



May 4, 2023

Dear Senator Hoffman,

I am writing in response to the legislative inquiries regarding HB193 and SB140, specifically with respect to timing of implementation and potential cost.

GCI has reviewed its fiber, microwave, and satellite networks to determine whether we can provide 100 Mbps connectivity to K-12 schools currently serviced by GCI. Since its founding, GCI has invested over **\$4 billion** to extend modern communication services throughout our state. Most recently, GCI has invested \$45 million of private capital, in conjunction with \$25 million in federal grant dollars, to extend fiber service to Unalaska and 6 communities along the Aleutian chain in the first phase of the Aleutian Fiber project. Over the next 18 months GCI, in partnership with Bethel Native Corporation will build out more than 400 miles of subsea fiber to connect 10 rural communities in the Y-K Delta—a more than \$70 million project that will close the digital divide for 10,000 people in the region. These continued investments enable our broadband delivery to anchor tenants in Alaska, ensuring that we have the capabilities to achieve the 100Mbps goal. Within the first year of implementation, GCI projects that we will be able to bring sixty-one schools across thirteen school districts to 100 Mbps, with the remaining schools served by GCI elevated to 100 Mbps within the following eighteen months.

In light of the phased implementation described above, we predict that the demand for BAG support will increase progressively over Fiscal Years 2025-2027. GCI has collaborated with other service providers, and, based on our predictions regarding pricing for services over time, the below table depicts the estimated Fiscal Year Budget impact to accomplish the 100 Mbps goal.

<b>BAG100 estimated Fiscal Year budget impact (July 1 - June 30)</b>			
<b>\$m</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Estimated incremental cost to State</b>	<b>\$8.3</b>	<b>\$12.9</b>	<b>\$13.9</b>
<b>Estimated total cost to State</b>	<b>\$14.5</b>	<b>\$19.1</b>	<b>\$20.1</b>

We sincerely appreciate your efforts to improve educational opportunities throughout Alaska, and we at GCI share in your priority to advance education.

We are committed to working with you, other policymakers, educators, school board members, and parents to ensure Alaska's children have access to the technology that enables the best educational opportunities possible.

Thank you,

DocuSigned by:  
  
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Annette K. Jones  
 Vice President, GCI Healthcare & Education of Alaska

