



# THE NAVAJO NATION

RUSSELL BEGAYE PRESIDENT  
JONATHAN NEZ VICE PRESIDENT

February 3, 2017

Ajit Pai, Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Eighth Floor  
Washington, DC 20554

**Re: Lifeline Documentation Request**

Dear Chairman Pai,

I write to express my grave concerns about a recent decision by the Universal Service Administrative Company ("USAC") that would force over a thousand low-income Navajo Nation residents to lose essential phone service supported by the Lifeline program.

Smith Bagley, Inc. d/b/a Cellular One is one of a number of carriers that provide discounted cellphone service on Navajo Nation. Cellular One has provided service through the FCC's Lifeline program for over 16 years. The company has been focused on serving our communities, and has built wireless service to some of our most remote areas, where our citizens often lack access to basic services.

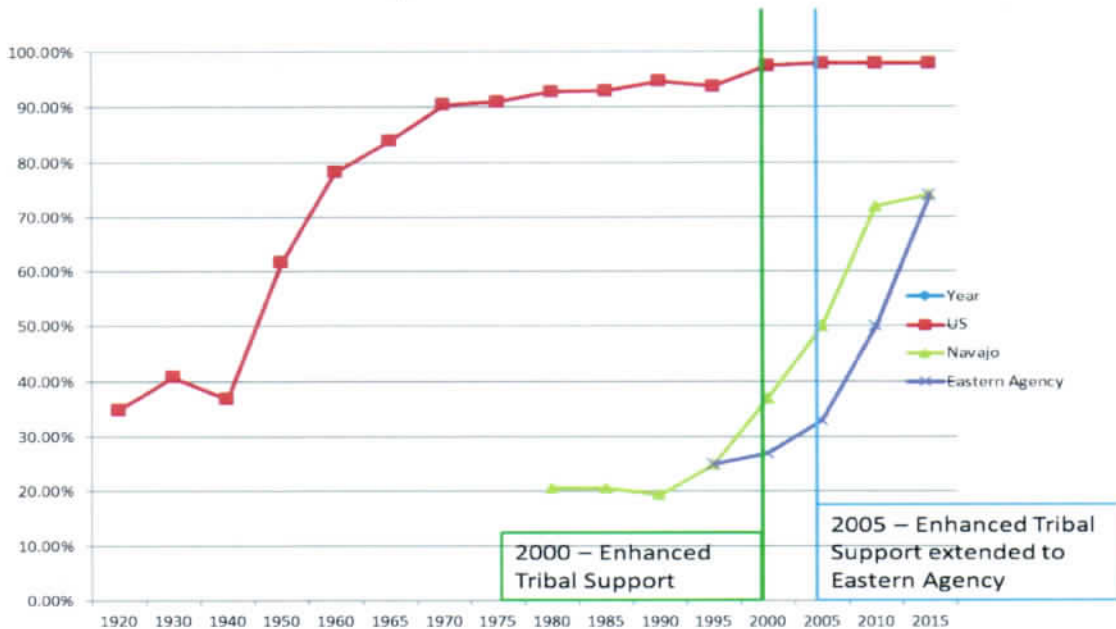
USAC has instructed Cellular One to obtain documents from approximately 3,000 customers to verify their identity for Lifeline purposes with a time limit of 45 days. Most of these customers, living in some of the most unreachable areas in the country, have no mail service to their homes. Some have no or limited electricity, so keep their Lifeline phones turned off except for emergency use. Many are elderly and disabled. Especially in winter, it is a serious challenge for people in these areas to travel long distances. In recent days, Vice President Nez and I declared a state of emergency throughout Navajo Nation due to severe winter weather. Yet USAC demands that all of these people travel these distances by February 18, 2017, in the middle of the long Navajo winter or lose their phones.

I understand that Cellular One has been doing intensive outreach in response to USAC's instruction, but more than a thousand customers remain. These customers need time to have a chance to provide these papers.

Our Navajo Nation Telecommunications Regulatory Commission (NNTRC) has tried to keep the FCC abreast of the unique challenges faced by the Navajo Nation in bringing even basic telephone service to its people. Yet they tell me that in a recent report released by the FCC just last month, the data show that since the FCC has adopted "reforms" in the Lifeline service, participation by people on tribal lands has dropped 65 percent (from a high of 858,420 participants to a current level of 299,965), while participation by subscribers in non-tribal areas has been reduced by less than 30 percent. It appears that these reforms have had a highly disproportional and draconian effect on Native Americans.

The Lifeline Program is essential to the Navajo Nation, both because it provides a subsidy to many Navajos who otherwise could not afford phone service, and by providing a stable subscriber base for carriers who are then willing to expand infrastructure to reach even more subscribers. The chart below, prepared by my NNTRC, and previously submitted to the FCC, shows what has happened since the beginning of the Lifeline program.

## Comparison of U.S. Telephone Penetration and Navajo Nation Telephone Penetration



As you can see, when the Lifeline Program began in 1985, barely 20 percent of Navajos had telephones. That number didn't really begin to increase until the FCC adopted the "Tier 4" Enhanced Lifeline subsidy in 2000 (and even that was slightly stalled because the FCC didn't consider the New Mexico portion of the Navajo Nation (the "Eastern Agency") to be Tribal lands until 2005). Today approximately 75 percent of Navajos have telephones, but that is only comparable to nationwide telephone penetration during the Eisenhower Administration in the 1950s.

Thousands of Navajos have already lost their Lifeline phones. Thousands more losing their phones because USAC will cut them off in the dead of winter may jeopardize the viability of the telephone system on the Navajo Nation. I implore you to step in and direct USAC to work with the carriers and our NNTRC to resolve this issue in a way that doesn't jeopardize the safety of my people.

Respectfully,

**THE NAVAJO NATION**

Russell Begaye, *President*

Cc: Commissioner Mignon Clyburn  
 Commissioner Michael O'Reilly  
 Office of Native Affairs and Policy