

March 16, 2022

HB 363

Dear Committee Members,

Over the last 40 years, the telecommunications industry in Alaska has been clearly defined – it’s an expensive market to enter and the incumbent telecoms have a very strong lobby. Eventually, broadband became a second revenue stream for the telecoms. As small-town entrepreneurs, satellite middle mile providers and (recently) Tribes started offering more affordable broadband in their communities, efforts were focused on controlling federal funds and policymaking which favors the incumbents. Ultimately, they’ve been very successful in limiting market entry (competition) and strengthening their regional monopoly holdings in rural Alaska. It’s worth noting, the Alaska Telecom Association (ATA) does not represent these groups.

Today, we are thankful for the committee process and the opportunity to offer a non-ATA voice. These are our suggested amendments:

#### ***ENCOURAGE COMPETITION***

- **Remove subjective wording that limits a Tribe, Tribal consortium, or ISP from being an eligible entity:** Page 1, Line 13 “make grants to eligible grantees and prioritize grants to grantees with in-state experience, qualifications, and expertise needed to deploy, operate, repair, and maintain broadband infrastructure;”
- **Remove subjective wording that limits technology:** Page 1, Line 14 “latency”; Page 3, Line 7 and Page 3, Line 11 “With a latency sufficient to support” and replace with “capable of supporting”; and Page 2, Line 2 “identify scalable and sustainable technologies that meet the needs of state residents into the future; and”
- **Replace subjective wording that limits industry representation:** Page 4, Line 27-28 “the broadband industry” with “two members of the broadband industry representing competing technologies”
- **If a technical committee is created, add two industry seats to diversify industry representation:** “two members of the broadband industry representing competing technologies”

#### ***ENCOURAGE SOUND ECONOMIC DECISIONS***

- **Replace AS 44.33.910 (b)(2) with** “develop near-term and long-term strategies for deploying affordable broadband statewide using the following criteria: impact on consumer costs, timeline for deployment, breadth of coverage, sustainability without further subsidy, reliability, speed, and employing multiple technologies as required while maintaining technological neutrality and without duplicating existing federal programs.”; and add Page 2, Line 13 “that supports the near-term and long-term strategies referenced in the AS 44.33.910(b)(2)”



The Infrastructure and Investment Jobs Act defines “unserved” and “underserved”, but all other rules are given great latitude at the state level. Contrary to popular belief, states now have legal room to self-regulate broadband. The U.S. Court of Appeals for the Ninth Circuit upheld a California network neutrality law and “dismissed arguments that the California law conflicts with the federal Communications Act and that the act precludes regulation of internet access because such access is an interstate service.”<sup>1</sup>

Not that Pacific Dataport supports regulating broadband, but the Alaska Legislature has the right to create a state broadband office and rules that will help Alaskans address the unique needs of our state. We should do so encouraging robust competition and fiscally sound economic decisions.

I would be happy to answer any questions you may have. Thank you for your time and consideration.

Respectfully submitted,

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<sup>1</sup> Cooley. (2022). “Ninth Circuit Opens Door to State-Level Regulation of Internet Access.” Accessed 15 March 2022. <https://www.cooley.com/news/insight/2022/2022-02-08-ninth-circuit-state-level-regulation-internet-access>.