**Testimony of**

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**and**

**PRESIDENT**

**NATIONAL TRIBAL TELECOMMUNICATIONS ASSOCIATION**

**Presented to the**

**UNITED STATES SENATE**

**Committee on Indian Affairs**

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**September 23, 2020**

Chairman Hoeven, Ranking Member Udall and members of the committee, thank you for this opportunity to submit testimony. I am Godfrey Enjady, General Manager of Mescalero Apache Telecom, Inc. (MATI) located in Mescalero, New Mexico. Today I submit testimony as President of the National Tribal Telecommunications Association (NTTA) which is comprised of the nine Tribally owned and operated telecommunications companies that provide voice, broadband and other communications services to their communities. Those companies are Cheyenne River Sioux Telephone Authority (SD), Fort Mojave Telecommunications, Inc. (AZ), Gila River Telecommunications, Inc. (AZ), Hopi Telecommunications, Inc. (AZ), Mescalero Apache Telecom, Inc. (NM), Saddleback Communications (AZ), San Carlos Apache Telecommunications Utility, Inc. (AZ), Tohono O’odham Utility Authority (AZ), and Warm Springs Telecom (OR). The Nez Perce Tribe (ID), Sacred Wind Communications (NM) and Spokane Tribe Telecom Exchange (WA) are associate members.

For NTTA members, extremely high costs are incurred to build out their service areas and maintain network operations to provide modernized telecommunications and broadband services to its community. The difficulties in serving remote, dispersed communities situated in hard to serve, rough terrain has been thoroughly illuminated in Congressional testimony and on the record at the Federal Communications Commission (FCC), and with USDA’s Rural Utilities Service (RUS).

Access to capital is a major roadblock to network growth and viability. Because most Tribally owned carriers cannot collateralize their assets, RUS is often our only lender. RUS loans and FCC Universal Service Fund (USF) support goes together. Reliable and predictable cash flow is required to get any sort of loan, including RUS loans.

The arbitrary caps that have been established for the FCC’s USF high-cost program do not allow for adequate funds to build and maintain the broadband networks that are demanded by regulators, policy makers and consumers. There continues to be a debate about broadband capacities and speeds, no matter what the platform of delivery. Fiber optic networks delivers the most rewarding Internet experience to consumers. And that network requires a viable and predictable funding source, especially in areas that are remote, sparsely populated and hard to serve. An examination and reform of the USF contribution regime is long over-due and may eliminate any need for the arbitrary caps.

NTTA wholeheartedly endorses S. 3264, legislation sponsored by Senator Tom Udall (D-NM). This bill, if enacted, would go far in closing the digital divide in Indian Country. It would enable better coordination of federal programs and the establishment of an advisory panel to better focus those programs along with a pilot program to address right-of-way issues. Most importantly, S. 3264 would designate additional funding for broadband in Native communities in both the USDA’s Rural Utilities Service and the FCC’s Universal Service Fund high-cost and Lifeline programs. The additional funding would not only provide much-needed capital for network deployment but would also establish a source of ongoing funding targeted to Tribal areas to be used to sustain the maintenance and operations of those networks.

In June of 2015, NTTA proposed the FCC adopt a Tribal Broadband Factor (TBF) as part of the reform of the long-term USF for rate-of-return carriers. The TBF included a multiplier for targeted support on Tribal lands, and had specific obligations for any carrier, Tribally owned or not, that uses the program. The proposal was straightforward, easily understood and was narrowly tailored to address the specific need to promote broadband while causing very little impact on the overall USF mechanism. The FCC did not adopt this proposal. Senator Udall’s bill includes a provision that directly addresses the TBF proposal and would greatly enhance the ability of broadband providers in Tribal areas to offer robust and affordable communications services, and to sustain those services over the long term.

NTTA also supports the language in the bill that designates more Lifeline program funding for Native consumers. NTTA member companies serve areas with high levels of low-income citizens. The Lifeline program is especially important to these communities and Senator Udall’s bill would prove to be greatly beneficial.

While NTTA supports Senator Udall’s currently proposed legislation, we would be remiss if we did not recognize Senator Udall’s longstanding leadership, advocacy and support for issues important to Tribal communities, especially in the area of communications services. Always thoughtful and forward looking, Senator Udall deserves much appreciation and thanks from NTTA member companies and the communities they serve.

Mr. Chairman, much more work needs to be done on infrastructure growth in Tribal areas, most importantly in the area of broadband deployment and sustainability of those networks. We look forward to working with this committee to eliminate the digital divide in Indian Country.