

HOUSE FINANCE COMMITTEE
February 1, 2022
1:37 p.m.

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CALL TO ORDER

Co-Chair Foster called the House Finance Committee meeting to order at 1:37 p.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair
Representative Kelly Merrick, Co-Chair (via teleconference)
Representative Dan Ortiz, Vice-Chair
Representative Ben Carpenter (via teleconference)
Representative Bryce Edgmon
Representative DeLena Johnson
Representative Andy Josephson
Representative Bart LeBon (via teleconference)
Representative Sara Rasmussen (via teleconference)
Representative Steve Thompson
Representative Adam Wool

MEMBERS ABSENT

None

ALSO PRESENT

Christine O'Connor, Executive Director, Alaska Telcom;
Hallie Bissett, Executive Director, Alaska Native Village Corporation Association.

SUMMARY

PRESENTATION: GOVERNOR'S TASK FORCE ON BROADBAND: OVERVIEW AND RECOMMENDATIONS BY ALASKA TELCOM

Co-Chair Foster reviewed the meeting agenda.

^PRESENTATION: GOVERNOR'S TASK FORCE ON BROADBAND: OVERVIEW AND RECOMMENDATIONS BY ALASKA TELCOM

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CHRISTINE O'CONNOR, EXECUTIVE DIRECTOR, ALASKA TELCOM, introduced herself and noted she had been the chair of the technical subgroup of the Governor's Taskforce on Broadband.

HALLIE BISSETT, EXECUTIVE DIRECTOR, ALASKA NATIVE VILLAGE CORPORATION ASSOCIATION, shared that the Alaska Native Village Corporation Association (ANVCA) represented 177 village corporations created under Alaska Native Claims Settlement Act (ANCSA). She relayed she had been the chair of the full taskforce and the policy chair of the Taskforce on Broadband.

Ms. Bissett provided a PowerPoint Presentation titled "Governor's Task Force on Broadband: Overview and Recommendation" dated February 1, 2022 (copy on file). She began on slide 2 and discussed the final report, which came out of Administrative Order 322. She detailed that the governor had created the special taskforce on broadband comprised of 11 voting members and 2 ex officio members. The taskforce had two subgroups and was assigned eight tasks. The taskforce held 32 public meetings in a short amount of time. She noted the full report was available online at gov.alaska.gov/broadband. She listed the members on the taskforce on slide 3 and thanked them for their service.

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Ms. O'Connor noted the other half of the participants were in the policy subgroup and would be discussed later in the presentation. She highlighted that three of the taskforce's tasks had been assigned to the technical subgroup (slide 4):

1. Identify and complete a needs assessment of the gaps in the current broadband network deployment. Identify communities most in need of upgraded or new infrastructure.
2. Evaluate all technologies that are used to provision broadband, identify and assess the pros and cons of each as they pertain to connecting all Alaskans with high speed connectivity.
3. Assess the hurdles to broadband investment and deployment. Make recommendations on how the state can play a role to eliminate them.

Ms. O'Connor elaborated that Alaska's broadband networks were likely composed of all the existing technologies used to deliver broadband. She turned to slide 5 and discussed defining gaps. First it was necessary to define what the specific gap was. Broadly, a gap was defined by what speed was or was not there, middle-mile infrastructure, affordability, workforce development, and evolving capability.

Ms. O'Connor turned to slide 6 and relayed the taskforce set a target of 100/20Mbps minimum speed. The taskforce determined that locations with service below 25/3Mbps were classified as unserved and should be given top priority. Locations with speeds below the minimum target of 100/120Mbps were considered underserved and had the next level of priority. She stated it was important because there was a lack of broadband in rural areas in addition to areas adjacent to larger areas. She stated that adopting the metric of defining a gap by speed enabled the capturing of all of the various areas. She highlighted that the speed target aligned with the federal infrastructure bill. The taskforce had adopted a latency target of less than 100 milliseconds. She explained that a lag-time of under 100 milliseconds made service sufficient for live video, allowing access to telehealth, remote education, and any other things sensitive to delay.

Ms. O'Connor continued to address slide 6. The taskforce had looked at data usage. She explained that a very fast connection that only allowed a small amount of usage was not very helpful. The target was usage comparable to Anchorage or Fairbanks. She highlighted the importance of reliability with minimal downtime. She stated that broadband had become almost as essential as electric and water utilities.

Representative Rasmussen thanked the presenters. She referenced the 100 megabit goal for underserved communities. She asked if the state could lose federal funding match if districts were brought up to a certain level.

Ms. O'Connor referenced BAG [Broadband Assistance Grant] regulations and reported there would need to be some adjustments to avoid losing the federal matching funds. She stated the bar was currently 25/3Mbps. She believed that if a community was brought up to 100/20Mbps, the BAG

regulations (possibly statute) would need to be adjusted. She would have to review the requirements to be certain.

Ms. Bissett added that technology moved at a lightning fast speed in terms of capacity and capability. She pointed out that by the time the state deployed 100/20Mbps the metric would already be underserved again.

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Ms. O'Connor turned to slide 7 and addressed the first taskforce recommendation to identify middle-mile infrastructure needs. She explained that middle-mile was often a constraining element where there may be a fiber cable to a home network in a small community but without a middle-mile pipe connecting the community to the internet, it would be very limited. Included in the recommendation was the need to recognize that standards were evolving and to implement infrastructure that was "future proof" (that did not become outdated in 5 to 20 years).

Ms. O'Connor moved to the next recommendation on slide 8 to identify where to install a robust fiber-optic backbone. She elaborated that every hub in Alaska and smaller communities needed a fiber backbone. She noted service could be pushed farther out to very small communities with microwave and satellite.

Representative Edgmon thanked the presenters. He remarked on the once in a lifetime opportunity with federal money coming in to make meaningful and significant change related to middle-mile and final-mile opportunities in Alaska. He asked for a summary of the detail.

Ms. Bissett answered that the sheer amount of incoming federal money had never been seen before in Alaska. She detailed that the taskforce was focused on the \$1.5 billion the state would receive to deploy broadband. She informed the committee that money was also set aside for tribal entities. The first round of funding was \$1 billion, and the second round was \$2.5 billion.

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Ms. O'Connor shared that in 2010 federal policy makers tried to reform their mechanisms supporting broadband in extremely high cost rural areas like Alaska. She explained

the reforms that had been adopted did not fit Alaska and broadband buildout had been delayed for about six years. She relayed the issue had been fixed in 2017 through work with the state's congressional delegation. She furthered there had been a real acceleration of broadband already, but the infrastructure bill had informed the taskforce's thinking when it had considered what networks were needed to serve the state for the next 20 to 50 years. She explained the consideration played into the taskforce recommendations for a fiber-optic backbone and the inclusion of all Alaskans. The taskforce had not held back from the goals because of the opportunity afforded by the infrastructure bill.

Representative Edgmon appreciated the explanation. He stated the situation was significant beyond comprehension. He was excited about the opportunity and the ability for the legislature and executive branch to play a meaningful role.

Representative Rasmussen referenced the need for fiber across the state. She asked if permitting for laying fiber and other infrastructure would be challenging. She asked if any of the land was federal.

Ms. O'Connor answered it would be a hurdle. She detailed that for permitting a project the best case scenario was 12 months and was often much longer. She elaborated there would be a combination of state, federal land, tribal, and Native corporation land to cross. The taskforce recommended that anything the legislature and Congress could do to streamline the processes would be very helpful.

Representative Rasmussen asked if it seemed like a tribal compact with the state and federal government would be beneficial when it came to navigating permitting and land use issues. She believed there was broad consensus that committee members were excited about expanding broadband and maximizing the opportunity.

Ms. Bissett answered there were certain things the tribal monies allowed in terms of expediting permitting. She believed exploring partnerships would be in the state's best interest in order to ensure funding went to places it was most needed. She pointed out that 25/3Mbps was considered unserved and there were over 200 communities

that fell within the category. She emphasized the importance of states and tribes working together.

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Representative Wool saw the need for a fiber-optic backbone. He asked if there could be a scenario where there was a satellite environment making fiber-optic less necessary.

Ms. O'Connor replied that the fiber-optic backbone would be needed for a couple of reasons. The first was capacity. She explained there was new satellite technology coming, but it had very small capacity compared to fiber. Second, fiber-optic had almost unlimited upgrade capability. She explained it merely involved changing boxes. Third, fiber-optic had a relatively much lower operating expense. She explained that once the cable was put in place it would run. She noted that satellite would be complimentary, but a fiber-optic backbone was needed.

Ms. Bissett expounded that the taskforce recognized fiber-optic was the preferable technology due to the reasons mentioned by Ms. O'Connor; however, it would take five to ten years to deploy the needed fiber. In the interim, satellite would play an important role in filling the gap. She relayed the taskforce had talked a lot about being technology neutral. The taskforce was excited about LEO [low Earth orbit] satellites and was keeping an eye on how they were working. She stated that hopefully both options [fiber-optic and satellite] could thrive and move forward as the state determined how to deploy the broadband.

Representative Rasmussen asked if there was any difference between a phone line and fiber for internet.

Ms. O'Connor answered that it depended. For example, she personally received internet via a traditional copper phoneline resulting in good speed. She explained that homes could also have a fiber line if the area had been modernized up to fiber. She stated that either way it was about what kind of service a home was getting and whether it was getting the speed, latency, and needed service characteristics. She stated if the technology worked, it was not necessary to worry about it.

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Vice-Chair Ortiz asked if the existing provider network was a hurdle. He had heard there was a lack of competition over the past several years. He asked if it would be a continued issue as the state worked to make the best economical use of the incoming federal funds.

Ms. O'Connor responded that the existing providers had been plowing hundreds of millions of dollars into the networks. She elaborated that since the programs were reformed correctly in 2017, there had been over \$172 million invested in capital expenditures by existing providers. Examples included providing fiber to the home and building middle-mile connections. She relayed that \$100 million in reconnect grants had been awarded in the past two years for things like middle-mile projects. She expounded that in many ways the work was providing the baseline to accelerate forward on the infrastructure bill. She addressed provider competition and relayed there were new providers entering the market. There were some providers providing service over fixed wireless and everything from small startups to LEOs entering the market. She stated the momentum and energy in the broadband space was incredible at the moment.

Ms. Bissett added that with less than 1 million people in Alaska there was only so much competition that could be had to target the market. The ANVCA saw the situation as a major opportunity for Native corporations and tribes to be partnering with existing and new providers that cared about Alaska and had proved Alaska was home.

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Ms. O'Connor looked at the next recommendation on slide 9 focusing efforts on all Alaskans. She discussed the need for maps defining unserved and underserved areas around Alaska on slide 10. She reported that as part of the infrastructure bill, the maps were being created by the Federal Communications Commission (FCC) and would be granular. The maps would identify the broadband capability (or absence thereof) in every serviceable location in the state. The maps were expected to be available in early 2023. Slide 11 showed a map of existing middle-mile infrastructure as of 2021.

Representative Wool asked for a definition of first-mile.

Ms. O'Connor answered that last-mile was from the broadband provider to a house or business and middle-mile was between communities and required the piece connected to the internet in Seattle or Portland.

Representative Wool asked about first-mile.

Ms. O'Connor answered there was a first-mile concept, but she tended to talk about it all as middle-mile.

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Ms. Bissett shared that the taskforce had talked about the aging infrastructure in the first mile; therefore, the state should focus on that as well.

Ms. O'Connor moved to the next recommendation on slide 12 on affordability. Some of the costs, especially in rural Alaska, were incredibly high. She elaborated that creating, operating, replacing, and maintaining infrastructure in remote Alaska was very expensive, which drove high rates to consumers. The taskforce recommended recognition that [lack of] affordability created a gap. She turned to slide 13 and identified workforce development as another gap. She spoke to the need for local technicians and experts operating, maintaining, and repairing networks in communities in remote Alaska. She stated it should be a priority of future projects.

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Ms. O'Connor discussed a recommendation on evolving capability on slide 14. The recommendation advised against letting progress widen the digital divide. She stated there had been great rural representation on the taskforce. The goal was to be very mindful of bringing the entire state along with funding received from the infrastructure bill.

Vice-Chair Ortiz asked if there were roadblocks in making it happen rural Alaska. He asked if there was a real chance the primary gain could be in metropolitan areas instead of rural Alaska.

Ms. O'Connor replied that it would depend on how the infrastructure was implemented. The infrastructure language called for each state to create a deployment plan to reach every location within the state. Under the guidance, a gap

would not be created. She cautioned that the state should not get pulled away by technology, it was necessary to look at the service the technology could deliver. She stressed the need for creating a backbone. She highlighted that if the backbone could not deliver the "future proof" service, the state would end up with a disparity; however, she did not expect the situation to happen. She believed policy makers understood the need to create an evolving capacity.

Ms. Bissett added there was some risk in the way many of the bills were being written. For example, grants to be awarded under the legislation required projects to impact the most amount of people. She explained the requirement hurt the smaller villages that were unserved. She confirmed there were things to be mindful of when drafting state or federal legislation. She explained that ANVCA had been watching for things that may steer money more into urban centers. She relayed that the taskforce members were aligned in prioritizing unserved and underserved communities.

Representative Edgmon asked if it was possible to address a question to a Mr. Noonkesser online.

Co-Chair Foster noted the individual was not online.

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Ms. O'Connor moved to slide 15 and addressed the taskforce recommendation to maximize federal partnerships. She highlighted that when the taskforce had written its recommendations it had hoped there would be an infrastructure bill, but it had not yet been certain. She pointed out the recommendation was becoming increasingly important. She stressed that the Department of Commerce, Community and Economic Development, FCC, and the United States Department of Agriculture were heavily in the broadband space currently, focused on rural America. She stated it was a great opportunity for Alaska.

Ms. O'Connor turned to slide 16 and discussed the task of evaluating all technologies for the technical subgroup. One recommendation was to give preference to fiber middle-mile because of its capabilities.

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Ms. O'Connor turned to evaluating technologies on slide 17 and relayed that middle-mile was a great technology for areas beyond the current reach of fiber. She stated that because of the substantial infusion of resources, the state would be able to build fiber in locations that were previously thought to be not possible. She briefly highlighted LEO and geostationary (GEO) satellite technologies on slide 18. She moved to slide 19 and discussed last-mile technologies. She referenced an earlier question by Representative Rasmussen and relayed it was possible to have all of the technologies listed on the slide [fiber, DSL (copper), coaxial cable, fixed wireless, satellite (LEO)] delivering service to a home; if the service qualifications were appropriate to the user's need, the user was served.

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Ms. O'Connor spoke about the need for a balanced focus on slide 20. She elaborated there were different deficits depending on the location. The deficits needed to be identified (i.e., middle-mile and/or last-mile) and funded. She moved to the hurdles section of the technology subgroup on slide 21. Capital expenditures included the resource needed to build the systems. Operating expenditures were required to maintain, repair, and operate systems. She moved to a recommendation on slide 22 to support the Alaska Universal Service Fund. The fund provided long-term baseline stability to telecommunications operations in Alaska. Slide 23 included a recommendation to establish a federal grant matching fund. She relayed that the USDA ReConnect Grant Program required a 25 percent match. She stated that sometimes the size of a project was very large and a company wanting to tackle the project was small, making the 25 percent match prohibitive. She noted it was something to look at.

Ms. O'Connor addressed the recommendation to streamline state and federal permitting on slides 24 and 25. She noted the concept had been discussed earlier in the meeting. She highlighted the complexity and importance of the issue at the state and federal level.

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Ms. Bissett highlighted individuals on the policy subgroup on slide 26. She turned to slide 27 and discussed tasks

assigned to the policy subgroup. The first task was to provide recommendations for a state repository of broadband information and expertise that did not increase the state budget. She elaborated there were many places to get data about broadband including how it was deployed and how rates were determined, but the information was not in one centralized location. The taskforce recommended establishing a repository where an average citizen could access the data. The second task assigned to the policy subgroup was to identify and lay out recommendations of policies and guidelines for state participation in broadband infrastructure development and ongoing operations. She used a PCE-type [Power Cost Equalization] fund that would help fund rural subsidies going forward as one possible option. She reported the subgroup had spent many hours debating the issues and she was extremely happy with the outcome. She noted the report issued by the taskforce built off of past reports.

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Ms. Bissett turned to slide 28 and discussed the recommendation to prioritize accurate and efficiently obtained data. She elaborated that the Office of Broadband Deployment should commit to the utilization of the world-class data and mapping analytics. She referenced Ms. O'Connor's testimony that the FCC was about to begin a mapping project. She noted that the process would slow the state down as it would have to wait until the maps were completed in order to start deploying the funds. She explained that the FCC would create a map and the state would have to take an active role in challenging any of the data in the maps. For example, if the map indicated a rural community had 100/20Mbps, the state would need to challenge it. She stressed that the state broadband office needed to be laser focused on ensuring the data was accurate.

Ms. Bissett moved to slide 29 and highlighted the second recommendation to establish an Office of Broadband Deployment. The [federal] bipartisan infrastructure bill required the state to establish a broadband office in some way. The taskforce believed it should be established to provide leadership and direction rather than oversight. She suggested the possibility of an advisory board that would work in concert with the broadband office to provide direction to the state's efforts. She stressed the

importance of ensuring the expansion of broadband access and digital equity for all Alaskans.

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Ms. Bissett addressed the third recommendation on slide 30 to establish a state broadband advisory board (SBAB). The board would not have regulatory authority, it would take input from the public and would have representation from local, tribal, education, health, business, and the general public's interests.

Representative Edgmon observed that the broadband office was an important feature. He believed it was the "linchpin" to much of what could find its way to the legislature and appropriation process. He remarked that other states had their broadband office located within a state agency, regulatory body, or other. He asked if the taskforce had discussed where the broadband office may be best placed.

Ms. Bissett answered that the topic had been discussed in great detail. She highlighted that a couple of the locations the taskforce had considered included the governor's office and the Department of Commerce, Community and Economic Development. She relayed that the taskforce had not landed on a solid recommendation. The taskforce had agreed that the office should sunset in five years when the [federal] money was deployed. She explained the sunset would avoid setting up another agency the state would have to fund in perpetuity.

Representative Edgmon had listened to the last three taskforce meetings when the report had been issued. He recalled hearing the taskforce discuss the need for employees for the broadband office. He remembered hearing the taskforce did not want to make it too prescriptive and wanted to give latitude to build the office up as the situation called for. He asked for additional detail on staffing and cost.

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Ms. Bissett answered that the state was allowed to use part of the \$1.5 billion for the use of administrative functions. She deferred to Ms. O'Connor for additional detail.

Ms. O'Connor expounded that the task force had assumed there would be an office with an executive director who would implement the taskforce suggestions. The taskforce was not sure where the office would land. The taskforce knew the office would be funded by the infrastructure bill, which allowed the state to pull down planning money and had to be applied for with a letter of intent in May. The National Telecommunications and Information Administration (NTIA) was currently writing the rules for the program and would work closely with states in reviewing deployment plans and to begin dispersing the bulk of the money largely for deployment grants. She noted there were some other available uses. The taskforce language recommended a sunset in five years or a sunset review if the work had not yet been completed.

Representative Edgmon thought it would be fair to assume that the office would likely not come together in the current session. He considered it would take time to get the maps in place. He thought the state would likely be waiting for federal guidelines. He referenced the \$111 million in American Rescue Plan Act (ARPA) funding the legislature had appropriated the previous year. He asked if the funds would flow through the broadband taskforce mechanism.

Ms. O'Connor answered that the taskforce discussions did not address ARPA funding and had been focused on the infrastructure funding. She believed Representative Edgmon was correct that the infrastructure funding would likely not flow during the current session. The state was required to submit a letter of interest by May 14 to begin with administrative funding. The bulk of the funding was between \$1 billion and \$1.5 billion. The precise number was not yet known because it was dependent on the maps. She elaborated that the infrastructure bill specified that funding had to wait on the FCC's Broadband Data Act. The federal government had selected a contractor to conduct the mapping, but there had been a challenge to the contract. She explained the challenge pushed the deliverable timeframe out to early 2023. She reiterated the precise funding amount would not be determined until the maps were complete.

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Representative Edgmon referenced the Renewable Energy Grant Fund with \$15 million to \$16 million per year. He stated the support mechanism providing a list of beneficiaries to be funded took several months. He considered the broadband funds were possibly 100 times the amount. He underscored the process would take time prior to getting to the legislature.

Ms. Bissett referenced the ARPA funding and how it may be used. She remarked that the state would need to take an active role in the map making. She suggested the state may consider being proactive about verifying the level of service available in communities. The information would be a very valuable thing to have ready to go. She emphasized that the maps were needed to deploy the money and the state needed to be pushing back and forth on the data.

Ms. O'Connor added that the legislation for the infrastructure bill was specific about the FCC's maps governing. She explained it was the reason for the language in the taskforce report about not duplicating efforts. She had heard suggestions that the state should conduct the mapping at present in order to accelerate the process. She countered it would not accelerate the process because the federal statute was specific to the FCC's maps. She explained that the state could be preparing to work through the FCC's challenge process, but it would not speed the process up for the state to create its own maps. She stressed the expensive nature of such a project. She was cautious about diverting resources that could be used for deployment. The providers would be providing their data as soon as the FCC furnished its format. She noted the FCC would give the state a 60-day window to gather and format it. The state was currently waiting on the FCC's technical request.

Ms. Bissett stated the FCC mapping would establish whether an area was unserved or underserved. She believed there was a way for tribes to self-determine that they were underserved. She suggested it may be worth looking into to make deployment happen more quickly. She believed tribal governments were able to self-certify that they were unserved.

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Representative Edgmon stated that the taskforce had finished its work and submitted its report. He asked for verification that the actual work on the issue currently resided in the governor's office.

Ms. Bissett agreed.

Representative Edgmon asked what would happen during the [legislative] interim while the state was waiting for everything to happen to get the money out to the state.

Ms. Bissett answered that she did not know.

Ms. O'Connor replied that she had remained in contact with the taskforce facilitator, Tyler Sachtleben. She reported he had done a phenomenal job and was currently tracking all of the deadlines for the infrastructure funding to keep the state on track. She did not know if there was planning for staffing or what it looked like. She was confident the administration was on track to keep the state in play with the infrastructure funding.

Ms. Bissett shared that she, Ms. O'Connor, and Gerad [Gerad Godfrey, President, Alutiiq Professional Consulting and Director, FirstNet Tribal] had met with the governor a couple of weeks back. At the time, the governor's office had still been working to determine where to house the [broadband] office. She explained the administration was actively moving the effort along.

Representative Edgmon thought the committee could potentially see a budget amendment from the governor's office related to the broadband office. He spoke to the importance of the endeavor.

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Vice-Chair Ortiz asked for verification that the administration would determine the location of the broadband office.

Ms. Bissett thought the location could happen through executive order or through legislation from the legislature. She did not believe anyone had determined which method was better.

Vice-Chair Ortiz referenced the five-year window in which to expend the [federal] funds. He asked if the presenters saw the timeframe as problematic based on the situation in Alaska. He asked if the timeline would be difficult to meet.

Ms. O'Connor answered in the affirmative; however, the statute provided flexibility. She explained that NTIA (working in an oversight role with the state) would allow extensions of the deadline. She highlighted that the first deadline was four years. She remarked on Alaska's short construction season. She reported there was currently an extreme shortage of telecommunication supplies. She shared that companies trying to order fiber-optic cable were getting quoted lead times of as long as 77 weeks. She informed committee members that manufacturers were spooling up their supplies. She expected things would catch up, but if that was not the case, there was flexibility allowed [in the federal legislation].

Ms. Bissett stated that the task force had talked about that a five-year timeframe was too short. She elaborated there was no way the state would be able to deploy fiber or satellite in a five-year timeframe. She estimated the time was more like ten years. The state would keep a watch on the situation and would work through the regulations when possible to increase the timeline.

Vice-Chair Ortiz asked if the task force addressed that the federal funding amount was finite. He surmised that 100 percent of the needs in Alaska would not be met. He asked if there had been discussion about priorities (e.g., education needs, industry needs, or other).

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Ms. O'Connor replied that the task force had restricted its prioritizing to location and had not considered education versus healthcare versus consumers. She stated that because broadband was needed by everyone, it almost did not matter what endeavor a person was doing. The taskforce had determined that locations without 25/3Mbps were the top priority and locations with 100/20Mbps were the second priority. She highlighted that one-time funding eventually ran out regardless of its size. She explained that parallel complimentary programs (especially FCC universal service programs) were focused on operating expenditures (i.e.,

operating, maintenance, repair) and the programs would be more important than ever. She stressed it was not possible to build the infrastructure and walk away. The programs would have to be run in parallel.

Ms. Bissett shared that during the pandemic, broadband bills had increased to \$900 on Kodiak. She believed programs had existed for a long time that had delivered needs to industry and clinics, and the needs were still not met. She relayed that for the Native citizens she represented on the taskforce, the goal was a focus on broadband access to individual homes. She stated that the anchor tenant model did not help the people it was intended to help.

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Representative Josephson asked for verification that along with the \$1 billion to \$1.5 billion there was \$1 billion for tribes nationwide.

Ms. Bissett answered in the affirmative. She detailed there was \$1 billion in the first program that the NTIA specifically set up for tribes. She noted Alaska Native corporations were also included in the ability to apply for the funding. Indian country was currently described as the entire State of Alaska. There were 229 tribes in Alaska. She detailed that \$2 billion more had been appropriated for tribes through the infrastructure bill. She stated that AFN, ANVCA, and the regional association had been focused on trying get as many of their communities connected as possible.

Representative Josephson referenced a statement that the advisory board would be disbanded in five years. He asked for verification it was the board the federal government was requiring the state to create.

Ms. O'Connor replied that the taskforce had envisioned the broadband office have a sunset review at a minimum. The structure the taskforce put together was the office with a statewide advisory board and regional boards underneath. The taskforce indicated the office should have a sunset review in five years. She explained that the taskforce did not want to recommend standing up a new department in perpetuity.

Representative Josephson asked who would regulate office. He asked if it would be considered a public utility regulated by the APUC [Alaska Public Utilities Commission predecessor to the Regulatory Commission of Alaska (RCA)]. He wondered where people would take complaints related to service and rates.

Ms. O'Connor answered that the broadband office, regardless of where it existed, would likely consist of an executive director, engineer, and possibly a finance person. In essence, the office would be administering a very large grant program. She elaborated that the rates and service complaints should be addressed in the rules in the grant program set up through the office of broadband. She did not believe there would be a role for the RCA.

Ms. Bissett added that the task force recognized the need for public input on all of the topics under discussion during the current meeting. She noted that a participant from Fairbanks had recommended modeling the work on the Department of Transportation and Public Facilities (DOT) process. She looked at slide 31 and explained that regional broadband planning committees would meet at the local level with the engagement of local government, Native leaders, and the general public and would provide the detail to the broadband office. The goal was to have feedback from the entire state. She reported taskforce members had heard that some people did not like the method, but one of the biggest things the taskforce had heard from the public was there had been a lack of opportunity to provide comment.

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Ms. O'Connor added that the infrastructure bill language required a large amount of community engagement from the office of broadband. Regardless of the taskforce recommendation, it was required by statute.

Co-Chair Foster requested a high level summary of available funding to be provided to his office. He referenced various forms of incoming federal funding.

Representative Rasmussen asked if there were currently any apprentice programs or formal training programs for technicians who would lay fiber. She asked how long installation would take for each mile of fiber.

Ms. O'Connor confirmed there were training programs, but the state likely needed more and more technicians joining the programs. The IBEW [International Brotherhood of Electrical Workers] represented many of the companies providing broadband service and had a wonderful apprenticeship program. She noted that [Department of Education and Early Development] Commissioner Johnson, as a member of the taskforce, was a strong advocate for increasing workforce development. She mentioned the University of Alaska Anchorage and others involved to help develop more workforce. She pointed out that the beauty of the jobs was they were in the local communities. She reported the technical workgroup had discussed multiple times that a benefit of the Alaska-based providers was employing local communities to do the work.

Ms. Bissett added there was significant opportunity created in the infrastructure bill and former funding for workforce development. She informed the committee there would be a shortage of available workforce. She elaborated that the state would need to be training people. She shared that ANVCA and the ARDORS were currently working together as a team to apply for a grant of approximately \$40 million for training in various areas. She remarked that economic development agencies, including the chamber, were working together to bring more money in. She reiterated there would be a need for training.

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Ms. O'Connor highlighted that Alaska would be in competition with the Lower 48. She did not know the technical details Representative Rasmussen had asked about and would follow up with the information.

Representative Rasmussen thought it would be helpful to understand the number of people that would be needed. She wondered if they should be targeting high school seniors for the next five years to try to get graduates into the training programs. She wondered what type of capacity there would be in terms of needs and seats for training. She was excited to hear Commissioner Johnson was willing to work with the legislature on the education side.

Ms. Bissett stated there would be need for technicians. She highlighted the remote location of the service towers and the logistics associated with setting up microwave systems.

There was a need for technical training in programs like Alaska Vocational Technical Center (AVTEC) and IBEW, but there was also a need for understanding how telecommunications businesses work at the corporate level.

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Representative Thompson referenced the May 14 deadline mentioned by the presenters. He asked if the deadline was for applying.

Ms. O'Connor answered it was the application deadline to submit a letter of intent.

Representative Thompson asked for verification the state did not have to provide a breakdown. He surmised the letter of intent served as notification that the state would apply.

Ms. O'Connor agreed. She clarified that until the state received the maps from the FCC, the state would not know the funding amount. She explained that some planning could be done ahead of time, but until the funding amount was known, a full deployment plan could not be devised.

Representative Thompson observed that May 14 was not far off.

Representative Edgmon referenced an announcement made the previous day by the federal Department of Commerce about \$980 million for a tribal broadband connectivity program. He noted that \$500,000 would go to Clark's Point in his district and Selawik would also receive \$500,000. He stated it was almost another \$1 billion to be dispersed nationwide, hopefully with significant emphasis on Alaska. He pointed out that the FCC under the former Trump administration had been actively involved in Alaska in 2016. He thought the agency should have some working understanding of Alaska.

Ms. O'Connor answered it was great news for Clark's Point and Selawik. She confirmed the FCC was very familiar with Alaska. She shared that the state had worked very hard beginning in 2014 to educate the FCC on Alaska. She added that the FCC had a real commitment to people who were not served at present. The state was working close with the FCC and she was very optimistic.

Ms. Bissett added that she could not be prouder of the collective work done by AFN on behalf of its tribes to get the applications in for the \$500,000 minimum available to every tribe. She believed all of the tribe applications had been submitted. She relayed it was a guaranteed \$500,000 for the tribal government to start deploying some of the resources.

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Representative Carpenter asked what the taskforce had discussed in terms of how to come to an agreement between the administrators (i.e., tribes, the state, and others) of the pots of money.

Ms. Bissett answered that it could not be a better time for the state to have a close relationship with tribes and Native corporations that were eligible for the funding. She relayed there were a couple of groups currently trying to figure out how it would all come together in terms of pooling resources and deploying assets that would be owned and operated by tribal entities. She did not know enough about them to report precisely what was going on, but she knew the conversations were happening. Additionally, there would be numerous local entities that already had a plan and knew how to apply for the grants to bring infrastructure to their communities. She referred to AFN as the "mother ship" and primary think tank.

Ms. O'Connor added there were multiple federal agencies with multiple programs happening simultaneously. The infrastructure bill required federal agencies to coordinate. She stated one of the primary concerns was duplicating projects and doubling up in some areas where other areas were completely unserved. The infrastructure bill called for interagency coordination. She relayed Alaska's congressional delegation was focused on encouraging the coordination. Additionally, the FCC (the expert agency on Alaska) was cited to be the expert agency for NTIA and USDA. She highlighted the USDA had done a great job with its ReConnect Program and was very knowledgeable about Alaska.

Ms. Bissett believed Representative Carpenter was asking who would coordinate the incoming funds. She asked the committee to consider that if there was coordination

between Native and tribal entities, funding should not go to non-Native and non-tribal entities to coordinate. She stated that, "We are sick of paternalistic relationships, we all went to business school, and we are all very intelligent." She relayed that AFN, ANVCA, and [inaudible] were perfectly capable of coordinating for the better of the entire state.

Ms. O'Connor highlighted that the taskforce included several participants representing Native entities including Ms. Bissett with ANVCA. She explained that the participants had all coordinated well together without intermediaries. She believed the taskforce had envisioned that the state office of broadband would continue to deal with "these" stakeholders directly through the state advisory board.

Representative Carpenter remarked that he and the presenters had slightly different perspectives. He was thinking about the issue along the lines of identifying the authority. He understood the legislature had authority over the federal and state funds, although it did not have authority over money others had control of; however, the parties were at the table trying to solve the picture together. He asked how the partners would reach a final investment decision. He asked if it was up to the office of broadband or a state agency. He recognized the state could not force any corporation or Native entity to make a decision in a particular direction; therefore, it would have to be an agreement. He highlighted the presenters' testimony it would be a complex process involving multiple federal agencies, tribal entities, and the state. He was unclear on how the end financial decisions would be made. He did not believe it would be entirely up to the legislature.

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Ms. Bissett answered the process for her had been as Representative Carpenter described. She elaborated that "there is so much out there and so much to do." She referenced an earlier question about tribal compacting and relayed it would be necessary to work together with everyone at the table. She explained that the Native community did not want to be told what it should do.

Representative Carpenter clarified that he had not been telling anyone what to do. He stated he was merely trying to get clarification.

Ms. Bissett apologized if her answer sounded that way. She clarified that she was trying to say that tribal compacting was a good tool to bring everyone together in the way Representative Carpenter was describing. She stated, "I just would love for some other entity to call my organization and ask us to do some work for them to bring our people to the table without any funding has been one of the things that's been really irritating for us." She agreed that everyone needed to work together, and she believed tribal compacting was a good way to get there.

Ms. O'Connor added that the infrastructure specified that NTIA would write the rules, the state's office of broadband would submit a plan according to NTIA's rules, and NTIA would review and approve or ask for changes. It was her understanding that that the legislature had to appropriate any funding coming to the state, but she did not know how it would work specifically.

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Ms. Bissett moved to recommendation 4.5 on slide 32 to create broadband development planning areas. She highlighted that everything in the report matched up with the infrastructure bill requirements for receiving the money. She stated the broadband development planning areas were defined by the Office of Broadband Development. She pointed out that the NTIA telling the state whether its plan was good was a paternalistic relationship, which no one liked. She stated it was the reason the taskforce outlined that the office of broadband "wouldn't have this government thing over it." The point was to deploy the money and infrastructure and not spend a lot of time talking about it and writing reports to put on a shelf. The idea was to collaboratively address the gaps together as one people in Alaska to ensure equitable development in terms of prices and availability at a minimum of 25/3Mbps. She stated that many communities in Alaska did not currently have any service.

Ms. Bissett moved to slide 34 and discussed recommendation 4.7: write a digital equity plan. She detailed the endeavor would be led by the broadband office and would be focused

on speed test comparisons, pricing data, and physical network gap details broken down by location. The recommendation specified the plan should indicate locations and methods to improve broadband equity. She explained it meant bringing everyone up to the 100/20 level identified by the government as good service.

Representative Edgmon shared that when he had listened to some of the taskforce meetings, he had detected competition between satellites and other providers. There were many outside investors that wanted to come to Alaska to get at the funding. He thought the state's broadband office would need to have technical expertise in-house to sort through business plans and proposals.

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Ms. Bissett replied that the taskforce recognized the need for technical expertise and knowledge. She highlighted a couple of individuals on the taskforce with knowledge of telecommunications. She remarked that she personally had a little experience but did not know about everything that was involved. She relayed that the taskforce had recommended a subcommittee to the advisory board on broadband development to be comprised of subject matter experts that could play an advisory role. She stated that people like herself were not writing the regulations, not knowing about how everything involved worked.

Ms. O'Connor added that the technical subgroup had witnessed there was a lot of competition. She elaborated that the large amount of funding involved was perceived to be up for grabs. She stressed the importance of establishing "good rules of the road" looking at whether participants would to be good players with sustainability. She highlighted that fiber could exist for 50 years, which needed to be factored into the rules established through the office of broadband (as specified in statute). She relayed that the technical subgroup had gotten a little wrapped up in the competition. The subgroup had resolved the issue by looking at the service the end user was getting. She considered a user in Dillingham needing 100Mbps service as an example. She explained that the focus should be on whether the technology would be able to provide the service. She elaborated that there should not be a given amount [of funding] for satellite, microwave,

and other. She explained the money should go to the service level.

Ms. Bissett added that it had not been difficult to pick up on the competition between the two technologies. She spoke to the importance of neutrality. She remarked that fiber would take substantial time to deploy. She agreed with Ms. O'Connor and the rest of the taskforce that fiber had to take priority as the tried and true tested technology with the most capacity. She highlighted there were villages currently suffering and perhaps LEO satellite could help them get to the needed speed; however, it was new technology. She expounded it was nice providers wanted to test the technology in Alaska's communities, but she wondered what would happen if it failed. She supported that whatever could bring needed broadband to a community should be the focus. She stated it was not the job of the advisory board to tell communities what that technology was; the regional councils would communicate what they needed.

Ms. O'Connor communicated that taskforce members from rural Alaska had urged against relegating rural Alaska to technology that could not deliver in five years. She believed the term "second rate" technology had been used. She explained that rural communities had the experience in the past where someone had told them they were getting great connectivity that would last, but in five years' time it became obsolete.

[3:01:07 PM](#)

Ms. Bissett advanced to slides 35 and 36. Recommendation 4.8 addressed community level engagement that would feed up to the broadband office and advisory board. Recommendation 5.1 was to establish a vision for state broadband policy. She stated that every Alaskan needed to be able to participate and be competitive in the global community. The taskforce recommended opportunity for everyone, not only private entities. She moved to slide 37 and addressed recommendation 5.2 to set long-term goals. The immediate goal was the need for Alaska homes and businesses to have access speeds of at least 25/3Mbps. Within five years, Alaska homes and businesses should all have speeds of at least 100Mbps. She highlighted the need to consider that the rates for the broadband service needed to be transparent, offset, and otherwise adjusted to ensure equitable affordability. She noted that once the state

deployed all of the broadband infrastructure it would still not pen economically for companies managing the service. She explained it meant the state would still be looking at going to the federal government to explain the dynamics of Alaska and the expense it required to operate.

Ms. Bissett addressed recommendation 5.3 to establish a broadband parity adjustment on slide 38. She explained it took a huge amount of investment to bring adequate broadband infrastructure to every community and house. Broadband parity adjustment supported equitable broadband cost across Alaska's high rate areas. She stated it meant supporting the Alaska Power Cost Equalization program and the FCC's Emergency Broadband Benefit Program. She pointed to the need for the programs going forward.

Ms. Bissett moved to slide 39 and the recommendation 5.4 to enhance public safety and cybersecurity. She relayed the taskforce had discussed the concept numerous times and it had been important to taskforce member Senator Shelley Hughes. The recommendation specified the state should work to enhance broadband services for first responders and coordinate with the FirstNet Network Authority. She noted the concept was not exactly broadband, but it fit within the space. Recommendation 5.5 was to improve infrastructure processes on slide 40. The recommendation addressed the importance of streamlining the permitting process, making smart policies like "dig once" and the designation of rights of way as public assets, and partnerships with Canadian telecom networks. She cited a project MTA was doing as an example. She noted the items would expedite deployment.

[3:04:39 PM](#)

Ms. Bissett turned to recommendation 5.6 on slide 41 to strengthen Alaska's broadband capacity and competency. The recommendation addressed the creation or augmentation of existing training program to build workforce development. She addressed tasks assigned to the full taskforce on slide 42. The first was to recommend program-based guidelines or rules for equitable use of state funding in broadband infrastructure development. The second item on slide 42 was to provide recommendations for a buildout plan to close remaining gaps and bring high-speed broadband to all Alaskans.

Ms. Bissett turned to slide 43 and addressed the taskforce recommendations based on the two directives listed on the previous slide. She stated that areas without speeds of at least 25/3Mbps were unserved. Areas with speeds under 100/20Mbps were underserved. Recommendation 6.2 on slide 44 was to balance middle- and last-mile investment. She elaborated that broadband investment should be balanced between establishing a robust fiber backbone to serve all parts of Alaska and the utilization of appropriate technologies (e.g., satellite and wireless internet provider systems) for improved last-mile service delivery.

Ms. Bissett advanced to recommendation 6.3 on slide 45 for the state to develop a cohesive investment strategy. She specified the Office of Broadband Deployment, the State Broadband Advisory Board, and the Regional Broadband Planning Committees should carefully and methodically consider eligibility rules and limitations for federal broadband funding programs to ensure that adequate funding was directed appropriately toward both middle-mile and last-mile infrastructure needs. She highlighted the need for a focused, strategic approach to ensure the most effective use of the funds.

Ms. Bissett addressed recommendation 6.4 on slide 46 to prioritize public-private partnerships. She detailed that grant programs and state broadband processes should be structured to incentivize providers to invest private capital and to establish ways in which public investment could be leveraged alongside private sector activity with outcomes that were in the public interest. From the perspective of a private Native corporation that may have land and other equity positions in one of the companies, the corporation liked the concept because it was a utility-grade durable asset that lasted for a long time with guaranteed revenue. She suggested that state investment and participation may make some sense.

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Representative Edgmon addressed private capital that was North American or European generated. He thought there was a current effort with Korea to get fiber-optic cable into Alaska. He stated it could be fairly broad in scope in terms of Alaska's location on the map and the ability to have fiber-optic cables connecting to diverse places leading into Alaska.

Ms. Bissett replied it was an excellent observation. She reasoned that Alaska was likely not the target market for the infrastructure. She spoke to the importance of being vigilant on the entire business opportunity instead of focusing only on the small village the state served.

Ms. Bissett addressed recommendation 6.5 on slide 47 to create a fair grant application process for broadband service providers and other eligible entities. She stated that the taskforce walked through how the grant programs could be set up, but it would require public input. The point was a fair grant application that was technology neutral and provided opportunities for satellite, microwave, fiber, and other technology. Recommendation 6.6 on slide 48 was to ensure ongoing funding. The taskforce had been asked to look at a program similar to PCE for the office of broadband operations. She noted there was funding set aside in the infrastructure bill; therefore, she did not believe the state would need to appropriate funding for the office. The taskforce recommended using the grant funding to establish the broadband office and holding a sunset review when the funds had been extinguished.

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Ms. O'Connor elaborated that the infrastructure bill had not passed until November [2021]. She stated it was clear the infrastructure bill would fund the office of broadband.

Ms. Bissett turned to recommendation 6.7 on slide 49 to engage Alaskans. The taskforce had received comment from the industry and public that it was setting up a large bureaucratic system of public input. She thought it was a positive thing. She highlighted that the process worked for DOT. She stated it was not possible to do projects of this nature without public input or the public would shut down the projects. She spoke to the importance of pursuing viable projects. Additionally, a website needed to be established for access to incoming input. The state needed to be actively seeking input and communicating the progress transparently toward the goal of achieving universal, affordable access across Alaska.

Ms. Bissett concluded the presentation on slide 50. She detailed that in the short-term, the buildout plan needed to address closing the gaps, technology solutions,

overcoming hurdles, Alaska broadband policy, equitable funding strategy, and office of broadband deployment.

[3:11:56 PM](#)

Co-Chair Foster thanked the presenters for coming in. He could see a substantial amount of work had gone into the process. He stated a lot of resources would be put toward broadband and there was significant interest in-state and out-of-state in different groups (e.g., industry, tribal, community, and other). He noted there was substantial need, and the work would take much coordination. He believed the work was a very good start. He found the presentation educational and observed there was a lot that would have to go into the process that he had not been previously aware of.

[3:13:07 PM](#)

Representative LeBon thanked the presenters. He stated that during the 911-dispatch consolidation working group in 2020, rural telecom providers had stated one of the reasons they could not deploy enhanced 911 and pushed back against consolidation for dispatch-911 was due to a lack of bandwidth and insufficient broadband infrastructure. He asked if the expectation of the distribution of the millions of infrastructure dollars would finally work toward overcoming the obstacle and improve 911 service for rural Alaska.

Ms. O'Connor replied in the affirmative. She stated that the talk surrounding 911 issues and work was about next generation based on broadband networks. She relayed that the systems required robust, ubiquitous broadband connectivity. She informed the committee that building out broadband would bring a leap forward in 911 capability.

Vice-Chair Ortiz highlighted specific needs in rural areas related to reliable, affordable energy. He shared that a community in his district had been looking for a way to create a fiber-optic network to deliver improved broadband service and more reliable, affordable power. He asked if the incoming money would preclude a combined effort approach to serving both of the needs. Alternatively, he wondered if the money could only go toward broadband development.

Ms. Bissett answered that she had been asked the question when presenting to the Department of Energy the previous week. She replied that the state's biggest hurdle was logistics. She elaborated that 80 percent of the state was inaccessible by road and it was difficult to get economical energy projects without road access. She had told the department that there was a once in a decade or 100-year opportunity to combine the two things. She agreed that where fiber was laid there may be opportunities to put in other infrastructure to bring down cost in other places. She clarified she was not advocating for roads everywhere. She stated that community input was important, and it was one the number one issue.

Representative Edgmon thanked the presenters for the presentation. He spoke to the importance of the topic and high speed internet would change everything in rural areas in Alaska including the quality of education, healthcare, job opportunities, the ability to recruit and retain people who wanted to keep in touch with loved ones, and other. He was very excited about the opportunity. He hoped the two presenters would continue to be involved in the process.

Co-Chair Foster reviewed the schedule for the following day.

ADJOURNMENT

[3:18:00 PM](#)

The meeting was adjourned at 3:18 p.m.