



STATE OF ALASKA  
DEPARTMENT OF  
**COMMERCE**  
COMMUNITY AND  
ECONOMIC DEVELOPMENT

Mike Dunleavy, Governor  
Julie Anderson, Commissioner  
Stephen McAlpine, Chairman

**Regulatory Commission of Alaska**

**MEMORANDUM**

**To:** Alaska Legislature

**Date:** February 15, 2019

**From:** Stephen McAlpine, Chairman

**Subject:** Regulatory Commission of Alaska's Report to the Legislature

This letter serves as the Regulatory Commission of Alaska's (RCA) response to the intent language included in the recent budget, specifically:

*It is the intent of the legislature that the Regulatory Commission of Alaska recommend adoption of updated telecommunication modernization regulatory standards in AS 42.05, the Alaska Public Utilities Regulatory Act, and deliver recommendations on how best to modernize outdated statutes to the House and Senate Finance Committees and to the Legislative Finance Division by February 19, 2019.*

CCS HB 286, Section 1 (Chapter 17 SLA 18).

At the RCA's February 6, 2019, public meeting the RCA voted four to one to extend its general support for the legislative reforms to the RCA's enabling statutes with regard to telecommunications service in Alaska that the Alaska Telecom Association (ATA) has advanced. In doing so, the RCA nevertheless has concerns about how the bill might affect service and service quality in parts of rural Alaska. The RCA believes the Legislature will benefit from access to the materials developed during the last several months by ATA and its membership, as well as by RCA staff as it undertakes deliberation on this public policy decision. Those relevant materials are attached, in addition to a transcript of the February 6, 2019, public meeting that includes Commissioners' discussion of the modernization language cited above.

Respectfully yours,

*for Paul F. Lumbie, Commissioner*  
\_\_\_\_\_  
Stephen McAlpine  
Chairman



Alaska Telecom Association  
201 E 56<sup>th</sup> Avenue, Suite 114  
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(907) 563-4000  
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March 21, 2019

The Honorable Lora Reinbold  
Chair, Senate Labor and Commerce Committee  
State Capitol, Beltz 105  
Juneau, AK 99801

RE: SB83 Telecommunications Regulation/Exemptions

Dear Senator Reinbold:

Alaska Telecom Association is the statewide association of telecommunications companies in Alaska. Our members connect Alaskans with landline, wireless, and broadband services.

ATA supports Senate bill 83, which provides updates to Alaska's telecommunications statutes to remove obsolete statutes and allow Alaska's telecom providers to operate more efficiently and focus resources on modern services.

Some of Alaska's statutes are nearly 50 years old, irrelevant to modern telecom services, and impediments to investment and innovation. SB83 will update these statutes to allow providers to focus on deploying modern technology across the state. It allows traditional landline providers increased flexibility to compete with new services, while still protecting landline service. And it provides regulatory efficiency for the Regulatory Commission of Alaska and providers by eliminating meaningless filings and reports.

SB83 contains strong protections for consumers while also recognizing the dramatic changes in the telecommunications marketplace. It is an important bill which will maintain strong oversight while also providing efficiencies and flexibility to Alaska's providers.

Sincerely,

A handwritten signature in purple ink that reads "Christine O'Connor".

Christine O'Connor  
Executive Director



Arctic Slope Telephone Association Cooperative, Inc.  
4300 B Street, Suite 501, Anchorage, AK 99503  
907.563.3989 • 1.800.478.6409 • F. 907.563.1932

March 22, 2019

Honorable Lora Reinbold  
Chair, Senate Labor and Commerce Committee  
State Capitol, Beltz 105  
Juneau, AK 99801

RE: SB83 Telecommunications Regulations/Exemptions  
Dear Chair Reinbold and Members of the Committee,

I am writing to express our Board of Directors' support for SB83. Arctic Slope Telephone Association Cooperative, Inc. (ASTAC) provides landline, long distance, high speed fixed and mobile WAN Internet connectivity, and 4G wireless voice and data services to its owner/members on the North Slope. ASTAC serves a geographic region of over 91,000 square miles covering the North Slope of Alaska.

SB83 updates outdated telecommunications statutes which are focused on outdated technology and services, while continuing to protect consumers by maintaining RCA oversight. The RCA's authority to grant and oversee Certificates of Public Convenience and Necessity (CPCN) and Eligible Telecommunications Carrier (ETC) designations provides competent consumer protection.

Cooperatives like ASTAC have been successfully operating without filing tariffs at the RCA for many years. SB83 allows other providers and the RCA to be more efficient by eliminating unnecessary tariff filings. In turn, Alaska companies would be able to save valuable resources which are better utilized in serving their members.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "J. Laipenieks", is written over a light blue circular stamp.

Jens Laipenieks  
CEO/General Manager



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an  
American Broadband  
company

March 22, 2019

Honorable Lora Reinbold  
Chair, Senate Labor and Commerce  
Alaska State Capitol  
Room 427  
Juneau, AK 99801

RE: Senate Bill 83 Updating Telecommunications Statutes

Dear Chair Reinbold and Members of the Committee,

On behalf of TelAlaska, a telecommunications service company serving 24 communities in rural Alaska, I am writing with my support of Senate Bill 83. This bill will allow Alaska companies to manage their tariffs efficiently and effectively as well as continue to protect consumers.

TelAlaska is a provider of local, long distance and cellular phone service, as well as cable television and internet service. The company services over 31,000 square miles of remote rural areas from Fort Yukon, to Little Diomed, to the Aleutian Islands and the Kenai Peninsula. Only three of the 24 Alaska communities that TelAlaska serves are accessible by road. Headquartered in Anchorage, TelAlaska has customer service and operations sites in Unalaska/Dutch Harbor, Seward and Nome.

We strongly support the changes and updates to Alaska telecommunication statutes that are included in SB 83. The current statutes are outdated and need revisions to more accurately reflect today's technology. TelAlaska believes that SB 83 would be beneficial to our customers through consumer protections and would also encourage and support our company's continued investment in new technologies and infrastructure to better serve our customers. Furthermore, the elimination of unnecessary tariff filings would make operations more efficient for both the RCA and the providers.

Thank you for your consideration of these important revisions. If I can assist in answering any questions about Alaska telecommunications, please let me know.

Sincerely,

Dave Goggins  
President & General Manager  
GM@telalaska.com



**ALASKA POWER & TELEPHONE COMPANY**

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March 25, 2019

Honorable Lora Reinbold  
Chair, Senate Labor and Commerce Committee  
State Capitol, Beltz 105  
Juneau, AK 99801

RE: SB 83 Telecommunications Regulations/Exemptions

Dear Senator Reinbold:

I am the Senior Director of Regulatory Affairs for Alaska Power & Telephone Company (AP&T), and am writing in support of SB 83. AP&T provides energy and telecommunications services to many rural and remote areas of Alaska. AP&T's telecommunications operations stretches over 1,100 miles, from Bettles in the Interior to Metlakatla in the Southeast. AP&T is engaged in improving broadband service and capacity to its customers through submarine fiber, microwave, and fiber-to-the-home (FTTH).

SB 83 updates Alaska's telecommunications statutes that have become obsolete due to increased competition, advances in technology, and recent and constant changes to federal regulations. The bill places all similarly-situated telecommunications providers under the same set of rules. For example, currently telecommunications providers structured as cooperatives do not have to file tariffs with the Regulatory Commission of Alaska (RCA). SB 83 levels the playing field by removing the tariffing requirements for the remainder of the telecommunications companies. Obviously, not having to submit tariff filings will relieve regulatory and financial burdens on AP&T, but this will also reduce the burden on the RCA, whom often articulates publicly that it is understaffed. With the elimination of tariffing, it is important to find an alternate way to protect consumers residing in the most sparsely populated, high cost areas -- consumers who may only have one choice for telecommunications service. The "postage stamp" rate provision in SB 83 provides this protection. AP&T feels that mandating a telecommunications provider to maintain the same local service rates in its entire service area will deter the telecommunications provider from raising rates *only* in select high-cost areas. While the bill is good for AP&T and the RCA, most importantly AP&T believes that SB 83 benefits its customers best of all.

My Sincere Gratitude,

Steven J. Kramer  
Senior Director of Regulatory Affairs  
Alaska Power & Telephone Company  
901 N. Leatherleaf Loop, Suite 201  
Wasilla, AK 99654  
Phone: (907) 864-3211





Shawn Uschmann  
Director, Alaska  
External Affairs

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505 East Bluff Dr, MP 385  
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March 24, 2019

Honorable Lora Reinbold  
Chair, Senate Labor and Commerce  
Alaska State Capitol  
Room 427  
Juneau, AK 99801

RE: Support for Senate Bill 83 – Telecommunications Regulations/Exemptions

Committee Chair Reinbold:

On behalf of AT&T, please accept this letter of support regarding Senate Bill 83– Telecommunications Regulations/Exemptions -- A bill relating to the Regulatory Commission of Alaska; relating to the public utility regulatory cost charge; relating to the regulation of telecommunications; relating to exemptions, charges, and rates applicable to telecommunications utilities; relating to regulation of telephone services; and relating to alternate operator services. This bill maintains important consumer protections, appropriate RCA jurisdiction, and consistency with FCC regulations while providing industry with greater flexibility to more rapidly take advantage of new technology.

AT&T provides a wide range of services to our customers in Alaska, including wireless, inter-exchange long distance, and enterprise data services.

AT&T supports SB 83 and believes that the bill provides a long overdue opportunity to streamline and update Alaska's telecommunications statutes. Many of the Alaska statutes at issue have not been addressed since the early 1990s – over 25 years ago. A lot has happened in the telecommunications industry in the last 25 years. In the early 1990s in Alaska only one carrier was allowed to provide long distance service in rural communities. Wireless was a nascent industry. Now, more people are using wireless than traditional wireline phones. As of June 2017, the Centers for Disease Control (CDC) reports that in Alaska 51.9% of adults were in wireless-only homes with another 18.4% living in wireless-mostly homes. Consumers communicate now predominately via social media, text messaging and wireless service.

Alaska's statute's need to change to reflect the changes in the telecommunications industry.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Shawn Uschmann".

Shawn Uschmann  
AT&T



March 22, 2019

The Honorable Lora Reinbold  
Chair, Senate Labor & Commerce Committee  
State Capitol, Beltz 105  
Juneau, AK 99801

RE: SB83 Telecommunications Regulation/Exemptions

Dear Senator Reinbold:

Copper Valley Telephone Cooperative (CVTC) provides landline telephone, calling features, long distance, high speed Internet connectivity, and wireless voice and data. We also provide high capacity special access services. CVTC serves a geographic region of over 9,400 square miles around Valdez, the Copper Basin, and surrounding areas.

CVTC supports Senate Bill 83, which provides updates to Alaska's telecommunications statutes to remove obsolete statutes and allow Alaska's telecom providers to operate more efficiently and focus resources on modern services.

Some of Alaska's statutes are nearly 50 years old, irrelevant to modern telecom services, and impediments to investment and innovation. SB83 will update these statutes to allow providers to focus on deploying modern technology across the state. It allows traditional landline providers increased flexibility to compete with new services, while still protecting landline service. And it provides regulatory efficiency for the Regulatory Commission of Alaska and providers by eliminating meaningless filings and reports.

SB83 contains strong protections for consumers while also recognizing the dramatic changes in the telecommunications marketplace. It is an important bill which will maintain strong oversight while also providing efficiencies and flexibility to Alaska's providers.

Respectfully submitted,

A handwritten signature in black ink that reads "Laura Kompkoff". The signature is fluid and cursive, with the first name "Laura" and last name "Kompkoff" clearly visible.

Laura Kompkoff  
Chief Financial Officer  
[lkompkoff@cvtc.org](mailto:lkompkoff@cvtc.org)  
(907)835-7712



March 22, 2019

The Alaska State Legislature  
State Capitol  
Juneau, Alaska 99801

Subject: Senate Bill 83

To Whom It May Concern:

GCI is an Alaskan telecommunications company that provides local, long distance, wireless, cable TV, and internet services. GCI supports Senate Bill 83 (SB83).

SB83 will bring needed changes to Alaska's telecommunications statutes, many of which are geared to regulation of monopoly services and have not been updated since the 1970s. Since that time, technology and markets have changed dramatically as competition drives the provision of new services and new market structures. SB83 does not fully deregulate Alaska telecommunications and retains many important oversight functions for the Regulatory Commission of Alaska, which also supports SB83.

SB83 has the unanimous support of the Alaska Telecom Association and Alaska telecommunications providers. GCI encourages the Alaska State Legislature to pass this important legislation.

Sincerely,

A handwritten signature in blue ink, appearing to read "F. W. Hitz, III", with a long horizontal flourish extending to the right.

Frederick W. Hitz, III  
Vice President  
Regulatory Economics and Finance





March 21, 2019

The Honorable Lora Reinbold  
Chair, Senate Labor and Commerce Committee  
State Capitol, Beltz 105  
Juneau, AK 99801

RE: SB83 Telecommunications Regulation/Exemptions

Dear Senator Reinbold:

MTA supports Senate Bill 83, which provides updates to Alaska's telecommunications statutes to remove obsolete statutes and allow Alaska's telecom providers to operate more efficiently and focus resources on modern services.

Some of Alaska's statutes are nearly 50 years old, irrelevant to modern telecom services, and impediments to investment and innovation. SB83 will update these statutes to allow providers to focus on deploying modern technology across the state. It allows traditional landline providers increased flexibility to compete with new services, while still protecting landline service. And it provides regulatory efficiency for the Regulatory Commission of Alaska and providers by eliminating meaningless filings and reports.

SB83 contains strong protections for consumers while also recognizing the dramatic changes in the telecommunications marketplace. It is an important bill which will maintain strong oversight while also providing efficiencies and flexibility to Alaska's providers.

Sincerely,

Michael C. Burke, CEO



**OTZ TELEPHONE COOPERATIVE, INC.**

P.O. BOX 324  
KOTZEBUE, ALASKA 99752  
(907) 442-3114  
FAX (907) 442-2123  
1-800-478-3111

March 22, 2019

The Honorable Lora Reinbold  
Chair, Senate Labor and Commerce Committee  
State Capitol, Beltz 105  
Juneau, AK 99801

Subject: Support Senate Bill 83 – Telecommunications Regulations/Exemptions

Dear Chair Reinbold:

OTZ Telephone Cooperative fully supports SB 83. OTZ Telephone serves Kotzebue, 10 villages, and the Red Dog Mine, all located within the boundaries of the Northwest Arctic Borough. As a Cooperative, it is managed by a seven member board of directors, who always have the best interests of the people of the region at heart. During my 24 years as CEO of OTZ Telephone, I've seen consumer demand evolve from plain old telephone service to high speed in-home data and wireless networks. While the way we deliver telecommunications services has greatly changed over the past 20 years, the statutes that regulate those changes have changed little over that period of time and, for this reason, OTZ Telephone fully supports SB 83.

Sincerely,

Doug Neal  
Chief Executive Officer