

SENATE CS FOR CS FOR HOUSE BILL NO. 363(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 5/12/22

Referred: Finance

Sponsor(s): REPRESENTATIVES EDGMON, Hopkins, Zulkosky, Foster, Schrage, Rasmussen, Ortiz, Spohnholz, Johnson, Merrick, Tarr, Drummond, Nelson, Fields, Josephson, Tuck, Patkotak, Cronk

SENATORS Costello, Kawasaki, Begich, Gray-Jackson, Hoffman, Stevens, Micciche

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to broadband; establishing the office of broadband; providing for a**
2 **broadband grant and loan program; establishing the Statewide Broadband Advisory**
3 **Board; establishing community engagement task forces; and providing for an effective**
4 **date."**

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

6 *** Section 1.** The uncoded law of the State of Alaska is amended by adding a new section
7 to read:

8 LEGISLATIVE FINDINGS, PURPOSE, AND INTENT. (a) The legislature finds that

9 (1) access to broadband is critical for a person to fully participate in modern
10 society and the economy;

11 (2) increasing broadband access to unserved and underserved areas of the state
12 serves a fundamental governmental purpose and function and benefits citizens of the state by
13 enabling access to health care, education, and essential services, providing economic
14 opportunities, and enhancing public health and safety;

1 (3) achieving affordable and quality broadband access for all citizens of the
 2 state requires sustained investment, research, local and community participation, and
 3 partnerships between private, public, and nonprofit entities;

4 (4) the Federal Communications Commission has adopted a national
 5 broadband plan that includes recommendations directed to federal, state, and local
 6 governments, including recommendations to

7 (A) design policies that ensure robust competition and maximize
 8 consumer welfare, innovation, and investment;

9 (B) ensure efficient allocation and management of assets that the
 10 government controls or influences to encourage network upgrades and competitive
 11 entry;

12 (C) reform current universal service mechanisms to support
 13 deployment of broadband in high-cost areas, ensuring that low-income individuals can
 14 afford broadband and supporting efforts to boost adoption and use of broadband; and

15 (D) reform laws, policies, standards, and incentives to maximize the
 16 benefits of broadband in sectors significantly influenced by the government, including
 17 public education, health care, and government operations;

18 (5) extensive investments have been made by the telecommunications industry
 19 and the public sector, and policies and programs have been adopted to provide affordable
 20 broadband throughout the state, that will provide a foundation to build a comprehensive
 21 statewide framework for additional actions necessary for advancing the broadband goals of
 22 the state; and

23 (6) providing additional funding mechanisms to increase broadband access in
 24 unserved and underserved areas is in the best interest of the state.

25 (b) The purpose of this Act is to establish a grant and loan program that will support
 26 the extension of broadband infrastructure to unserved and underserved areas.

27 (c) To ensure the grant and loan program established by sec. 2 of this Act primarily
 28 serves the public interest, it is the intent of the legislature that a grant or loan provided to a
 29 private entity under the program be conditioned on a guarantee that an asset or infrastructure
 30 funded by the grant or loan program will be developed and maintained for public use for at
 31 least 15 years.

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

2 **Article 16A. Broadband.**

3 **Sec. 44.33.910. Office of broadband; powers and duties.** (a) The office of
4 broadband is established in the Department of Commerce, Community, and Economic
5 Development.

6 (b) The office serves as the central planning body for broadband in the state
7 and has the power and duty to

8 (1) coordinate with local governments, tribes, public and private
9 entities, nonprofit organizations, and consumer-owned and investor-owned utilities to
10 develop strategies and plans promoting deployment of broadband infrastructure and
11 greater broadband access, while protecting proprietary information;

12 (2) review existing broadband initiatives, policies, and public and
13 private investments;

14 (3) develop, recommend, and implement a statewide plan to encourage
15 cost-effective broadband access and to make recommendations for increased usage,
16 particularly in rural and other unserved and underserved areas;

17 (4) update broadband goals and definitions for broadband service in
18 unserved and underserved areas as technology advances, except that the definition for
19 broadband service may not be actual speeds of less than 25 Megabits per second
20 download and three Megabits per second upload;

21 (5) encourage public-private partnerships to increase deployment and
22 adoption of broadband services and applications; and

23 (6) review and consider the recommendations of the Statewide
24 Broadband Advisory Board established under AS 44.33.920.

25 (c) When developing plans or strategies for broadband deployment, the office
26 must consider

27 (1) partnerships between communities, tribes, nonprofit organizations,
28 local governments, consumer-owned and investor-owned utilities, and public and
29 private entities;

30 (2) funding opportunities that provide for the coordination of public,
31 private, state, and federal funds for the purposes of making broadband infrastructure or

1 broadband services available to rural and unserved and underserved areas;

2 (3) barriers to the deployment, adoption, and use of broadband service,
3 including affordability of service and project coordination logistics; and

4 (4) requiring a minimum broadband service of 25 Megabits per second
5 download and three Megabits per second upload speed, that is scalable to faster
6 service.

7 (d) The office may assist applicants for the grant and loan program established
8 under AS 44.33.915 in seeking federal funding or matching grants and other grant
9 opportunities for deploying broadband services.

10 (e) The office may take all appropriate steps to seek and apply for federal
11 funds or grants for which the office is eligible and may accept donations.

12 (f) The office shall adopt regulations under AS 44.62 (Administrative
13 Procedure Act) to carry out its duties.

14 **Sec. 44.33.915. Broadband grant and loan program.** (a) The office of
15 broadband shall establish a competitive grant and loan program to award funding to
16 eligible applicants to promote the expansion of access to broadband service in
17 unserved and underserved areas. The office shall work in collaboration with the
18 Statewide Broadband Advisory Board established under AS 44.33.920 to review
19 applications and award grants.

20 (b) Grants and loans may be awarded under this section to assist in funding
21 acquisition, installation, and construction of middle mile and last mile infrastructure
22 that supports broadband services and to assist in funding strategic planning for
23 deploying broadband service in unserved and underserved areas.

24 (c) The office may fund all or part of an application for funding.

25 (d) The office shall award funds under this section to qualified applicants in
26 all regions of the state.

27 (e) The office shall consider affordability and quality of service to end users in
28 making a determination on an application.

29 **Sec. 44.33.920. Statewide Broadband Advisory Board.** (a) The Statewide
30 Broadband Advisory Board is established.

31 (b) The advisory board shall work with the community engagement task

1 forces established under AS 44.33.930 to look at and consider, from a community
 2 perspective, the challenges and opportunities related to regional connectivity.

3 (c) The advisory board is composed of eight members appointed by the
 4 governor to three-year terms as follows:

- 5 (1) one member who is a mechanical engineer;
- 6 (2) one member who is a civil engineer;
- 7 (3) one member who is an aerospace engineer;
- 8 (4) one member who has expertise in telecommunications;
- 9 (5) one member who has expertise in fiber optics;
- 10 (6) one member who has expertise in satellite technology;
- 11 (7) one member who has expertise in microwave technology; and
- 12 (8) one member who serves as a technology neutral consultant.

13 (d) Members of the advisory board, other than the technology neutral
 14 consultant, shall receive compensation of \$307 a day while attending advisory board
 15 meetings and shall be entitled to travel expenses and per diem authorized by law for
 16 members of other boards and commissions. The technology neutral consultant is in the
 17 exempt service and is entitled to a monthly salary equal to a step in Range 27 of the
 18 salary schedule in AS 39.27.011(a).

19 (e) In this section, "advisory board" means the Statewide Broadband Advisory
 20 Board.

21 **Sec. 44.33.930. Community engagement task forces.** (a) Community
 22 engagement task forces shall be established by the director of the office of broadband
 23 who shall appoint state residents to serve as needed and for the duration requested by
 24 the office.

25 (b) The community engagement task forces shall include members
 26 representing

- 27 (1) a tribe;
- 28 (2) a broadband user;
- 29 (3) a health care provider;
- 30 (4) a member of the Alaska Search and Rescue Association or an
 31 operational member organization;

- 1 (5) the social services sector;
- 2 (6) a tribal or state governmental employee with access to judicial
- 3 records;
- 4 (7) the transportation industry;
- 5 (8) a member of a regional development organization;
- 6 (9) a local government public servant; and
- 7 (10) a state government public servant.

8 (c) Members of a community engagement task force shall receive

9 compensation of \$307 a day while attending task force meetings and shall be entitled

10 to travel expenses and per diem authorized by law for members of boards and

11 commissions.

12 (d) In this section, "regional development organization" means a nonprofit

13 organization or nonprofit corporation formed to encourage economic development

14 within a particular region of the state that includes the entire area of each municipality

15 within that region and that has a board of directors that represents the region's

16 economic, political, and social interests.

17 **Sec. 44.33.940. Definitions.** In AS 44.33.910 - 44.33.940,

18 (1) "office" means the office of broadband established under

19 AS 44.33.910;

20 (2) "underserved area" means an area that does not have broadband

21 speeds of at least 100 Megabits per second downstream and at least 20 Megabits per

22 second upstream with a latency sufficient to support real-time interactive applications;

23 (3) "unserved area" means an area that does not have broadband

24 speeds of at least 25 Megabits per second downstream and at least 3 Megabits per

25 second upstream with a latency sufficient to support real-time interactive applications.

26 * **Sec. 3.** AS 44.33.910, 44.33.915, 44.33.920, 44.33.930, and 44.33.940 are repealed

27 June 30, 2030.

28 * **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).