

**ALASKA STATE LEGISLATURE**  
**HOUSE LABOR AND COMMERCE STANDING COMMITTEE**

March 9, 2022

3:19 p.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**

HOUSE BILL NO. 372

"An Act relating to exemptions from minimum wage."

- MOVED CSHB 372 (L&C) OUT OF COMMITTEE

HOUSE BILL NO. 363

"An Act establishing the office of broadband; creating the broadband parity adjustment fund; establishing the Statewide Broadband Advisory Board; and providing for an effective date."

- HELD OVER

**PREVIOUS COMMITTEE ACTION**

BILL: HB 372

SHORT TITLE: ELIMINATE MINIMUM WAGE EXEMPTION

SPONSOR(S): REPRESENTATIVE(S) TUCK

02/22/22	(H)	READ THE FIRST TIME - REFERRALS
02/22/22	(H)	JUD, L&C
02/28/22	(H)	JUD AT 1:00 PM GRUENBERG 120
02/28/22	(H)	Heard & Held
02/28/22	(H)	MINUTE (JUD)
03/02/22	(H)	JUD RPT 4DP
03/02/22	(H)	DP: DRUMMOND, KREISS-TOMKINS, SNYDER, CLAMAN
03/02/22	(H)	JUD AT 1:00 PM GRUENBERG 120

03/02/22 (H) Moved HB 372 Out of Committee  
03/02/22 (H) MINUTE(JUD)  
03/04/22 (H) L&C AT 9:00 AM BARNES 124  
03/04/22 (H) Heard & Held  
03/04/22 (H) MINUTE(L&C)  
03/09/22 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 363

SHORT TITLE: BROADBAND: OFFICE, GRANTS, PARITY

SPONSOR(S): REPRESENTATIVES EDGMON, Hopkins, Zulkosky, Foster,  
Schrage

2/22/2022 (H) READ THE FIRST TIME - REFERRALS  
2/22/2022 (H) L&C, FIN  
2/23/2022 (H) COSPONSOR(S): FOSTER  
2/28/2022 (H) COSPONSOR(S): SCHRAGE  
3/9/2022 (H) LABOR & COMMERCE at 03:15 PM BARNES 124

**WITNESS REGISTER**

REPRESENTATIVE BRYCE EDGMON  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** As the prime sponsor, introduced HB 363.

AMORY LELAKE, Staff  
Representative Bryce Edgmon  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** On behalf of Representative Edgmon, prime  
sponsor, presented the sectional analysis of HB 363.

HALLIE BISSETT, Chair  
Representative of Alaska Natives  
Governor's Task Force on Broadband  
Executive Director, Alaska Native Village Corporation  
Association  
Anchorage, Alaska

**POSITION STATEMENT:** Provided invited testimony in support of HB  
363.

NILS ANDREASSEN  
Representative of the Alaska Municipal League  
Governor's Task Force on Broadband  
Executive Director, Alaska Municipal League  
Juneau, Alaska

**POSITION STATEMENT:** Provided invited testimony in support of HB 363.

CHRISTINE O'CONNOR, Representative of the Telecommunications Industry  
Governor's Task Force on Broadband  
Executive Director, Alaska Telecom Association  
Anchorage, Alaska

**POSITION STATEMENT:** Provided invited testimony in support of HB 363.

MICHAEL ("MAC") MCHALE, Chief Revenue Officer  
Quintillion  
Anchorage, Alaska

**POSITION STATEMENT:** Provided public testimony during the hearing on HB 363.

MARK SPRINGER, Consultant  
Bethel, Alaska

**POSITION STATEMENT:** Provided public testimony during the hearing on HB 363.

ROBERT HIMSCHOOT, CEO/General Manager  
Nushagak Electric and Telephone Cooperative  
Dillingham, Alaska

**POSITION STATEMENT:** Provided public testimony in support of HB 363, as written.

TOM BRADY  
Wrangell, Alaska

**POSITION STATEMENT:** Provided public testimony during the hearing on HB 363.

SHAWN WILLIAMS, Vice President of Government Affairs & Strategy  
Pacific Dataport, Inc.  
Anchorage, Alaska

**POSITION STATEMENT:** Provided public testimony during the hearing on HB 363.

DOUG REDFOX  
Emmonak, Alaska

**POSITION STATEMENT:** Provided public testimony during the hearing on HB 363.

MICHAEL WILLIAMS SR., Chair  
Yukon-Kuskokwim Tribal Broadband Consortium  
Chief of the Community

Chairman, Akiak Technologies  
Akiak, Alaska

**POSITION STATEMENT:** Provided public testimony during the hearing on HB 363.

DANIEL FOOTE, President/CEO  
DanTech Services, Inc.  
Anchorage, Alaska

**POSITION STATEMENT:** Provided public testimony during the hearing on HB 363.

PAUL JOHNSON  
Nakaani Telecom, LLC  
Yakutat Tribe  
Anchorage, Alaska

**POSITION STATEMENT:** Provided public testimony during the hearing on HB 363.

BRITTANY WOODS-ORRISON, Broadband Specialist  
Native Movement  
Alaska Public Interest Research Group  
Fairbanks, Alaska

**POSITION STATEMENT:** Provided public testimony during the hearing on HB 363.

#### **ACTION NARRATIVE**

[3:19:37 PM](#)

**CO-CHAIR ZACK FIELDS** called the House Labor and Commerce Standing Committee meeting to order at 3:19 p.m. Representatives Kaufman, Schrage, Snyder, Spohnholz, and Fields were present at the call to order. Representative McCarty arrived as the meeting was in progress.

#### **ELIMINATE MINIMUM WAGE EXEMPTION**

[3:19:53 PM](#)

CO-CHAIR FIELDS announced that the first order of business would be HOUSE BILL NO. 372, "An Act relating to exemptions from minimum wage."

[3:20:18 PM](#)

CO-CHAIR SPOHNHOLZ moved to adopt Amendment 1 to HB 372, labeled 32-LS1588\A.6, Klein, 3/7/22, which read:

Page 1, lines 8 - 12:

Delete all material and insert:

"[(1) AN INDIVIDUAL WHOSE EARNING CAPACITY IS IMPAIRED BY PHYSICAL OR MENTAL DEFICIENCY, AGE, OR INJURY, AT THE WAGES AND SUBJECT TO THE RESTRICTIONS AND FOR THE PERIOD OF TIME THAT ARE FIXED BY THE COMMISSIONER; AND]"

Page 1, line 13:

Delete "(2)"

Insert "(1) [(2)]"

Page 1, line 15:

Delete "(3)"

Insert "(2) [(3)]"

[3:20:21 PM](#)

CO-CHAIR FIELDS objected for purposes of discussion.

[3:20:24 PM](#)

CO-CHAIR SPOHNHOLZ explained Amendment 1 would remove from the bill an allowance that individuals under the age of 18 who are employed by a nonprofit organization are exempt from the minimum wage statute. It isn't being used in law right now, she stated, and the underlying rationale of HB 372 is to ensure that people are being fairly compensated for their work.

[3:21:03 PM](#)

CO-CHAIR FIELDS removed his objection to Amendment 1. There being no further objection, Amendment 1 was adopted.

[3:21:12 PM](#)

CO-CHAIR FIELDS opened public testimony on HB 372, then closed it after ascertaining that no one wished to testify.

[3:21:33 PM](#)

CO-CHAIR SPOHNHOLZ moved to report HB 372, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 372(L&C) was moved out of the House Labor and Commerce Standing Committee.

**BROADBAND: OFFICE, GRANTS, PARITY**

[3:21:54 PM](#)

CO-CHAIR FIELDS announced that the final order of business would be HOUSE BILL NO. 363, "An Act establishing the office of broadband; creating the broadband parity adjustment fund; establishing the Statewide Broadband Advisory Board; and providing for an effective date."

[3:22:08 PM](#)

REPRESENTATIVE BRYCE EDGMON, Alaska State Legislature, as the prime sponsor, introduced HB 363. He stated that HB 363 would put into place a framework to allow Alaska to compete for an unprecedented amount of money in broadband that came about largely through the [Infrastructure Investment and Jobs Act (IIJA) ("Bipartisan Infrastructure Act")], signed into law on 11/15/21 [by President Joe Biden]. The broadband component of the IIJA is rapidly taking shape, he said. The Governor's Task Force on Broadband finished its work in early November [2021]. At a hearing before the House Finance Committee [on 2/1/22] it was decided that a bill was needed that included the task force's recommendations to put into statute the guidelines that best position Alaska to be a player, a competitor, with this unprecedented amount of money. Federal rural broadband programs are normally about \$4 billion annually, he related. The entirety of IIJA is \$65 billion and the Broadband Equity Access Deployment Act (BEAD Act) is \$42 billion and \$450 million.

REPRESENTATIVE EDGMON explained that to do this right, HB 363 proposes to create three things in statute under Title 44: 1) an [Office of Broadband], 2) a Broadband Parity Adjustment Fund, and 3) a Statewide Broadband Advisory Board. These three components would help position Alaska to be at the table when the first swath of money comes to each state, about \$5 million. He offered his understanding that this money will come through [the legislature's] appropriations process via a separate bill from the governor. Through the provisions of HB 363, Alaska would be positioned to compete for this huge amount of money.

REPRESENTATIVE EDGMON specified that HB 363 is deliberately not lengthy, unlike ordinarily when the legislature puts something into motion that creates a whole new section of law. The bill would reside in Title 44 between the Alaska Forest Products and the Alaska Micro-Loan sections of the statute book. Through his work with Legislative Legal Services, it was ascertained that

there is scant reference to broadband in state statute and no statutory construct that would allow Alaska the opportunity to stand up a broadband program, with or without this type of unprecedented funding. This is also occurring back East as the National Telecommunication and Information Administration (NTIA) and others scramble for broadband expertise and broadband employees to work with the states on putting in place the various programs.

[3:27:14 PM](#)

REPRESENTATIVE EDGMON noted he represents a rural district where there is adequate broadband in some places, while in other places like the Aleutians, subsea fiberoptic cable is being laid that will provide highspeed internet opportunities, where just a few years ago a text couldn't be sent. The notion of broadband and the opportunities in Alaska caught his attention, so he listened to some of the Governor's Task Force on Broadband's hearings to become acquainted.

REPRESENTATIVE EDGMON related that the bill as currently written would sunset on 6/30/2030. He said the fiscal note alludes to federal, not state, funds. The Office of Broadband must be up and running in some capacity to be the repository for those federal funds. He stressed that he isn't representing whether the bill is 80 percent or 100 percent completed because every bill gets refined as it goes through the process. However, he further stressed, his office carefully constructed the bill so it would maintain the broad support that the Governor's Task Force on Broadband has in its [final] report, including support in the governor's office. While he will not say that the bill is universally endorsed by the industry, he continued, it does have broad support among industry members, nonprofits, and various other public entities that have said they like the bill unadorned as it is now. The bill accomplishes the basic purposes that are needed to position Alaska to receive money by way of the seven major federal programs and the prescriptive nature of additional funding that is out there. US Senator Lisa Murkowski has said Alaska could expect \$1.2-\$1.5 billion via the programs that are in place, and that's the floor, not the ceiling. Representative Edgmon expressed his hope that the committee will consider the bill in an expedited fashion without too much change as he thinks it is of a political construct that can help get Alaska through the process.

[3:32:02 PM](#)

AMORY LELAKE, Staff, Representative Bryce Edgmon, Alaska State Legislature, on behalf of Representative Edgmon, prime sponsor, presented the sectional analysis of HB 363. She explained that HB 363 would create a new section of statute [AS 44.33.910] and is based on the [final] report of the Governor's Task Force on Broadband and the federal Infrastructure Investment and Jobs Act (IIJA). She spoke from the written sectional analysis for Version 32-LS1527\I of the bill, found in the committee packet, and which read [original punctuation provided]:

Section 1: Creates a new section, AS 44.33.910, to establish the Office of Broadband in the Department of Commerce, Community, and Economic Development (DCCED) and details the Office of Broadband's purpose, powers, and duties, to include:

1. Expand broadband access and digital equity in the state through federal and local partnerships, while maintaining technological neutrality, with prioritization of service expansion in the following order: unserved areas, underserved areas, and anchor institutions
2. Develop a procedure for adoption of broadband service maps that incorporates the forthcoming Federal Communications Commission (FCC) maps in accordance with the [2020 federal Broadband Deployment, Accuracy, and Technological Availability (DATA) Act], and a process to challenge the accuracy of broadband service maps used to determine availability and adequacy of service
3. Streamline permitting processes and encourage development of in-state workforce to facilitate expeditious and sustainable infrastructure deployment
4. Establish a grant program and broadband parity adjustments
  - a. AS 44.33.915 establishes the Broadband Parity Adjustment Fund (BPAF)
  - b. The BPAF is a separate fund in the treasury which allows for grants to offset the costs of broadband services for eligible consumers

c. Funds can come from money appropriated by the legislature, federal funds, and interest earned on the fund balance

5. Review and consideration of the recommendations of the Statewide Broadband Advisory Board (The SBAB) established under AS 44.33.920. The board is:

a. Composed of 9 members appointed by the Governor, and commissioners from DCCED and the Department of Education & Early Development (DEED)

b. Created to provide an inclusive process for a broad number of stakeholder groups including tribal, local government, school districts, The University, health care sector, industry, and consumers

Section 2: This Act sunsets on June 30, 2030

Section 3: Establishes an immediate effective date under AS 01.10.070(c)

MS. LELAKE noted that: Sections 1(1) and 1(2) come from both IIJA and the Governor's Task Force on Broadband; Section 1(3) comes from the task force; and Sections 1(4)(a), (b), and (c) come from the task force and the governor's office comments to the National Telecommunication and Information Administration (NTIA). She further noted that Section 1(5) establishing the Statewide Broadband Advisory Board (SBAB) is a recommendation of the task force. A strong requirement of IIJA, she continued, is community consultation, so the SBAB would be put in place to help with that community consultation. She said the sunset date in Section 2 is a recommendation of the task force and allows time for completing IIJA projects.

[3:36:04 PM](#)

CO-CHAIR FIELDS opened invited testimony on HB 363.

[3:36:13 PM](#)

HALLIE BISSETT, Chair, Representative of Alaska Natives, Governor's Task Force on Broadband, Executive Director, Alaska Native Village Corporation Association (ANVCA), provided invited testimony in support of HB 363. She related that the Governor's

Task Force on Broadband met 32 times, involving much hard work and long hours. She thanked Christine O'Connor and Nils Andreassen for their work because without them half the work could not have been done with the report. She stated that a \$1.5 billion baseline coming in for broadband is a good problem and offered her absolute support for HB 363 as written. The fund to close the gap of affordability is important, she continued, and will be required going out to the future once the infrastructure is in because microwave towers on mountaintops and other infrastructure must still be maintained over the next 40 years.

[3:37:45 PM](#)

NILS ANDREASSEN, Representative of the Alaska Municipal League, Governor's Task Force on Broadband, Executive Director, Alaska Municipal League (AML), provided invited testimony in support of HB 363. He stated that it was a pleasure serving on the task force and having a role in shaping what emerged out of the policy side of things, most of which is in HB 363. The bill gives the state an opportunity to set its own direction [using federal funding over the next 10 years].

MR. ANDREASSEN said an Office of Broadband is a vehicle to meet the needs of Alaskans, respond to federal priorities, and see those implemented at local and statewide levels. It was important to the policy committee that this office intersect with, be responsive to, and be engaged with an advisory board that was truly representative of Alaska and Alaskans. This major component of the bill goes a long way toward the policy committee's and the task force's goals of inclusivity and meeting the diversity of the state.

MR. ANDREASSEN pointed out that the parity adjustment has been a recommendation of all previous broadband task forces. He said it builds off some of the same concepts with the Emergency Connectivity Fund that the federal government has utilized in the last few years to get funds into the hands of Alaskans who were paying and continue to pay a lot for these basic needs. He expressed his hope that it is funded in a meaningful way and is part of a transition toward greater broadband infrastructure deployment across Alaska.

MR. ANDREASSEN stated that this first step considers a lot of unknowns and leaves open the opportunity in future years for legislators and Alaskans to work together toward meeting other challenges and opportunities as they emerge. This basic

structure, he added, gives the ability to meet Alaskans' current needs and the ability to be responsive into the future.

[3:41:12 PM](#)

CHRISTINE O'CONNOR, Representative of the Telecommunications Industry, Governor's Task Force on Broadband, Executive Director, Alaska Telecom Association (ATA), provided invited testimony in support of HB 363. She stated that she is a kid from rural Alaska and that the task force, the infrastructure fund, and the Office of Broadband are important because everyone needs broadband, especially in rural Alaska where otherwise a person cannot do what he or she needs to do. She said she is pleased to support the bill and is honored to have been a part of the task force. Many of the task force's 32 public meetings were two hours long, she continued, but it was time well spent with passionate voices speaking out for future-proof robust networks for rural Alaska. She stated that HB 363 is completely framed from the task force recommendations and aligns with the [IIJA], so nothing in HB 363 takes a side road where work cannot begin immediately with the infrastructure bill since those funds are already headed Alaska's way on the NTIA timeline.

[3:43:05 PM](#)

REPRESENTATIVE KAUFMAN remarked that he sees good consumer representation in the bill but not anything that would drive it to be competency based. He advised that when looking at a problem statement and trying to find a solution, the end users' needs and demands must be understood, but there must also be the right assortment of people who can accurately assess or future-proof the solution, choose the right technological solution, and be sure it is the correct system or combination of systems, compatibilities, and cost value. He asked whether there's enough in the bill to ensure [the involvement of] technically competent people to assure that the right decisions are made.

MS. O'CONNOR agreed the advisory board is made up of various users who can speak to what is urgently needed. She said the task force recommended a technical subcommittee, which would be able to happen under the bill, and that is where the expertise across industry would be brought in to report to the advisory board. She offered her belief that the question is really about project management - how to ensure that this is done well. She said that that will be done through the Office of Broadband in partnership with NTIA, which is right now writing detailed rules for how each state must provide a five-year deployment plan with

lots of detail. Before funds are released, she explained, NTIA reviews and must approve that plan. The [IIJA] allows for a back-and-forth process between each state and NTIA until the states are happy and NTIA is satisfied it will be done properly, like what is being referred to by Representative Kaufman.

[3:46:10 PM](#)

REPRESENTATIVE EDGMON added that the committee may want to consider putting language in the bill that refers to a technical subcommittee which aligns with the question being asked. He noted the waterfall of agencies involved at the federal level - NTIA, Department of Commerce, Department of Agriculture, Federal Communications Commission (FCC), General Accounting Office - which are under the auspices of serving unserved and underserved areas. He said Alaska will have to meet certain metrics that will also flow through the Office of Broadband, which will be working with the Statewide Broadband Advisory [Board], as well as other partners around the state. An 11-member Statewide Broadband Advisory Board was proposed in the bill because 11 is a number that isn't too big, he continued, and the committee may want to contemplate adding to that. The notion was to start with putting the office together and then building out based on what the federal law requires the state to do.

[3:47:51 PM](#)

CO-CHAIR FIELDS suggested that Representative Kaufman work with the sponsor and committee to come to a consensus for submitting an amendment.

REPRESENTATIVE KAUFMAN offered his appreciation and stated he thinks it is critical. When working on a project, he said, it is important at the start to select the right problem and then come up with the right solution from the many possibilities. Something that is competency based as well as constituency based is a stronger package.

[3:49:28 PM](#)

CO-CHAIR SPOHNHOLZ asked whether it will be federal or state funds to capitalize the Broadband Parity Adjustment Fund.

MS. O'CONNOR replied that there is \$42 billion in the [federal] BEAD Act program, which is targeted toward deployment for unserved areas but also allows flexibility for adoption and affordability. Also, she continued, there is the Digital Equity

Program that is precisely toward supporting access in a fair way. So, various programs could be used to support specifically the Broadband Parity Adjustment Fund. That would have to be developed and approved through NTIA because the entire plan must be approved through a grant process between the Office [of Broadband] and NTIA.

CO-CHAIR SPOHNHOLZ noted Alaska's "hyper ruralness" and the importance of educating federal partners and government about how costly it is to provide equity and access in the state. She said a top priority of the Biden Administration is to provide equitable access to broadband. This is an important part of Native self-determination in rural Alaska, ensuring economic diversification of the state, and accessing education and health care. Folks in Washington, DC, however, don't always understand what rural means in Alaska and sometimes underestimate a cost, so it is important to identify as many funding streams for that equity fund as possible.

[3:52:03 PM](#)

REPRESENTATIVE SNYDER observed the order of prioritization [page 2, lines 6-10] and definition of anchor institutions [page 2, beginning on line 31] in the bill. She further observed that the eligible beneficiaries of the Broadband Parity Adjustment (BPA) Fund do not include school districts, libraries, or health care facilities [page 3, lines 20-23] which are included in the definitions of anchor institutions. She inquired about the rationale behind these provisions.

MS. O'CONNOR responded that the task force said the Broadband Parity Adjustment is needed. However, schools and health care clinics were excluded from funding through the BPA because most of their broadband and connectivity costs are already being paid for by separate pre-existing federal programs.

[3:53:23 PM](#)

REPRESENTATIVE MCCARTY asked whether the two commissioners on the 11-member [Statewide Broadband Advisory Board] would be voting members.

REPRESENTATIVE EDGMON answered correct.

REPRESENTATIVE MCCARTY stated that he doesn't see a strong amount of technologically informed people on this [advisory board]. He inquired about increasing the number of members to

13, with the two additional members being people or entities in the industry that represent that technology.

REPRESENTATIVE EDGMON replied that any end-product is going to involve the industry, so the industry's participation will have to be an integral part of this. He said it is a valid point and that the committee will probably want to look at creating a technical committee at a minimum.

[3:56:35 PM](#)

REPRESENTATIVE MCCARTY asked what the mapping is called.

MS. O'CONNOR responded that the FCC is calling it the broadband data collection.

REPRESENTATIVE MCCARTY offered his understanding that until those guidelines are received from the federal [government], the state doesn't have a strong indication of what the Office [of Broadband] is supposed to be doing or planning. He expressed concern that the Office [of Broadband] will be established, and efforts put forth only to find out that the federal guidelines direct differently.

MS. O'CONNOR answered that the IIJA is quite prescriptive. It tells states in very strict terms what they will prioritize, and the first priority is unserved areas. It tells that the states must have extensive community consultation, and even what some of their eventual evaluation criteria will be. It tells states they must have a 5-year deployment plan to reach every unserved location in the state. Regarding what is the goal, what is the target, the IIJA says that that is what the state Office of Broadband must deliver. It is a very big lift. To her knowledge, she added, there has never been a deployment plan to reach every location in the state, so that is something that can easily be worked on while Alaska waits on the mapping.

[3:57:35 PM](#)

CO-CHAIR FIELDS asked about who in Alaska is currently working on expanding broadband and to what extent are they cooperatives versus municipal telecoms versus commercial companies.

MS. O'CONNOR replied that the Alaska broadband industry, which is the telecommunications industry technically, is diverse and there is much momentum. In the last two years over \$100 million in reconnect grants has been awarded to over half of ATA's

members to build middle mile and last mile infrastructure. Over half of ATA's members are community owned cooperatives, and the priorities of the IIJA and the Biden Administration are for that community touch and particularly for serving tribal and Native communities. These cooperatives are owned by the communities they serve, those communities are Native communities, and those are Native owned telecommunication companies that are already operating and deploying broadband. That's half of the providers in the state. Ms. O'Connor said ATA has a municipally owned provider in Ketchikan, which is a division of the City of Ketchikan. Also, ATA has an employee-owned company, Alaska Power and Telephone; a couple smaller family-owned companies; multiple privately owned companies; and very large carriers that are enmeshed in the communities they serve, with their technicians, management, everyone involved in providing service living in communities in Alaska. She apologized if she left someone out of her overview and added that it is helpful to put context around the kind of coordination that the Office of Broadband will need to do across all these providers.

[4:00:32 PM](#)

CO-CHAIR SPOHNHOLZ acknowledged that a theme of interest in technical and industry engagement is rising in the committee today. She cautioned about the risk of the legislature picking winners and losers by choosing an artificial number of industry participants that would be on the advisory board. The committee needs to ensure it hears from all members of the provider community and stakeholder community, she said. The Governor's Task Force on Broadband had a subcommittee that was very broad. She requested the chair of the task force and/or the chair of the technical subcommittee to speak about the way that worked and how that could be applied as a model to this advisory board.

MS. BISSETT responded that the subcommittees were very valuable because they were separated between the technical and policy, each of which had two-hour meetings for deep dives into the technological aspects of broadband and into policy. States with broadband offices were invited for looking at best practices. Ms. O'Connor had a very extensive process to look at every type of technology, whether microwave, satellite, mesh. The task force got a very broad understanding of the industry, and the committee structure made it palatable.

MS. O'CONNOR responded that she was the chair of the technical subgroup, and that model was very effective and could be used again. She was the only actual telecom person on the technical

subgroup, she said, but the subgroup pulled in all the experts from across industry who provided information, presentations, and answered questions. Having that kind of structure to allow pulling in the expertise as needed is very important and it contributed to a very good task force product.

[4:03:31 PM](#)

MR. ANDREASSEN reflected on the work done by the policy subcommittee, in which he was integrally involved. He said the policy side, and really the advisory board's role, is all about vision and goal setting and how to meet the needs of Alaskans. That the advisory board is representative of users - it's from users that the challenges faced by Alaskans can be understood. Also, it would be a mistake to say that users don't have the technical ability to be expert contributors to the technical space. Much of what was learned on the policy side was from the technical subcommittee and it was the university, the health care system, and people who were very technically able to understand how their systems benefit from and need to respond to broadband very generally.

MR. ANDREASSEN said there is a lot of capacity within the advisory board as structured to be able to contribute technical expertise. But, he continued, that is not to say that a technical subcommittee that is dedicated to helping the Office of Broadband understand how to vet project proposals and evaluate them effectively wouldn't be a good thing. It is going to be within the state office that that vetting occurs, so that is where capability, competency, and capacity is wanted. The state is not the project proponent, the state is not picking winners and losers out of this, the state is administering a program and responding to the technical expertise that is coming from all the providers out there who are picking up the challenges in front of them in their communities and advancing projects in response to federal funding that is coming through the state. Mr. Andreassen stated that the technical expertise in Alaska is phenomenal. It is on the ground with those project proponents within that industry working in partnership with communities, and all of that is going to feed up and into in response to offerings from the Office [of Broadband]. From the policy, the advisory board is going to be thinking about how to meet all the goals that the legislature and governor have set.

MR. ANDREASSEN further noted that anchor institutions are integral to the system. He said they have a huge amount of technical expertise in how this system works, what they can

contribute, and how they can benefit. So, yes, other programs are in place to meet some of their needs and offset some of their costs, but the lower those costs can be driven at a statewide level, the lower the expenses that the state experiences and some of the challenges overcome along the way.

[4:06:47 PM](#)

CO-CHAIR FIELDS requested Ms. O'Connor to elaborate on the technical expertise of the local and tribal governments that have been deploying technology and analyzing different technologies which may position them to better manage a larger tranche of funding. He further requested Ms. O'Connor to give some details about projects that providers or local or tribal governments have already been working on that will give them the technical expertise to use this new money most efficiently.

MS. O'CONNOR answered that a time of big promising change is being seen there. She said the City of Ketchikan is ATA's only municipal provider. Newly happening is the [Coronavirus Response and Consolidated Appropriations Act (2021)] where \$1 billion was appropriated for the tribal broadband connectivity program also being managed at NTIA. This was the first time that tribes had the chance to get funding and choose what they wanted to do and the broadband space with it. Partnership projects in this program were proposed and announcement of the awards is eagerly awaited. There are multiple projects that would bring massive infrastructure improvements in middle mile particularly - a project to come into Bethel, another project to come into Bethel from another direction, and a project that if funded will provide state of the art connectivity across the entire Bristol Bay. These are all projects with partnerships with broadband providers existing and tribal entities. A lot of activity and momentum is being seen, and even more activity will be seen, because this tribal program has been given \$2 billion more in the infrastructure bill to go alongside with the \$42 billion in BEAD funding nationwide, plus the other little pots.

[4:09:08 PM](#)

MS. BISSET agreed with Ms. O'Connor's statements. She said the local cooperatives and local communities themselves are going to be exercising their self-determination in a way they haven't been able to in a while. She has been seeing this partnership between the providers, the cooperatives, the tribes that are getting the money. There are opportunities to combine programs that are coming in through this infrastructure bill. If

building roads, doing pipelines, or doing airports - permitting can all be combined into one thing, hopefully through the Office of Broadband, and this money sent out the door and into the hands of the providers that are going to be giving the end-user that service they have been wanting. Over 200 communities in Alaska are not served at all, so people are looking forward to this infrastructure going in.

[4:10:06 PM](#)

CO-CHAIR FIELDS noted that the structure of setting up this Office of Broadband, which will cost a lot of money, and getting repaid by BEAD have not yet been discussed. He requested an explanation of how that would work.

MS. O'CONNOR replied that the [IIJA] provides \$5 million in funding to every state to begin this planning process and requires every state to have an Office of Broadband. Most states already do, but it prioritizes technical assistance to states that don't have an office. Also, once the state's plan is developed and approved and NTIA begins releasing most of the funds, 2 percent is set aside for administration and that would be paying for the office.

CO-CHAIR FIELDS stated that it is going to be important to educate the committee's colleagues that these are going to be planning costs borne by the federal government.

[4:11:36 PM](#)

REPRESENTATIVE MCCARTY stated he is hearing that there are many stakeholders across Alaska, with an "orchestration" of things going on, and funding coming from many different sources for broadband. He is therefore hearing that this is the plan for knowing all those different funding streams that are coming in to conduct this orchestra and ensure that some entities aren't just getting money and not using it for broadband or broadband infrastructure purposes.

MS. O'CONNOR responded that multiple agencies are putting major funding into broadband, which does seem very chaotic. At the federal level the major agencies have a newly formed interagency cooperation and coordination agreement, she explained. It is a priority because they want these funds to go where they are supposed to go, which is unserved areas. She said she has heard that NTIA is hiring a liaison person for each state, so NTIA will have a designated Alaska person which will also help with

coordination. The task force's vision was that the Office of Broadband would have the responsibility to pull all these pieces together and know what every federal agency and program is doing and coordinate that with Alaska's plan - it will be a big job.

MR. ANDREASSEN added that currently others are filling that space, but once an office is in place there will be the ability of much greater coordination at the state level within Alaska. Right now, the Alaska Municipal League is working with several partners on all things infrastructure, including project development and grant writing support and communication related to broadband, plus all the other different infrastructure buckets with AFN which currently has a broadband emphasis with the Rasmuson Foundation with the Denali Commission. Several critical stakeholders are trying to do some orchestration and at least make sure that everybody has the same sheet of music until such time as the [Office of Broadband] is stood up and the state can have a stronger role.

[4:14:51 PM](#)

CO-CHAIR FIELDS opened public testimony on HB 363.

[4:15:09 PM](#)

MICHAEL ("MAC") MCHALE, Chief Revenue Officer, Quintillion, provided public testimony during the hearing on HB 363. He stated that Quintillion is a broadband infrastructure company that provides service to rural areas within Alaska. Quintillion's interest, he continued, is technical expertise associated with managing what is going to be a huge infrastructure rollout. Technical expertise is important because there will be competing applications for these dollars that look at coming at unserved and underserved areas from different directions. Industry expertise will be needed to determine what is the most efficient approach, the most affordable, the most sustainable.

MR. MCHALE offered Quintillion's support for expanding the advisory board or having a technical subcommittee of the board, as long as the interest of all providers and all constituents are considered. He said Quintillion likes to stay neutral in terms of technologies and focus more on the applications of the problems to be solved. Quintillion has an extensive fiber network, operates microwave and a satellite ground station, and has partnerships with satellite players, so the company thinks all the technologies are important. It is important to have the

active engagement of expertise in solving the problem of what those technologies out to be applied to.

[4:17:41 PM](#)

MARK SPRINGER, Consultant, provided public testimony during the hearing on HB 363. He said he is working as a consultant to the Yukon-Kuskokwim Delta (YKD) Tribal Broadband Consortium, which currently has a membership of federally recognized tribes by the Yukon-Kuskokwim rivers. The Yukon-Kuskokwim rivers and Bering Sea coast are under the leadership of Chief Mike Williams of Akiak Native Community. The consortium is an applicant to NTIA for a hybrid middle mile and last mile system to bring broadband to every home in the consortium's member communities.

MR. SPRINGER thanked the sponsor of HB 363 and said he will speak to the process that HB 363 would set up to work toward the goal of bringing real broadband internet service to as many Alaskan communities and Alaskans as possible with the attendant economic benefits. He said it is essential that there be a technical subcommittee because the advisory board will be a high-level policy making board that writes regulations. This subcommittee should be comprised of internet service providers, instate satellite and fiber operators, Alaska telecommunications businesses, tribal broadband organizations, among others. Mr. Springer advised that mapping is going to be a big part of this. He said industry and the state must step up to the plate and make their [mapping] available either to the Office of Broadband or directly to the FCC. The companies know where every millimeter of their plant is, which is what the FCC is looking for in the served and unserved maps. Perhaps it can be done legislatively to encourage this to happen so that the FCC's completed maps can be seen by industry early. Regarding process, Mr. Springer recommended that advisory board meetings be convened in, and teleconferenced from, unserved and underserved areas. He said this would provide a more inclusive public process and give members and staff a broader view of rural Alaska's needs. He urged his colleagues across the state to ensure that tribal broadband efforts have a voice and that they are successful in a way that everyone can be proud of.

[4:21:43 PM](#)

ROBERT HIMSCHOOT, CEO/General Manager, Nushagak Electric and Telephone Cooperative, testified in support of HB 363, as written. He stated he has 34 years in telecommunications, 30 of those years in Southwest Alaska, and all the technologies being

discussed for deployment today he has deployed in Western Alaska as part of teams building networks. There will be room for all the technologies, he continued, but looking at scalability will be critical. He has never seen an opportunity like this to meet the needs of Alaska in general and the needs of rural areas [in particular]. Although the needs are here now, scalability is important because this isn't about the next year, or next three years, it is about the next 20 or 30 years.

MR. HIMSCHOOT related that Nushagak is a partner in two different NTIA applications. One is with a local tribal entity in Dillingham and the other is with 20 tribal entities that are cosigners on that application. There are good mechanisms in place right now, he said. There are growing partnerships with existing providers, and HB 363 sets up the Office of Broadband leaving its scope to evaluate and support those partnerships and come out with the best possible outcome with this unique opportunity.

[4:23:55 PM](#)

TOM BRADY, provided public testimony during the hearing on HB 363. He said the first step of the Office of Broadband should be creating a near-term and long-term strategy for solving problems. A key part of that strategy is estimating the cost and the time it will take to get broadband deployed across Alaska, as well as estimating the operating costs. None of the federal agencies dealing with broadband today has ever scoped the magnitude of problems, he stated. Over the last five years Alaska has received possibly \$1.5-\$2.0 billion in operating subsidies to telephone companies to keep the telephone network operating and deploying broadband in the "LTU cellular service," as well as subsidize services for schools, libraries, and health care. That has only moved the broadband needle about the width of the needle, he advised, and the problem is mainly organization.

MR. BRADY said the state is closest to the problem and needs to step into the role of orchestrating everything going on in broadband. A key part, he continued, is the economics of providing broadband in rural Alaska. The decisions must be guided by how much it is going to cost to do, how much money there is for doing it, and what it will cost to operate. Regarding capitalizing the Broadband Parity Adjustment Fund, he estimated that about \$30 billion would be needed to bring parity to 40,000 subscribers in rural Alaska because of the cost of the middle mile segment. So, he stressed, economics and a study of

the economics of providing broadband must be a key function of the Office of Broadband because only by doing that can informed decisions be made about how to implement and spend the money that is going to be [coming to Alaska].

[4:26:49 PM](#)

CO-CHAIR SPOHNHOLZ asked whether the \$30 billion would be the capital investment or be over a period of years.

MR. BRADY replied that he looked at what the Power Cost Equalization Fund was able to spend in subsidies for power. Depending on the price of broadband, upwards of \$350-\$400 million annually will be needed to get close to parity. So, about \$40 billion will be needed depending on how good the investments are on an annual basis.

[4:27:47 PM](#)

SHAWN WILLIAMS, Vice President of Government Affairs & Strategy, Pacific Dataport, Inc., provided public testimony during the hearing on HB 363. He noted that he was formerly the Assistant Commissioner of the Department of Commerce, Community, and Economic Development. He said his first of three recommendations for making the bill stronger for rural Alaskans is to address Alaska's missing middle mile. A statewide network is needed with ubiquitous coverage that quickly delivers broadband speeds and is economically sustainable long term without more subsidies. This can be done by using new satellite technologies like low earth orbit (LEO) and geosynchronous equatorial orbit high throughput satellites (GEO HTS). His second recommendation, he stated, is to remove terms like latency and scalable because these terms are often subjective and not technology neutral, serving only to exclude satellite as an option later. His third recommendation, he continued, is to ensure Alaska tribes, tribal consortiums, and non-telecom providers have access to these funds as eligible grantees. These organizations are currently deploying broadband to unserved villages in rural Alaska and the companies they are hiring have extensive broadband experience in Alaska.

MR. WILLIAMS said the IIJA allows states to customize their broadband office, awards, and recommendations, so Alaska [can customize] for its weak area - the missing middle mile. He urged that this right be exercised, and the bill be shaken over all of Alaska. He expressed his support for everything stated by Mr. McHale and Mr. Springer. He said Pacific Dataport

appreciates that the bill prioritizes the unserved and works to organize Alaska's broadband funding. He added that his company encourages the spirit of competition and anything that promotes broadband expansion, efficiencies, and lower prices.

[4:30:28 PM](#)

DOUG REDFOX, provided public testimony as a consumer during the hearing on HB 363. He spoke about the very slow service of the internet in Emmonak, an underserved area. For example, he related, today he couldn't get to his e-mail, and it kept timing out while he was trying to log in. He offered his belief that Emmonak has a microwave link coming from Bethel, which does not work as well as it should. He said he believes that the best route would be to have a fiberoptic cable coming from Nome or connecting outside the Bering Sea and coming up the Yukon River. He urged that the tribes along the Yukon River be helped with this bill.

[4:32:15 PM](#)

MICHAEL WILLIAMS SR., Chairman, Yukon-Kuskokwim Tribal Broadband Consortium, Chief of the Community, Chairman, Akiak Technologies, provided public testimony during the hearing on HB 363. He advocated that the focus be on building affordable middle mile, not more ongoing consumer subsidies. He said criteria should be cost to the customer, time to deployment, breadth of coverage, and sustainability without further subsidy. Competition needs to be promoted, he continued, no need to prioritize certain applicants, all the applicants must be served. He supported the inclusion of all telecoms, internet service providers (ISPs), and broadband providers for access to the funds, and that there should not be exclusion of tribes, tribal consortiums, satellite last mile providers, or satellite middle mile providers. He urged [that the bill] remain technology neutral and that anti-satellite terms like latency, future-proof, and reliability be removed, along with any other terms that would eliminate non-fiber options.

MR. WILLIAMS recommended that all telecoms and ISPs be required to contribute mapping data, prices, speeds offered, and asset coverage to help come up with a reasonable plan to get affordable broadband to everyone in rural Alaska now. New satellite technology, like LEO and GEO HTS, should be used to cover Alaska, and when fiber arrives to hook it up to the existing last mile in the community. He said Akiak is fortunate to currently have highspeed LEO, high speed internet, and is

making improvements. Akiak is the first in rural Alaska and is helping seventeen other tribes which are unserved in the region and next summer Akiak will be working with seven tribal communities. Working in partnership on affordable broadband is what is needed right now, and if fiber comes along in the future the communities will be ready.

[4:36:10 PM](#)

DANIEL FOOTE, President/CEO, DanTech Services, Inc., provided public testimony during the hearing on HB 363. He explained that his company supports end-users in Alaska with computer and network issues, and that poor connectivity limits his company's ability to provide quality support. He said he agrees with Mr. Springer that a broad range of technical expertise is needed for the subcommittees or committees involved in this process. Modern technology such as low earth orbit satellites can cover the vast expanse of Alaska quicker and more efficiently than any other method, he stated. Plus, it provides an offload point for what has consistently been an oversubscription model that fails to adequately deliver what has been promised.

MR. FOOTE said broadband adoption will allow resource utilization to find its best use by allowing end users a choice of services through competition, providing stable, quality, affordable internet access to rural Alaskans, and level the field when it comes to business, education, medical services, communication, and the quality of life that the citizens of Alaska deserve regardless of where they live. He urged that a bill be presented that is not exclusionary and that keeps the playing field level to Alaskans where internet access is concerned. He pointed out that Alaska was built through communication means that satellite systems provided and questioned why these systems would be excluded now when they are needed most. Alaska will be a better state for it as the current barriers to business and city or village management can be reduced. There is room for competition and ensuring that everybody is included in these processes, he added.

[4:38:18 PM](#)

PAUL JOHNSON, Nakaani Telecom, LLC, Yakutat Tribe, provided public testimony during the hearing on HB 363. He stated that Nakaani Telecom, LLC, represents a couple of Alaska Native tribes in rural Alaska. He said the [COVID-19] pandemic has taught that broadband is not a luxury but a necessity for daily living. He recommended that the advisory board be comprised of

members who live, work, and maintain primary residence in rural Alaska, given that nearly all underserved and unserved areas are in rural Alaska. He said he understands the concern for technical aptitude and noted that technical advisors can be technology agnostic. But, he continued, a certain level of knowledge and understanding of the intricacies of infrastructure within rural Alaska has been one of the biggest barriers.

MR. JOHNSON urged that tribes be included in the definition of anchor institutions because they are major players within Alaska's rural communities, sometimes taking over municipal government activities. He further urged that eligible grantees include the tribal sector even though they do receive funds from time to time. He maintained that current providers [should be required to] provide current service maps as well as details on what subsidies they receive and how much are they receiving to provide such services to residents within rural Alaska. Mr. Johnson related that during a presentation about the IIJA this morning he learned about the intention toward allocating broadband funding to states in the form of grants and so forth that are highly technology agnostic, meaning one approach is not favored over the other and expediency in addressing the broadband needs in rural America is the highest priority.

MR. JOHNSON said Nakaani Telecom believes that infrastructure procured or constructed through the use of public funds should remain within the domain of public entities, such as state, tribal, or municipal governments, following IIJA's approach of open access. This will provide the biggest opportunity for competition, he continued, and will ensure that Anchorage...

[Due to technical difficulties, 42 seconds of Mr. Johnson's testimony were not transmitted via teleconference. He testimony picked up mid-sentence:]

...and fund 229 potential partners for the state to collaborate with. Regarding development of the Office of Broadband, Mr. Johnson said there was much confusion during efforts to secure tribal inclusion in the most recent NTIA funding. Therefore, he continued, one role of the office should be as a clearinghouse for assisting and coordinating all applicable broadband funding; this should be part of the infrastructure and planning map. When tribes and Native corporations build infrastructure in areas of education, health care, and transportation, it serves to benefit all of Alaska, he added.

[4:41:30 PM](#)

[The committee took a brief at-ease due to technical issues.]

[4:42:47 PM](#)

CO-CHAIR FIELDS noted the sound system was now back up and everyone could once again hear the public testimony.

[4:43:19 PM](#)

BRITTANY WOODS-ORRISON, Broadband Specialist, Native Movement, Alaska Public Interest Research Group (AkPIRG), provided public testimony during the hearing on HB 363. She noted that Native Movement and AkPIRG are both nonprofits working as the intersection of public interest with Indigenous communities. She related that when she began her role seven months ago, she pursued everything related to broadband in Alaska, such as ISPs, government documents, nonprofits, and tribal projects. The search didn't last long, she continued, as she found limited provider information given few nonprofits are taking on broadband work. According to the 2014 Alaska Broadband Plan, she stated, there is minimal communication between stakeholders and no clear outreach to the unserved communities that are trying to connect. She therefore started connecting with national and international organizations to learn from and collaborate with. She related that these organizations were horrified to learn that people in communities like Shishmaref are paying \$1,000 or more per month for unreliable service.

MS. WOODS-ORRISON pointed out that thousands of children are growing up in villages without access to global digital service. These children witness their older relatives navigating unjust learning conditions while trying to stay connected to tradition of the land, each choice a compromise. She shared that she is a first-generation college graduate and new to this work. She is finding solutions for her people so the next generation will have the ability to access education, health care, remote work, and finding solutions to issues they face. She said she is paid full-time to do this work and it isn't easy for her to navigate this world with a college degree. So, she asked, how is it expected that those with limited time, knowledge, and guidance can be part of this movement?

MS. WOODS-ORRISON said it isn't a matter of whether Alaskans are going to get online but a matter of when, and they need the support to be part of this future. Many unserved communities in Alaska have the 2.5 gigahertz contiguous spectrum license and

she urged that they be educated on all the technology options so they can choose what is best for them. Collaboration is needed to meet them where they are at because as of right now it isn't online.

[4:45:44 PM](#)

CO-CHAIR FIELDS closed public testimony after ascertaining no one else wished to testify.

[4:46:05 PM](#)

CO-CHAIR FIELDS noted that some testimony suggested the bill as written might exclude provision of broadband through satellite. He asked whether that is accurate.

REPRESENTATIVE EDGMON answered no. He said the bill was painstakingly crafted to follow the recommendations of the task force along with the underlying federal law which requires that any service provided be technologically neutral and be steered through the Office of Broadband that works with an advisory group of Alaskans across the state as well as the federal and industry partners.

[4:47:05 PM](#)

CO-CHAIR FIELDS inquired whether it would be possible for communities currently without fiber to obtain broadband coverage through satellite and then obtain faster, cheaper coverage through fiber as fiber is extended.

MS. O'CONNOR replied yes, that has happened many times in the past. Satellite service has been an integral part of Alaska's rural networks for decades and the expectation is that this very viable service will continue to be used in the most remote areas for quite some time. Fiber and microwave can provide better, faster, and most importantly more capacity, so that is what the technical subgroup and full task force recommended be looked at with a fresh eye in remote areas considering this infrastructure funding. These resources have never been had before, so a reexamination is needed in those areas where it was thought that fiber would be unlikely.

REPRESENTATIVE EDGMON added that, as heard from testimony, there is a need for service now in a lot of areas that don't have adequate service. Coming from rural Alaska he understands what it is like being unable to download or send anything or

sometimes get cellular service. So, from his standpoint, the number one priority once the Office of Broadband is set up and money starts to flow is getting service to underserved and unserved areas.

[4:49:09 PM](#)

REPRESENTATIVE MCCARTY commented that it is exciting to see this going on but offered his hope that people will be protected from exposure to too much electromagnetic influence which can interrupt sleep.

[4:50:32 PM](#)

REPRESENTATIVE EDGMON thanked the committee for hearing HB 363.

[HB 363 was held over.]

[4:51:21 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 4:51 p.m.