

**HOUSE BILL NO. 346**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-NINTH LEGISLATURE - SECOND SESSION

**BY REPRESENTATIVES GUTTENBERG, Tuck, Drummond**

**Introduced: 2/24/16**

**Referred: Labor and Commerce, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act creating the Broadband Development Corporation; and establishing the Alaska**  
2 **Broadband Task Force."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section  
5 to read:

6 LEGISLATIVE FINDINGS. The legislature finds that

7 (1) many communities in the state have limited access to the Internet;

8 (2) although the state is connected to the rest of the world through several  
9 fiber optic cables, many areas in the state are unable to take advantage of the speed and  
10 capacity the fiber optic cables offer;

11 (3) removing barriers to broadband deployment by using a technology-neutral  
12 approach will encourage lower prices for broadband service and offer more choices to  
13 consumers;

14 (4) the deployment of broadband networking and advanced

1 telecommunications services throughout the state is essential for the state to keep pace with  
 2 global changes in economic diversification, education, health care, energy and environmental  
 3 technology, and public safety;

4 (5) action promoting neutral access is necessary to support investment in and  
 5 development of accessible broadband networks in the state.

6 \* **Sec. 2.** AS 44.33 is amended by adding new sections to read:

7 **Article 15A. Broadband Development Corporation and Alaska Broadband Taskforce**  
 8 **and Working Group.**

9 **Sec. 44.33.925. Broadband Development Corporation established.** The  
 10 Broadband Development Corporation is established for the purpose of facilitating,  
 11 upgrading, planning, financing, installing, owning, operating, and promoting effective  
 12 use of a broadband system throughout the state. The corporation is a public  
 13 corporation of the state. It is an instrumentality of the state in the Department of  
 14 Commerce, Community, and Economic Development, but has a legal existence  
 15 independent of and separate from the state.

16 **Sec. 44.33.930. Board of directors.** (a) The governing body of the corporation  
 17 is a board of directors. The board consists of 11 persons, as follows:

18 (1) nine voting members, appointed by the governor as follows:

19 (A) one member who is a representative of the executive  
 20 branch;

21 (B) one member who has expertise in technology;

22 (C) one member who has expertise or experience in developing  
 23 broadband access in rural areas;

24 (D) one member who is a representative of public broadcasting;

25 (E) one public member;

26 (F) one member who has expertise in broadband technologies;

27 (G) the commissioner of commerce, community, and economic  
 28 development;

29 (H) two members who have expertise in the operation and the  
 30 business of operating a broadband network;

31 (2) two nonvoting members, as follows:

1 (A) a member of the house of representatives appointed by the  
2 speaker of the house of representatives and who serves at the pleasure of the  
3 speaker of the house of representatives; and

4 (B) a member of the senate appointed by the president of the  
5 senate and who serves at the pleasure of the president of the senate.

6 (b) A member of the board may not, during the member's term, be employed  
7 by an entity that purchases at wholesale a services that uses the broadband system  
8 facilitated, upgraded, planned, financed, installed, owned, operated, or promoted by  
9 the corporation. Except for the legislative members of the board appointed under  
10 AS 44.33.930(a)(2), two members of the board may not be employed by the same  
11 entity.

12 (c) The board shall annually elect a chair and other necessary officers from  
13 among its members.

14 (d) The members of the board appointed by the governor under (a)(1) of this  
15 section serve three-year terms and may be reappointed. Terms shall be staggered.

16 (e) The members of the board appointed by the governor under (a)(1) of this  
17 section serve at the pleasure of the governor. A vacancy on the board occurring other  
18 than by expiration of a term shall be filled in the same manner as the original  
19 appointment, but for the unexpired term only.

20 (f) Six voting members of the board appointed under this section constitute a  
21 quorum for the transaction of business and the exercise of the powers and duties of the  
22 board.

23 (g) Board members do not receive a salary, but are entitled to per diem and  
24 travel expenses authorized by law for other state boards and commissions under  
25 AS 39.20.180.

26 (h) The board shall meet at least four times a year. A meeting of the board  
27 shall occur at the call of the chair, or upon the written request of two voting members  
28 of the board, and shall be open to the public.

29 **Sec. 44.33.933. Employment of personnel.** The board may employ and  
30 determine the salary of an executive director. The executive director may, with the  
31 approval of the board, select and employ additional staff as necessary. The executive

1 director and employees of the board are in the exempt service under AS 39.25. An  
2 employee of the board may not, during the employee's employment by the board, be  
3 employed by an entity that purchases at wholesale a service that uses the broadband  
4 system facilitated, upgraded, planned, financed, installed, owned, operated, or  
5 promoted by the corporation.

6 **Sec. 44.33.935. Powers and duties of the board.** In carrying out the powers  
7 of the corporation, the board may

- 8 (1) adopt, alter, and use a corporate seal;
- 9 (2) prescribe, adopt, amend, and repeal bylaws;
- 10 (3) sue and be sued in the name of the corporation;
- 11 (4) enter into any agreements necessary to exercise its powers and  
12 functions;
- 13 (5) cooperate with a public or private board, organization, or agency  
14 engaged in work or activities similar to the work or activities of the corporation;
- 15 (6) receive contributions of money from persons, including agencies or  
16 instrumentalities of federal, state, or local governments;
- 17 (7) establish offices in the state and otherwise incur expenses  
18 incidental to the performance of its duties;
- 19 (8) acquire, hold, lease, sell, or otherwise dispose of property  
20 necessary to facilitate, upgrade, plan, finance, install, own, operate, or promote a  
21 broadband system or necessary for the administrative functioning of the office of the  
22 corporation;
- 23 (9) establish and maintain one or more bank accounts for the  
24 transaction of the corporation's business.

25 **Sec. 44.33.937. Executive Budget Act.** The operating budget of the  
26 corporation shall be prepared and submitted in accordance with AS 37.07 (Executive  
27 Budget Act).

28 **Sec. 44.33.939. Duties of the corporation.** (a) The corporation shall sell  
29 middle mile transport services on a broadband system it facilitates, upgrades, plans,  
30 finances, installs, owns, operates, or promotes to retail service providers

- 31 (1) at a wholesale price; and

1 (2) with just, reasonable, and nondiscriminatory rates, terms, and  
2 conditions.

3 (b) The corporation may not allow an entity, together with its affiliates, to  
4 lease, purchase, or control

5 (1) more than one-third of the total capacity on a middle mile route on  
6 a broadband system facilitated, upgraded, planned, financed, installed, owned,  
7 operated, upgraded, or promoted by the corporation; or

8 (2) more than one half of the capacity available on a broadband system  
9 facilitated, planned, financed, installed, owned, operated, or promoted by the  
10 corporation.

11 (c) The corporation shall, if possible, comply with the necessary federal  
12 regulations to be able to receive money from a universal services fund established to  
13 achieve the principles set out in 47 U.S.C. 254.

14 **Sec. 44.33.940. Alaska Broadband Task Force and Working Group.** (a)

15 The Alaska Broadband Task Force is established in the Department of Commerce,  
16 Community, and Economic Development. The task force consists of nine members  
17 appointed by the governor, as follows:

18 (1) four representatives of state, municipal, or other local government  
19 agencies responsible for information technology, economic development,  
20 infrastructure development, and public utility regulation;

21 (2) five representatives of technology, telecommunications, and  
22 investment businesses doing business in the state.

23 (b) The task force established under (a) of this section

24 (1) may begin work immediately after a majority of the membership is  
25 appointed;

26 (2) shall

27 (A) determine the current level of broadband access in the  
28 urban and rural areas of the state;

29 (B) determine an acceptable level of broadband service  
30 throughout the state;

31 (C) determine the means for increasing the level of service,

1 including regulatory changes and investment incentives for areas that are  
2 below the acceptable level determined in (B) of this paragraph;

3 (D) explore the potential for increased use of high-speed  
4 broadband service for the purposes of education and health care delivery and  
5 other private and governmental uses;

6 (E) solicit suggestions from persons engaged in the  
7 development of broadband infrastructure and operation of high-speed  
8 broadband services for expanding the availability of broadband service in the  
9 state;

10 (F) study all means for delivering high-speed broadband  
11 service;

12 (G) establish best practices to establish and maintain a database  
13 that lists current broadband service providers and where each operates, projects  
14 that are currently being developed, and projects that are in the planning and  
15 predevelopment stage;

16 (H) explore ways for encouraging state and municipal agencies  
17 to expand the development and use of high-speed broadband services,  
18 including audio and video streaming, voice-over Internet protocol,  
19 teleconferencing, and wireless networking;

20 (I) deliver a report of the initial findings and recommendations  
21 for expanding access to high-speed broadband services throughout the state to  
22 the senate secretary and the chief clerk of the house of representatives and  
23 notify the legislature that the report is available before December 31, 2017;

24 (J) submit a final report of findings and recommendations for  
25 expanding access to high-speed broadband services throughout the state to the  
26 senate secretary and the chief clerk of the house of representatives and notify  
27 the legislature that the report is available before February 1, 2018.

28 (c) Members of the task force shall select a chair and vice-chair.  
29 Administrative support for the task force shall be provided by staff designated jointly  
30 by the president of the senate and the speaker of the house of representatives.

31 (d) A vacancy on the task force or working group shall be filled in the same

1 manner as the original appointment under (a)(1) and (2) and (e)(1) - (8) of this section.

2 (e) The task force shall have a public finance working group directed to  
3 develop a finance plan, including service charges or state or federal funding, sufficient  
4 to implement the recommendations of the Alaska Broadband Task Force. The working  
5 group consists of

6 (1) the commissioner of commerce, community, and economic  
7 development;

8 (2) one member who represents the private banking industry,  
9 appointed by the chair of the working group;

10 (3) one member who represents the investment banking industry,  
11 appointed by the chair of the working group;

12 (4) one member who represents the University of Alaska and has  
13 experience in broadband financing, appointed by the chair of the working group;

14 (5) one member who represents the Regulatory Commission of Alaska,  
15 appointed by the chair of the working group;

16 (6) one member who represents the executive branch, appointed by the  
17 chair of the working group;

18 (7) one member who represents the senate, appointed by the president  
19 of the senate;

20 (8) one member who represents the house of representatives, appointed  
21 by the speaker of the house of representatives.

22 (f) The public finance working group shall

23 (1) be chaired by the member who represents the executive branch;

24 (2) hold a meeting at least once a year that is open to the public; and

25 (3) submit a final report of findings and recommendations to the task  
26 force before January 3, 2017.

27 (g) A member of the task force or working group who is not a full-time  
28 employee of the state or a municipality is entitled to per diem and travel expenses  
29 authorized for boards and commissions under AS 39.20.180.

30 **Sec. 44.33.945. Definitions.** In AS 44.33.925 - 44.33.945,

31 (1) "board" means the board of the Broadband Development

1 Corporation;

2 (2) "corporation" means the Broadband Development Corporation.