would have a much lower impact on the USF.

Further, the Tribal Bundled Proposal would be easy to administer and would alleviate concerns about fraud, waste, and abuse. Because the enhanced Lifeline discount would be applied to the cost of one bundled package, only one ETC would be able to collect funds from the USF. This would reduce the chance of two or more carriers submitting duplicative Lifeline claims for the same household. In addition, because households would have to pay the

¹⁸ See, e.g., *Lifeline Reform Order and FNPRM*, *supra* note 1 ¶ 472 (proposing to provide one Lifeline-supported service per eligible resident on Tribal lands); *see also id.* ¶ 471 (proposing to permit Lifeline households to obtain a second supported service at fifty percent (*i.e.*, \$17.13) of the Lifeline support level).

difference between the \$34.25 enhanced Lifeline discount and the total cost of the bundled package, it is unlikely that the households would elect a bundled package unless its members were planning on adopting broadband. This has not been the case with other services, such as prepaid wireless services, which sometimes go unused by Lifeline households because the household is not paying out of pocket for the service.¹⁹ Moreover, each household would remain eligible for only one Lifeline discount. Essentially, the administration of this proposal would not require any additional changes from the current rules.

Finally, in light of the extreme importance of this proposal, GRTI offers that the Link Up program could be eliminated if the FCC determines it necessary to provide additional cost savings to offset the increased costs of the Tribal Bundled Proposal.²⁰ As GRTI stated in previous comments, costs for installing service in rural communities in general, and tribal lands, in particular, remain very high.²¹ GRTI relies on enhanced Link Up as an important source of revenue that helps keep subscriber installation costs as low as possible. If enhanced Link Up support were to be eliminated, GRTI would be forced to seek additional sources of revenue or raise installation prices paid by subscribers. However, if the Commission adopted the Tribal Bundled Proposal, resulting increased broadband revenues likely would provide carriers serving tribal lands with the additional revenue needed to keep installation prices at or near current levels.

¹⁹ See *Lifeline Link Up Reform and Modernization, et al.*, Notice of Proposed Rulemaking, 26 FCC Rcd 2770 ¶ 84 (2011) (noting that prepaid wireless carriers sometimes continue to count customers that are no longer using their services).

²⁰ See *Lifeline Reform Order and FNPRM, supra* note 1 ¶ 482 (seeking comment on ways any savings from eliminating the enhanced Link Up program might be used to more efficiently serve the needs of low-income consumers on tribal lands).

²¹ Comments of Gila River Telecommunications, Inc. to *Further Notice of Proposed Rulemaking* in WC Docket Nos. 11-42, 03-109, CC Docket No. 96-45, at 15-16 (filed Aug. 26, 2011) (“GRTI Lifeline Comments”).

B. As a Second Option, the Commission Could Permit Tribal Lifeline Households to Obtain a Second Supported Service at 50% of the Lifeline Support Level

As an alternative to the Tribal Bundled Proposal, the Commission could permit tribal Lifeline households to obtain a second supported service at 50% of the Lifeline support level, provided that one of the supported services is a wireline voice service (“Tribal 50% Proposal”).²² Multiple generations of families often live in the same residence on tribal lands, and providing additional support to the poorest of these families will enable increased connectivity capabilities to this vulnerable population. The Tribal 50% Proposal will allow for a younger member of the family to take a wireless phone to work or school while preserving a wireline phone in the residence for elderly members of the household to use in the event of an emergency. This would be very important for elders in the GRIC, since over 90% of GRTI’s elderly customers, ages 55 and over, qualify for enhanced Lifeline support. The availability of two voice services will help ensure the health and safety – the primary purpose of the Lifeline program – of low-income residents of tribal lands.

C. As a Third Option, the Commission Could Provide One Lifeline-Supported Service to Every Eligible Resident of Tribal Lands

A third option, although not as beneficial to residents of tribal lands as the Tribal Bundled Proposal and the Tribal 50% Proposal, would be to permit one Lifeline-supported service to every eligible resident of tribal lands (“One-Per-Eligible Tribal Resident Proposal”).²³ The One-Per-Eligible Tribal Resident Proposal also would help ensure the health and safety of low-income residents of tribal lands. However, the Tribal Bundled Proposal would have longer lasting effects

²² See *Lifeline Reform Order and FNPRM*, *supra* note 1 ¶ 471 (seeking comment on a proposal by T-Mobile to permit households receiving one Lifeline-supported service to obtain a second supported service at 50% of the Lifeline support level).

²³ *Id.* ¶ 472.

on improving life on tribal lands, be more cost efficient, have a much smaller impact on the USF, and be easier to administer and monitor.

D. As a Fourth Option, the Commission Could Allow Tribal Lifeline Households to Split the Enhanced Lifeline Support Between Wireline and Wireless Services

As a fallback, the Commission could permit tribal Lifeline households to apply the enhanced Lifeline discount to both wireline and wireless services concurrently.²⁴ As more and more Americans move towards having both wireline and wireless voice service, low-income tribal residents continue to fall behind in terms of connectivity. The current rules only provide support for one service, requiring many low-income tribal residents to choose between wireline or wireless service. Allowing tribal households to apply the enhanced Lifeline discount to wireline and wireless service would help place low-income tribal residents on equal footing with the rest of the America.

However, the enhanced Lifeline discount is insufficient to cover the full cost of multiple voice services. For example, GRTI's basic local calling plan costs approximately \$20. This leaves approximately \$14.25 available for the cost of a wireless service. Because there is no wireless service available to GRIC residents at such a low rate, GRIC residents would have to pay out of pocket some amount of money for a second service. Therefore, many low-income tribal residents may not be able to justify the cost of a second service, even with the additional support provided by this proposal. Moreover, this proposal may be difficult to administer and monitor due to the difficulties associated with applying the enhanced Lifeline discount to multiple ETCs, as will be the case in the majority of circumstances. Consequently, GRTI

²⁴ *Id.* ¶ 476 (seeking comment on whether to adopt a rule permitting eligible residents of tribal lands to apply their allotted tribal lands discount amount to more than one supported service per household).

reiterates that the Tribal Bundled Proposal remains the overwhelming best option for tribal America.

II. The Commission Should Implement Digital Literacy Programs in a Manner that is Designed to Provide Residents of Tribal Lands Better Access to Broadband Services

GRTI supports the use of USF support to implement digital literacy programs on tribal lands.²⁵ As GRTI previously explained, the Commission has ample statutory authority to permit USF support to be used for digital literacy training pursuant to its express authority to promote universal service as articulated in Sections 254(b)(2) and (b)(3) of the Communications Act, as amended, and pursuant to its broader mandates in Sections 151 and 154(i).²⁶ In addition, promoting digital literacy programs on tribal lands will help the Commission fulfill its commitment “to ensure, through its regulations and policy initiatives . . . that Indian Tribes have adequate access to communications services.”²⁷

The Commission has the opportunity in this proceeding to have a profound impact on the lives of residents of tribal lands by approving the use of USF support to provide digital literacy training. In doing so, the Commission should take care to implement the program in a manner that best addresses the unique cultural and other characteristics of tribal lands, such as ensuring that the programs: (i) support outreach to educate residents of tribal lands on the importance of digital literacy; (ii) encourage residents of all ages to become digitally literate, especially elderly residents, (iii) provide for access to digital literacy training in more than just schools and

²⁵ See generally GRTI Lifeline Comments, *supra* note 21 (arguing that low digital literacy levels impede access to advanced telecommunications services for residents of tribal lands).

²⁶ 47 U.S.C. §§ 254(b)(2)-(3); 151; 154(i) (2006). GRTI incorporates by reference its previous comments addressing the Commission’s statutory authority. GRTI Lifeline Comments, *supra* note 21, at 4-5.

²⁷ *Statement of Policy on Establishing a Government-to-Government Relationship with Indian Tribes*, Policy Statement, 16 FCC Rcd 4078 (2000).

libraries; and (iv) provide for additional support for residents of tribal lands as well as a priority for funding for tribally-owned and operated telephone carriers.

A. Digital Literacy Training is Essential to Tribal Lands Due to the Unique Characteristics of These Communities

As the Commission recognizes in the *Lifeline Reform Order and FNPRM*, digital literacy presents an enormous barrier to increased broadband adoption among low-income Americans.²⁸ GRTI agrees with the Commission that providing more consumers with the skills to use broadband may be the key to increased demand for broadband.²⁹ This is particularly true on tribal lands, where low digital literacy levels are pervasive due to a variety of factors, each of which can be addressed by targeted digital literacy training.

1. Increased Digital Literacy Will Promote Broadband Adoption on Tribal Lands

Residents of economically depressed tribal lands are unlikely to devote scarce economic resources to broadband and the necessary equipment without greater digital literacy skills. As a practical matter, computer equipment and monthly service charges for broadband adoption are very expensive for most residents of tribal lands. In the GRIC, many residents must decide between using disposable monthly income to subscribe to broadband or pay for groceries. If these residents do not have the digital literacy skills necessary to optimize their online experience, they simply will not adopt broadband. Moreover, because most GRIC residents have not adopted broadband, they do not find broadband relevant to their daily lives.

Funding for digital literacy training on tribal lands not only will increase the ability of residents of tribal lands to optimize their online experience, it will increase awareness in this

²⁸ *Lifeline Reform Order and FNPRM*, *supra* note 1 ¶ 416.

²⁹ *Id.* ¶ 424

population of the vast array of information residents can access, and also the potential for disseminating information to broader audiences. Digital literacy training will enable residents of depressed economic areas to enhance their job skills, search for jobs, and use networking websites to learn of opportunities or relevant government services.³⁰ This will especially help in the GRIC, where approximately 33% of residents are unemployed.³¹ As more residents of tribal lands become proficient in utilizing the Internet, they will come to see the greater benefits of broadband Internet access, especially in remote, rural locations.³² Broadband will, and should, be considered a crucial part of daily life, rather than a luxury. Finally, residents of tribal lands who become proficient Internet users will be more likely to use the Internet to disseminate information to non-residents, who may be interested in cultural activities or civic concerns on tribal lands.³³

2. Digital Literacy of the Elderly is as Critical to Increasing Broadband Adoption on Tribal Lands as Digital Literacy in Younger Generations

There also are unique cultural considerations that may impede broadband adoption on tribal lands that can be addressed with targeted digital literacy training. It is widely recognized

³⁰ *National Broadband Plan*, *supra* note 4, at Box 9-1 (“Broadband Means Opportunity”).

³¹ Arizona Department of Health Services, Bureau of Health Systems Development, *Gila River Indian Community Primary Care Area: Statistical Profile – 2010* (2010), available at <http://www.azdhs.gov/hsd/profiles/21121.pdf>.

³² The National Broadband Plan, for example, discusses the ability of broadband to bridge the physical distance between tribal residents. *National Broadband Plan*, *supra* note 4, at Box 9-1.

³³ *See, e.g.*, Traci L. Morris & Sascha D. Meinrath, Native Public Media, New Media, Technology, and Internet Use in Indian Country 34, 51 (2009), available at http://oti.newamerica.net/sites/newamerica.net/files/policydocs/New_Media_Technology_and_Internet_Use_in_Indian_Country.pdf (discussing the success of RezKast, the first Native American Youtube, in sharing Native culture outside of the local community).

that digital literacy among elderly populations lags behind that of younger generations.³⁴ For example, in the GRIC, only 1 in 5 of GRTI's elder households subscribe to DSL, compared to 1 in 3 of GRTI's residential customers that subscribe to DSL. In tribal communities, elders customarily are the leaders of the community as well as their households. Because elders are the central decision makers in tribal lands, they must be made aware of the utility of the Internet both in the community and in the households so that they will support the expense for the service.³⁵ If the elder head of a multi-generational household does not support the expense for broadband service, the household may not adopt broadband, and younger members of the household may be deprived of access to this service. In this way, low digital literacy among the elderly has the potential to create a barrier that keeps younger generations from developing their digital literacy skills, and ultimately to impede widespread adoption of broadband. The Commission should allow USF funds to support digital literacy training for the elderly, in particular, on tribal lands.

GRTI also believes that digital literacy among elders can be accomplished through targeted training that demonstrates the relevance of broadband to this population. For example, digital literacy that concentrates on cultural preservation is one way to engage elders. Many tribal communities have begun using digital media and the Internet to preserve language and culture. Older generations are likely to be attracted to training that incorporates this theme. Older generations also may see the utility of broadband if convinced of its positive impact on the delivery of healthcare. Telemedicine, for example, has become common in many parts of Indian

³⁴ *Lifeline Reform Order and FNPRM*, *supra* note 1 ¶ 431.

³⁵ While one in three of GRTI's residential customers subscribe to DSL, not all households on the GRIC subscribe to GRTI's services. As a result, the DSL adoption rate is not 33%, but instead approximately 22%.

country where individuals do not have easy access to healthcare. Training focused on telemedicine also may attract tribal elders.

It also is critical to provide younger residents of tribal lands with digital literacy training. Younger people are more likely, generally, to utilize the Internet in their daily lives to access entertainment, information and use social networking websites. Younger residents of tribal lands who do not have adequate digital literacy skills are likely to fall behind in terms of educational and employment opportunities. Digital literacy is increasingly necessary for job performance, managing household and financial responsibilities, and participating in civic affairs. Without adequate digital literacy, younger generations will be increasingly disadvantaged when competing with their digitally-proficient peers. This has the potential to perpetuate a cycle of lower levels of education, and lower incomes among residents of tribal lands.

In the GRIC, digital literacy skills are particularly important. Presently, more than 50% of residents in the GRIC are age 25 or younger. High unemployment rates in the GRIC do not paint a positive picture for this new generation. However, digital literacy skills can change this. Distance-based, online educational resources can allow young people to obtain the skills necessary to compete in the 21st century workforce. GRTI, as a tribally-owned enterprise, is always seeking to hire technically-trained members of the community. Digital literacy skills and increased broadband adoption will give young community members the tools to obtain jobs at GRTI and other community institutions.

B. Tribally-owned and Operated Carriers Should be Eligible for Digital Literacy Training Funds

The Commission should rule that tribally-owned and operated carriers are eligible to receive digital literacy training funds.³⁶ Tribally-owned and operated carriers are best situated to meet the unique needs of their communities. Moreover, tribally-owned and operated carriers have a demonstrated record of success in serving their communities. These carriers also hold the greatest incentive to develop the most effective training programs for their communities.

1. Tribally-Owned and Operated Telephone Carriers Are Well-Positioned to Ensure Participation in Digital Literacy Programs on Tribal Lands

A one-size-fits-all approach to digital literacy training on tribal lands will not be the most effective method of meaningfully raising the broadband adoption rate on tribal lands. Due to differences in culture, religion, geography, and demographics, successful digital literacy programs will vary considerably from tribal land to tribal land. Consequently, the Commission should determine that tribally-owned and operated carriers are eligible to receive digital literacy training funds. This will enable these carriers to develop custom approaches to training based on the unique characteristics of their service areas. While some carriers may develop training programs themselves, others may partner with tribal institutions to offer training programs. For example, GRTI believes that the most effective approach on the GRIC would be to partner with GRIC schools for digital literacy training for students, elder centers for training for elders, and libraries and GRIC social service agencies for middle aged adults. Training centers would be selected based on the economic needs of the surrounding neighborhoods within the GRIC.

³⁶ *See id.* ¶ 428 (seeking comment on providing funding to ETCs that apply for additional support for the purposes of providing digital literacy training and seeking comment on the most appropriate recipients on tribal lands).

Tribally-owned carriers, based on their familiarity with their service area, are the best entities to organize and implement this type of targeted training.

Tribally-owned and operated carriers also are the best situated tribal entities to advertise the existence of digital literacy training.³⁷ These carriers have demonstrated success in raising the telephone penetration rates in their service areas by effectively targeting potential subscribers.³⁸ For example, since acquiring the local telephone exchange and related network in the GRIC from US West (now CenturyLink) over twenty years ago, GRTI has increased the wireline telephone penetration rate among tribal households in the community from 10% to more than 80% today, in large part by effectively targeting potential subscribers. GRTI can use many of these same targeting principles to target non-adopters.

In addition, tribally-owned and operated carriers are the entities with the greatest incentive to implement an effective digital literacy training program. As digital literacy rates increase on tribal lands, residents will increase the value they place on broadband service. Presumably, this will lead to increased adoption, which will translate into increased revenues for these carriers. Most importantly, GRTI is a tribally owned entity that was formed for the benefit of GRIC members. GRTI operates to improve the quality of life of its customers. While GRTI's economic growth is important because it ensures the company's continued viability, the ability of GRTI to provide access to information and new opportunities to GRIC members is paramount. GRTI is uniquely situated to implement and operate strong digital literacy programs because its

³⁷ *Id.* ¶ 427 (seeking comment on how to ensure that the non-adopters targeted by training are aware of and can access the training programs).

³⁸ *USF Transformation Order and FNPRM*, 26 FCC Rcd at 18055-56 ¶ 1059 (noting that tribally-owned and operated carriers “play a vital role in serving the needs and interests of their local communities, often in remote, low-income, and underserved regions of the country.”).

purpose as a tribally owned company is intrinsically tied to its success as a provider of advanced telecommunications and information services.

2. The Commission Should Implement a Tribal Priority For Access to Digital Literacy Training Funds

A priority should be established for entities serving tribal lands applying for digital literacy training funds.³⁹ The Commission has acknowledged previously the marked disparity between residents of tribal lands and the rest of the country with respect to the provision of communications services. In recognition of this disparity, the Commission adopted a tribal priority in the radio services context.⁴⁰

Preferences for tribal lands are common in other areas, as well. For example, the Small Business Association's Section 8(a) program has had enormous positive impacts on tribal communities and tribally owned companies. This preference was created in recognition of the unique and positive impacts that tribally-owned businesses make in tribal communities. Funding to promote digital literacy is no different.

With respect to broadband, tribal lands historically have lagged behind the rest of America in terms of both infrastructure deployment and subscribership.⁴¹ GRTI and similar technology-driven companies require employees with technical, highly specialized skills that

³⁹ See *Lifeline Reform Order and FNPRM*, *supra* note 1 ¶ 431 (seeking comment on the criteria for selection of recipients in the event that demand exceeds available funding and asking whether it should direct funding to entities serving tribal populations); *see also id.* ¶ 440 (seeking comment on whether a priority should be established for entities on tribal lands).

⁴⁰ See *Policies to Promote Rural Radio Service and to Streamline Allotment and Assignment Procedures*, First Report and Order and Further Notice of Proposed Rulemaking, 25 FCC Rcd 1583 (2010) (establishing a priority under section 307(b) of the Communications Act of 1934 that applies only to tribes, and entities owned or controlled by tribes, for radio licenses that primarily would serve tribal lands).

⁴¹ *USF Transformation Order and FNPRM*, 26 FCC Rcd at 18056 ¶ 1059 (citing the lack of infrastructure deployed on tribal lands).

many residents of tribal lands do not possess. However, increased digital literacy skills could help tribal residents obtain these skills. Thus, the Commission should ensure that entities on tribal lands receive a preference or priority in accessing training funds.

3. The Commission Should Ensure Sufficient Funding For Digital Literacy Training On Tribal Lands To Address the Unique Needs of Such Communities

The Commission should ensure that entities serving tribal lands obtain sufficient funding for extensive digital literacy training. Because of the unique needs of tribal lands, each funded entity may require funding in excess of the proposed \$10,500. In addition, tribally-owned and operated carriers may need to partner with multiple tribal organizations and entities, which will require increased funding depending on the number of tribal institutions with which the carrier partners. Finally, rather than requiring funding contributions on tribal lands, the Commission should allow for in-kind contributions.

As mentioned previously, the National Broadband Plan notes that broadband adoption on tribal lands may be less than 10%. Broadband adoption at these low levels affects the type of training required on tribal lands. Because broadband is so uncommon, residents of tribal lands rarely have opportunities to access it in their day-to-day lives. For example, there is almost never a friend or neighbor who has broadband in his or her home. This differentiates non-adopters on tribal lands from non-adopters on non-tribal lands, where broadband adoption rates average 65% of the population.

As a result of this scarcity, digital literacy training must be much more intensive on tribal lands. The training session often will be the only opportunity for the attendee to develop his or her skills during that week. In recognition of this situation, the GRIC students who qualify for Head Start presently are provided 1-2 hours per week of one-on-one digital literacy training.

Head Start leaders realize that the training afforded to these students likely will be the only access to broadband that these students will receive throughout the week.

Digital literacy training on most tribal lands will require this same type of intensive approach. Consequently, GRTI believes that \$10,500 of funding will fall short in developing the type of digital literacy training that will provide tribal residents with long-term useful skills. For example, each Head Start program in the GRIC provides training to approximately 35 students per week. Conservatively estimating that 35 hours per week would be necessary for each location, training centers would require at least \$30,000 annually to employ a full-time staff member at each location.⁴²

Further, the Commission should not establish a set amount of funding that tribally-owned and operated carriers may receive.⁴³ Many of these carriers will be partnering with multiple tribal entities throughout their service areas and providing training in multiple locations. For example, GRTI may provide training at all six of the Head Start locations on the GRIC. If it does, GRTI should be eligible to receive funding six times greater than the amount one location would receive.

Finally, the Commission should allow tribal entities to make in-kind contributions as opposed to cash contributions of \$4,500. Tribal entities often provide services to community members above and beyond those provided on non-tribal lands. For example, in the GRIC, elderly members of the community often are provided free transportation to elder centers. In addition, costs associated with building use and security likely will be covered by the GRIC.

⁴² The \$30,000 would pay for an employee's \$20,000 annual salary and \$10,000 in benefits and overhead expenses incurred by his or her employer.

⁴³ *Lifeline Reform Order and FNPRM*, *supra* note 1 ¶ 440 (seeking comment on whether the Commission should provide a set amount of funding per entity).

Moreover, tribal economies lack many of the characteristics of non-tribal economies, and as a result, contributions of \$4,500 will be more difficult to obtain.⁴⁴ In-kind contributions will ensure investment by tribal entities receiving funds, while recognizing the unique differences between tribal and non-tribal communities.

III. New Lifeline Administrative Burdens

Finally, the Commission should consider a means to reduce the administrative expenses borne upon small ETCs as a result of participation in the Lifeline program. Administration of the Lifeline program will cost GRTI approximately \$100,000 in 2012.⁴⁵ Some of this cost will be incurred as a result of the new rules (i.e., redrafting and reproducing customer enrollment and re-certification forms) while other costs are the result of ongoing Lifeline program administration (i.e., employment of a customer service representative dedicated to program service administration). This is a high cost for a carrier that receives only \$300,000 annually from the low-income program. While reducing fraud, waste, and abuse is important, the Commission also should ensure that ETCs are not expending significant funds in Lifeline administrative costs that could otherwise be used to reduce the cost of and improve service to Lifeline customers.

IV. Conclusion

The Commission should adopt the tribal-specific proposal discussed in these comments. Specifically, the Commission should adopt the Tribal Bundled Proposal. The Commission also

⁴⁴ *USF Transformation Order and FNPRM*, 26 FCC Rcd at 18056 ¶ 1059 (“Reservation-based economies lack fundamental similarities to non-reservation economies and are among the most impoverished economies in the country.”).

⁴⁵ The breakdown of this \$100,000 is as follows: (a) \$70,325 for a customer service representative dedicated to Lifeline/Link Up service administration (\$48,500 in salary plus \$21,825 in benefits/overhead); (b) \$20,000 in marketing and promotion service of Lifeline and Link Up to the GRIC; (c) \$5,000 to change enrollment and re-certification forms as mandated in the *Lifeline Reform Order and FNPRM*; and (d) \$5,000 in management oversight & administrative expenses.

should use Universal Service Funds to implement digital literacy programs on tribal lands. Finally, the Commission should identify means for reducing the administrative expenses borne by small ETCs as a result of participation in the Lifeline program. These proposals are supported as a matter of both law and policy and likely will result in increased broadband adoption rates on tribal lands.

Respectfully Submitted,

**The Gila River Indian Community and Gila
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