

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

February 25, 2022

9:04 a.m.

MEMBERS PRESENT

Representative Zack Fields, Co-Chair
Representative Ivy Spohnholz, Co-Chair
Representative Calvin Schrage
Representative Liz Snyder
Representative James Kaufman
Representative Ken McCarty

MEMBERS ABSENT

Representative David Nelson

COMMITTEE CALENDAR

PRESENTATION: BROADBAND AND THE INFRASTRUCTURE INVESTMENT AND JOBS ACT

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

HALLIE BISSET, Executive Director
Alaska Native Village Corporation Association
Anchorage, Alaska

POSITION STATEMENT: Co-offered a presentation, titled "Governor's Task Force on Broadband."

CHRISTINE O'CONNOR, Executive Director
Alaska Telecom Association
Anchorage, Alaska

POSITION STATEMENT: Co-offered a presentation, titled "Governor's Task Force on Broadband."

ANDY BERKE, Special Representative for Broadband
National Telecommunications and Information Administration
U.S. Department of Commerce
Chattanooga, Tennessee

POSITION STATEMENT: Gave a PowerPoint presentation, titled "Infrastructure Investment and Jobs Act New Funding Initiatives."

MILES BAKER, Infrastructure Investment Coordinator
Office of the Governor
Anchorage, Alaska

POSITION STATEMENT: Gave a presentation, titled "Bipartisan Infrastructure Law (BIL): Broadband Investments."

ACTION NARRATIVE

[9:04:17 AM](#)

CO-CHAIR IVY SPOHNHOLZ called the House Labor and Commerce Standing Committee meeting to order at 9:04 a.m. Representatives Fields, Spohnholz, Kaufman, McCarty, and Schrage were present at the call to order. Representative Snyder arrived as the meeting was in progress.

PRESENTATION: Broadband and the Infrastructure Investment and Jobs Act

[9:05:12 AM](#)

CO-CHAIR SPOHNHOLZ announced that the only order of business would be a presentation on Broadband and the Infrastructure Investment and Jobs Act.

[9:06:19 AM](#)

HALLIE BISSET, Executive Director, Alaska Native Village Corporation Association, co-presented the PowerPoint, titled "Governor's Task Force on Broadband" [hard copy included in the committee packet]. She stated that she chairs the governor's task force through Administrative Order 322. She stated that the task force includes 11 voting members and two ex officio members. She stated that the task force is comprised of 8 tasks, 2 subgroups, and 32 public meetings.

[9:07:49 AM](#)

CHRISTINE O'CONNOR, Executive Director, Alaska Telecom Association, co-presenting the PowerPoint with Ms. Bisset, stated that the recommendations created on behalf of the task force parallel the language in the Infrastructure Investment and Jobs Act (IIJA). She stated that rural Alaska is strongly

represented in the technical subgroup. She asserted that all Alaskans should have access to robust broadband services, and policy makers should expand buildout objectives to deploy infrastructure to meet the needs of underserved locations throughout Alaska. She pointed out that speeds of 100/20 megabits per second (mbps) are defined as a sufficient broadband gap, along with latency of less than 100 milliseconds. This would be sufficient for real-time applications, like two-way video. She stated that gaps are also defined if data usage is capped and not comparable to urban markets, or if there is a lack of reliability. Broadband policy and program analyses should include data gathering and research to identify where additional middle-mile capacity is needed to meet established or potential last-mile service availability. She advised that any established standards would need to evolve with the growing demands of technology and consumer usage over time. She reasoned that IIJA funding is a once-in-a-generation opportunity, and it is fleeting, and should be taken advantage of to fill in the gaps. She explained that because of unparalleled bandwidth, latency, upgradeability, and reliability, fiberoptic cables should be deployed wherever feasible and practical to facilitate middle-mile connections. She added that these fiberoptic cables are likely to last 50 years. She argued that with the scale of the funding from IIJA, fiberoptics will be possible in places which have not been considered before; however, flexibility in technology will be necessary in certain cases.

[9:15:46 AM](#)

MS. O'CONNOR pointed out the significant discrepancy in broadband service available throughout rural areas. She urged that, with the fast-paced technological evolution, policymakers should strive to ensure equitable development continues to occur for access to broadband service. She stated that IIJA calls for accurate, granular broadband availability with infrastructure maps. These maps define unserved and underserved areas. She advised that the [Alaska State Broadband Office] should commit to the utilization of world class broadband data and mapping analytics, leveraging available data sources to avoid a duplication of efforts. She stated that the first data collection for providers was recently announced and will soon commence, with data submissions beginning on September 1, 2022. She continued that once the Federal Communications Commission (FCC) releases the maps, a review process will take place to further improve accuracy of the maps.

[9:19:22 AM](#)

MS. BISSET, chair of the policy subgroup, advised that to receive IIJA funding and provide leadership in the state's efforts to ensure the expansion of broadband access, an office for broadband deployment will need to be established. The state should also establish a broadband advisory board to provide guidance to the office. The board should represent many interests, including local, Tribal, education, health, business, and the public. The office of broadband deployment would also be responsible for strengthening relationships with Tribes, because, in addition to money granted through IIJA, Tribal money has been set aside for broadband. The newly formed office would work closely with Tribal governments, consortia, and other Alaska Native entities to identify ways to collaboratively address the gaps across the state, leverage available resources, and ensure equitable development. She continued that additional priority should be given to broadband-infrastructure projects, including support for local workforce development. She urged policymakers to recognize affordability as an important element in defining the gaps in the broadband infrastructure. Policymakers should also recognize that affordability is driven by underlying costs associated with Alaska's unique environment. She pointed out policymakers should recognize that partnerships between service providers and the state and federal programs are important in achieving affordable service delivery to end users.

[9:23:48 AM](#)

MS. BISSET, in recognition of the scale of the investment necessary to bring adequate broadband infrastructure into every Alaska community, stated that policymakers should create a broadband parity adjustment, much like the Power Cost Equalization Program, which would support equitable broadband costs across Alaska's high-rate areas as compared with those in low-rate communities.

[9:24:22 AM](#)

ANDY BERKE, Special Representative for Broadband, National Telecommunications and Information Administration, U.S. Department of Commerce, delivered a PowerPoint presentation, titled "Infrastructure Investment and Jobs Act New Funding Initiatives" [hard copy included in the committee packet]. He shared that Chattanooga, Tennessee, the first "gig city", put in a fiber optic network which reached every home and business for 600 miles. He relayed the president's goal of connecting every

American to affordable broadband. He added that this is a bipartisan effort. He gave an overview of IIJA, which includes Broadband Equity, Access and Deployment (BEAD), digital equity programs, Tribal connectivity technical amendments, and middle-mile broadband infrastructure.

MR. BERKE detailed that \$65 billion is in the broadband portion of IIJA, and of this about \$42.5 billion is allocated for infrastructure planning and implementation through the BEAD program. Two Tribal awards have already been made in Alaska, with more expected. He stated that the new connections will have 100/20 mbps, with fiberoptics providing the fastest available connectivity. He stated that eligible entities must provide at least a 25 percent match to meet requirements, unless a waiver is granted. He related that \$2.75 billion is allocated in the funding pool, with \$60 million of this used for the State Digital Equity Planning Grant Program. This program prioritizes people with high needs like veterans, incarcerated individuals, people with disabilities, rural communities, and others. He noted that \$1.44 billion will be used to implement grants, with \$1.25 billion created once state implementation grants are awarded. By mid-May states will begin awarding state capacity grants. He said \$1 billion is allocated to the middle-mile grant program, which supports the expansion of networks. He emphasized the necessity for affordability for Americans. He reiterated that the president is focused on the promise to ensure every American has an affordable broadband connection.

[9:34:05 AM](#)

MR. BERKE agreed with Representative Sponholz that Alaska is a substantial geographic piece of the country with unique conditions. He stated that FCC oversees the maps, and the number of unserved or underserved individuals in the state will determine the amount of funding. Every state starts with \$100 million, and the formula comes into play after the FCC maps are submitted. He added that ensuring the accuracy of the maps is essential to procure the correct amount of funding to serve everyone.

MR. BERKE, responding to a committee question, stated that for anyone who is building a network, there needs to be an affordable plan. He reiterated that there will be a mid-May rollout of this program.

[9:44:55 AM](#)

MR. BERKE, responding to a committee question, said provisions will be made for the affordability of building the infrastructure.

CO-CHAIR SPOHNHOLZ noted the hyper-rural communities in Alaska will be the most expensive in the country to reach with broadband technology. She argued that people have lived in these areas for 10,000 years and should have basic access to the equity of broadband.

MR. BERKE responded that she has made an important point about remoteness in Alaska, and he will relay this information. He reassured that people in his office understand the challenges ahead and noted that there will be some places across the U.S. which exhibit extremely difficult geography.

9:49:08 AM

MILES BAKER, Infrastructure Investment Coordinator, Office of the Governor, gave a presentation, titled "Bipartisan Infrastructure Law (BIL): Broadband Investments," [hard copy included in the committee packet]. Putting broadband spending in context, he said IIJA totals \$1 trillion, with 43 percent designated for the reauthorization of existing programs, including those related to transportation and public works, for example. He said that \$550 billion in new spending addresses broadband infrastructure and affordability, making up about 12 percent or \$65 billion in spending. This would ensure that broadband would be passed to American households through subsidies. He continued that the National Telecommunications and Information Administration (NTIA) will use \$42.8 billion to establish grant programs, provide detailed technical guidance, and oversee plan approval; the Federal Communications Commission (FCC) will use \$14.8 billion to develop "broadband location fabric" mapping which will inform formula funding, administer affordability subsidy, and regulate internet access equity; and the U.S. Department of Agriculture (USDA), through its rural utilities service, will use \$2 billion for distance learning, telemedicine, and the broadband program.

10:00:50 AM

MR. BAKER showed the three agencies represented, including NTIA, USDA, and FCC. He pointed out that the FCC portion of the funding has an important role through its mapping program. Within NTIA, there are four programs including the BEAD grant program. The \$100 million will be allocated per state as an

initial grant, then the high-cost area formula distribution will be calculated, and, in Alaska, the formula distribution will be based on unserved locations relative to the rest of the United States. Unserved, underserved, and institutions including public schools, libraries, multi-family homes, medical facilities, higher education facilities, and some nonprofit community-support organizations will qualify as anchor institutions. Most of Alaska is in a high-cost area. He pointed out that the Enabling Middle Mile Infrastructure Program will help to connect the grid to the "backbone." The objective of the Digital Equity Act is to ensure everyone, no matter how remote, would receive a minimum threshold of internet access and speed. The Tribal Broadband Connectivity Program has been allocated \$2 billion; however, grant applications have exceeded the allotment by three times.

[10:10:45 AM](#)

MR. BAKER, in response to a question about state-matching funds, addressed an appropriation bill which would make sure the state is positioned to capture federal matching requirements for broadband. He discussed creating a broadband office within the Department of Commerce, Community, and Economic Development. He added that the office would have three employees. In accordance with the timelines, if there are significant delays in the federal process, general funds may be needed to support the project in the meantime. He stated that the exact numbers are currently not available regarding state-matching funds. The Department of Transportation and Public Facilities and the Department of Environmental Conservation would be the most impacted by infrastructure dollars. These departments will be looking at the resource needs which would be covered with IIJA money.

[10:17:54 AM](#)

MS. O'CONNOR, responding to a committee question about future expectations and advancements, stated that IIJA currently requires 100/20 mbps; however, this can be upgraded in regard to the demands of ever-advancing technology.

[10:19:14 AM](#)

MS. BISSET added that there are over 200 communities in Alaska that are "unserved" by broadband.

[10:22:55 AM](#)

MR. BAKER, responding to a committee question, stated that IIJA funding is scalable to newer and higher speed services. He advised that the federal legislation is highly prescriptive on what the state would need to develop, and the state would need to submit its plans to the federal government before funding would flow. He stated that plans should work towards preventing obsolescence, and the [new commerce] coordination office would do the outreach and create a plan which would be determined by policy.

[10:26:57 AM](#)

MR. BAKER, responding to a committee question about what is currently needed from the legislature, stated that authority on the budget side would be needed to start the [new] commerce coordination office. This is required to receive the federal dollars. He laid out that a letter of intent must be filed, and a regional advisory committee must be put together to do outreach coordination between all the local governments. He mentioned that the money listed on slide 4 has been appropriated by the U.S. Congress.

[10:30:45 AM](#)

MR. BAKER said the broadband office will be responsible for planning activities including research, data collection, developing a long-term budget, outreach communication, technical assistance with partners, and community training. These are eligible activities under the initial planning funding listed on slide 5. Once Alaska's plan has been approved, 2 percent of the total amount the state eventually receives from the BEAD program allocation can be used to administer the state's program. The notice of funding opportunity will likely occur in mid-May, after which a letter of intent will be filed, and a 5-year plan will be developed. After FCC publishes the fabric map, an advisory board, regional planning committees, and public outreach programs will be implemented to accomplish accurate mapping of broadband service. He remarked that the state has already submitted comments to NTIA about BEAD concerning Alaska's unique challenges and opportunities, which are listed on slide 8.

[10:39:49 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 10:40 a.m.