

ALASKA STATE LEGISLATURE
SENATE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

March 24, 2022

3:30 p.m.

MEMBERS PRESENT

Senator Shelley Hughes, Chair
Senator Robert Myers, Vice Chair
Senator Elvi Gray-Jackson

MEMBERS ABSENT

Senator Lyman Hoffman
Senator David Wilson

COMMITTEE CALENDAR

PRESENTATION: RECOMMENDATIONS OF THE GOVERNOR'S TASK FORCE ON BROADBAND

- HEARD

PRESENTATION: PRELIMINARY PLANS FOR THE OFFICE OF BROADBAND & BROADBAND INFRASTRUCTURE

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

JULIE SANDE, Commissioner Designee
Department of Commerce Community and Economic Development
Anchorage, Alaska

POSITION STATEMENT: Provided opening remarks on Broadband.

HALLIE BISSETT, Chair
Governor's Task Force on Broadband
Anchorage, Alaska

POSITION STATEMENT: Co-presented the slideshow on the recommendations of the Governor's Task Force on Broadband.

CHRISTINE O'CONNOR, Chair

Technical Subcommittee
Governor's Task Force on Broadband
Anchorage, Alaska

POSITION STATEMENT: Co-presented the slideshow on the recommendations of the Governor's Task Force on Broadband.

MICAELA FOWLER, Acting Deputy Commissioner
Department of Commerce, Community and Economic Development
Juneau, Alaska

POSITION STATEMENT: Co-presented the slideshow on the preliminary plans for the Office of Broadband and broadband infrastructure.

LISA VON BARGEN, Project Manager
Office of the Commissioner
Department of Commerce, Community and Economic Development
Anchorage, Alaska

POSITION STATEMENT: Co-presented the slideshow preliminary plans for the Office of Broadband and broadband infrastructure.

ACTION NARRATIVE

[3:30:49 PM](#)

CHAIR SHELLEY HUGHES called the Senate Community and Regional Affairs Standing Committee meeting to order at 3:30 p.m. Present at the call to order were Senators Gray-Jackson, Myers, and Chair Hughes.

PRESENTATIONS ON BROADBAND INFRASTRUCTURE

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CHAIR HUGHES stated that the committee would hear two presentations relating to broadband infrastructure, beginning with opening remarks by the Department of Commerce, Community and Economic Development (DCCED) Commissioner Designee Julie Sande.

[3:32:09 PM](#)

JULIE SANDE, Commissioner Designee, Department of Commerce Community and Economic Development (DCCED), Anchorage, Alaska, stated that this is a transformative time in history as both tribal entities and the State of Alaska have substantial federal resources to jointly deploy for the purpose of improving access to broadband in rural Alaska. She relayed that this is important to her professionally and personally, having grown up in very remote and rural logging camps in Southeast. It was a unique and

worthwhile experience for which she is grateful, but it was very different than living in urban Alaska. She knows firsthand what a difference it will make to have broadband connectivity in similar situations. Expanding broadband throughout Alaska will provide health, economic, and educational opportunities for residents in rural Alaska. She said she feels privileged to have broadband housed within DCCED.

COMMISSIONER DESIGNEE SANDE stated that in the near term the work that will be done will be based on the recommendations of the Broadband Task Force, the guidelines outlined in the Infrastructure Investment and Jobs Act (IIJA), and guidance from the responsible federal agencies and pending state legislation. The office is expected to be fully staffed by the end of June and will adhere to the Broadband Equity Access Deployment Act (BEADA) and the Digital Equity Act (DEA). She expressed hope that this effort will provide possibilities for remote and rural Alaskans for generations.

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CHAIR HUGHES asked how the department plans to improve economic development and strengthen communities through the use of broadband.

COMMISSIONER DESIGNEE SANDE answered that the focus in the near term is to standup the office, talk about position descriptions, and ensure that all the BEAD and DEA requirements are checked off. Once there is reliable connectivity, the possibilities for rural Alaska over the long term are endless. There are very talented people living in remote off-the-road-system areas who are very willing and able to work if there is reliable connectivity. Opportunities in education and telehealth will also help drive the economies in these areas once there is reliable connectivity.

CHAIR HUGHES urged her to begin those conversations earlier rather than later because individuals and communities are already raring to get started. She also urged the Department of Labor and Workforce Development (DOLWD) commissioner to start planning on how to provide training for the different types of jobs that will be available. If nothing else, she said the pandemic showed that people are able to work remotely.

CHAIR HUGHES thanked Commissioner Designee Sande and transitioned to the first presentation.

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At ease.

**Recommendations of the Governor's Task Force on Broadband
Presentation**

[3:39:09 PM](#)

CHAIR HUGHES reconvened the meeting and announced the presentation on the recommendations of the Governor's Task Force on Broadband.

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HALLIE BISSETT, Chair, Governor's Task Force on Broadband, Anchorage, Alaska, began the presentation on slide 2 with a description of the Governor's Task Force on Broadband. She highlighted the following:

- The task force was created by Administrative Order 322
- The task force is comprised of 11 voting and two ex officio members
- The group was charged with eight specific tasks. Those are described in the report and the recommendations are in the appendix. The group incorporated much of the information from past taskforces
- The task force had a technical subgroup and a policy subgroup
- 32 public meetings were held

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CHRISTINE O'CONNOR, Chair, Technical Subgroup, Governor's Task Force on Broadband, Anchorage, Alaska, stated that her job on the task force was to manage the technical subgroup. This entailed looking at all the different technologies in use to deploy and serve Alaskans with broadband. She pointed to the list on slide 3 of the members of the technical subgroup, noting that it has good representation from unserved areas. She noted that she too grew up in rural Alaska so she knows first hand how limiting it is to be without broadband.

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MS. O'CONNOR advanced to slide 4 and described the first recommendation that came from the technical subgroup and adopted by the full task force. Recommendation 1 is to prioritize broadband service for all Alaskans, which includes the large number of unserved and underserved people in the state. The subgroup knew the language in the proposed Infrastructure, Investment, and Jobs Act (IIJA) and the report was shaped to

take advantage of those opportunities. The report included definitions for "unserved" and "underserved" locations.

MS. O'CONNOR advanced to slide 5 and explained that the subgroup was asked to define the gaps in broadband service. A gap was defined as anyplace that did not have the following qualifications:

- Speeds: 100/20Mbps
- Latency: less than 100 milliseconds, sufficient for real-time applications like 2-way video
- Data usage: comparable to urban markets
- Reliability: 24/7 service with minimal downtime and resistant to single points of failure

MS. O'CONNOR said that once these gaps were identified, the Technical Subgroup was able to move forward with additional recommendations. She highlighted that many of the gaps are caused by the lack of middle-mile capacity, which is the network segment that provides connection between communities. She explained that Alaska's internet feeds through undersea and overland connections from Seattle and is transmitted from community to community. That service has large gaps so the Alaska Office of Broadband must identify where more capacity is needed to fill those gaps now and establish standards that are able to evolve as technology changes and the need for additional capacity grows in the future. Broadband is more important this year than last and will be more important next year than it is this year.

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MS. O'CONNOR conveyed that the Technology Subgroup's decision was to give preference to fiber optic cables to fill the middle mile gaps wherever it is feasible and practical. Fiber optic has almost unlimited capacity and lower operating costs once the line built. However, the subgroup also recognized that in some extremely remote areas, the use of microwave and satellite technology may be more practical than fiber. Most providers in Alaska are using these technologies to provide service today and they shouldn't be excluded going forward.

MS. O'CONNOR advanced to slide 8, Don't Widen the Digital Divide, and emphasized the importance of the message in the text:

[Original punctuation provided.]

Policymakers should also recognize the importance of **minimizing the disparity in access to broadband service** that may develop because of fast-paced technological evolution and strive to ensure that equitable development continues to occur.

She stated that without good planning, rural Alaska could be left behind. Fortunately, the federal infrastructure law identifies unserved areas as the number one priority for deploying broadband.

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MS. O'CONNOR advanced to slide 9, Ensure Accurate Maps, and discussed the following points:

[Original punctuation provided.]

Accurate, granular broadband availability and infrastructure **maps should define where unserved and underserved areas exist.**

The Office of Broadband Deployment should commit to the utilization of world-class broadband **data and mapping analytics**, leveraging available data sources to avoid a duplication of efforts.

She relayed that the Federal Communication Commission currently is developing very granular maps to identify what broadband technology is available in each home in the US. The mapping should be complete next year and according to the federal infrastructure law, those maps will be used to identify the prioritized unserved and underserved locations.

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CHAIR HUGHES asked how "underserved" and "unserved" are defined.

MS. O'CONNOR answered that the federal law provides specific definitions. The term "unserved" means a location that does not receive 25 Mbps download and 3 Mbps upload speeds. According to the federal law, that is the number one priority of this funding. The term "underserved" means a location is unable to get 100 Mbps by 20 Mbps service. According to the federal law, the number two priority is to achieve these speeds in underserved areas. The federal law also has a third priority, which is to provide service to anchor institutions. She opined that once 100 Mbps service can be provided to an entire community, there will already be the capacity to serve anchor

institutions. She said her sense is that listing anchor institutions as the third priority ensures that they won't be missed.

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CHAIR HUGHES asked if the 20/3 mbps and 100/20 Mbps speeds refer to the service to a household.

MS. O'CONNOR answered yes; it's a home or small business, but her understanding is that the focus is on residences to ensure that each individual has those speeds available in their home.

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MS. BISSETT discussed the compositions and recommendations of the Policy Subgroup, starting on slide 10. She highlighted the group's first recommendation to establish an Office of Broadband Deployment, which was also in the federal law. She noted that Alaska was among the very few states that didn't already have a broadband office. There were several models to choose from and the decision was to establish the office based on the money coming to the state for this purpose. The office will be central for all things related to broadband, and the coordinator for all the BEAD Act and other money that's coming to Alaska. The National Telecommunications and Information Administration (NTIA) funds for tribes will also play a large role.

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MS. BISSETT discussed the Policy Subgroup's second recommendation, which is to establish a state broadband advisory board (SBAB) as outlined on slide 12. It will serve as the central point to receive feedback from the public. It read:

[Original punctuation provided.]

The State should establish a State Broadband Advisory Board (SBAB) to provide guidance to the Office of Broadband Deployment, representing local, Tribal, education, health, business, and the general public's interests.

MS. BISSETT discussed the Policy Subgroup's third recommendation, which is to strengthen tribal partnerships. \$3 billion is available to tribal to deploy broadband. There are 574 tribes in the US, 229 of which are in Alaska. Each tribe initially was eligible to receive about \$0.5 million for technical support and nearly all of the Alaska tribes were about

to apply for those grants. Just four have been awarded thus far but more are expected by mid-June. Slide 13 read as follows:

[Original punctuation provided.]

The Office of Broadband Deployment should work closely with Tribal governments, consortia, and other Alaska Native entities to identify ways in which to **collaboratively address the gaps** that may be experienced across the state, leverage available resources, and to ensure equitable development.

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CHAIR HUGHES asked if the expectation was that Alaska tribes would receive about half of the \$3 billion since about half the tribes in the US reside in Alaska.

MS. BISSETT answered that it's not working out that way but the NTIA representative will be in Alaska on April 11 and the Policy Subgroup will meet with him at that time.

MS. BISSETT advanced to slide 14 to discuss the next recommendation, which is to prioritize local workforce development. She said the picture of the telecom worker with icicles in his beard demonstrates that it takes a special workforce to get the job done for telecommunications and fiber optics. In fact, just three companies in the world can lay subsea fiber. When there is such high demand for a workforce, it makes sense to prioritize training to develop a local workforce that will be ready to go when it's time to install this infrastructure.

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MS. BISSETT reviewed slide 15, Affordability. It read as follows:

[Original punctuation provided.]

Policymakers should recognize that **affordability is an important element** in defining where gaps in broadband infrastructure exist. Policymakers should also recognize that **affordability is driven by underlying costs** associated with Alaska's unique operational environment and that **partnerships** between service providers and state and federal programs are important in achieving affordable service delivery to end-users.

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MS. BISSETT reviewed slide 16, Broadband Parity Adjustment:

[Original punctuation provided.]

In recognition of the scale of the investment necessary to bring adequate broadband infrastructure into every Alaska community, policymakers should create a Broadband Parity Adjustment that **supports equitable broadband costs** across Alaska's high-rate areas as compared with those in low-rate communities.

She explained that this is similar to the power cost equalization (PCE) funds.

CHAIR HUGHES relayed that as a task force member, she struggled with the parity adjustment because she didn't want to recreate a PCE type situation. Rather, she wanted to deploy the IIJA funds for broadband in the best way possible so that the cost for internet service eventually will be the same for someone in a remote village as it is for someone like Senator Gray-Jackson at her home in Anchorage.

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SENATOR MYERS asked whether parity will be similar to PCE or the universal service charge on telephone bills.

MS. O'CONNOR answered that the task force recommended the parity adjustment to help consumers in very high cost areas, which is what PCE does, but they left it to the legislature to decide whether or not to adopt the offset and how it would work. She added that an encouraging trend that predates the infrastructure bill is that the costs to consumers are coming down as grant-funded projects are built to expand middle mile capacity. The expectation is that there will be more of this going forward.

SENATOR GRAY-JACKSON mentioned an earlier discussion in her office about astronomical overage charges and indicated she would appreciate some discussion on that topic.

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CHAIR HUGHES asked Ms. O'Connor if she was aware that some people address the issue of overages by purchasing two plans, one for business and one for residential service.

MS. O'CONNOR answered that Senator Gray-Jackson was referring to a story about a joint project between an existing community-

based broadband provider and a group of tribes that have submitted an application for the tribal broadband grant program that Ms. Bissett mentioned. Those villages have very limited access to broadband so streaming is not economically feasible. The people who were talking to Senator Gray-Jackson were talking about building a fiber network. It has almost unlimited capacity and would eliminate the need for data caps and overage charges.

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CHAIR HUGHES thanked both presenters.

**Preliminary Plans for the Office of Broadband & Broadband
Infrastructure Presentation**

[4:01:42 PM](#)

CHAIR HUGHES announced the presentation on the preliminary plans for the Office of Broadband and deployment of broadband infrastructure.

[4:02:20 PM](#) **22**

MICAELA FOWLER, Acting Deputy Commissioner, Department of Commerce, Community and Economic Development, Juneau, Alaska, began the presentation on slide 2, National Telecommunications and Information Association (NTIA) - State Broadband Programs. It read as follows:

\$42.5 B - Broadband Equity, Access, and Development Program (BEAD)

- Unserved locations - defined as no access to 25/3 Mbps
- Underserved locations - defined as no access to 100/20 Mbps
- Community anchor institutions - defined as lacking gigabit connections

\$2.75 B - Digital Equity Act (DEA) Programs - prioritizes individuals who are:

- Aging
- Incarcerated
- Have a language barrier
- Primarily reside in a rural area
- Veterans
- Live in households earning at/below 150% of the poverty line
- Individuals with disabilities
- Members of a racial or ethnic minority group

\$1 B - Enabling Middle Mile Infrastructure

- Competitive Grant with broad eligible entity list that includes Tribal governments, Utilities, Nonprofits

MS. FOWLER said the foregoing highlights the funding opportunities for state government from the Infrastructure Investment and Jobs Act (IIJA). She noted that \$2 billion was also added for tribal governments as well as amended requirements for the Tribal Broadband Connectivity Program established under the 2021 Consolidated Appropriations Act. Those funds are administered directly to the tribes by NTIA.

CHAIR HUGHES asked which funding pot for tribal programs she was referring to.

MS. FOWLER clarified that she was referencing funding for tribes that is not on the slide. Slide 2 only shows state programs, not funds going directly to tribes. \$2 billion goes directly to tribes and \$1 billion goes to tribes through IIJA from the Tribal Broadband Connectivity Program.

CHAIR HUGHES asked if all the money identified on the slide comes from IIJA.

MS. FOWLER answered yes.

She relayed that the largest pot of money (\$42.5 billion) comes from the Broadband Equity, Access, and Development (BEAD) Program. Ms. O'Conner explained that BEAD prioritizes unserved and underserved areas and anchor institutions. The minimum allocation for the state will be \$100 million, although the expectation is that the state will receive more than that. The notice of funding opportunity for this program probably won't be posted until mid-May, so there are many questions the department is unable to answer at this point.

[4:05:33 PM](#)

CHAIR HUGHES asked if the estimated \$5 million to deploy the Office of Broadband will come from the \$100 million.

MS. FOWLER answered yes; once the notice of funding opportunity is released, DCCED's letter of intent will trigger a commitment to produce a 5-year plan and allow access to up to \$5 million of that \$100 million allocation to cover planning and administrative costs.

MS. FOWLER stated that Ms. Von Bargaen will discuss the other two funding sources during her presentation. She continued to say that in light of the earlier questions, she would skip to slide 6 to show the funding timeline for deploying NTIA funds. Step 1 is the Notice of Funding Opportunity (NOFO) and DCCED is currently waiting for that notice. Ms. O'Conner and Ms. Von Bargaen have been working closely to ensure that the nationwide mapping to identify the underserved and unserved areas is accurate for Alaska. In this process the state and the providers give data and feedback to the FCC contractor, CostQuest, to ensure that the map accurately reflects the varied situations in Alaska. The fabric of that map will determine how much of the \$42.5 billion will be deployed in Alaska versus other states.

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CHAIR HUGHES asked if she had heard of any of the Lower 48 states or Hawaii that have the degree of underserved and unserved areas as Alaska.

MS. FOWLER answered no and deferred response to Ms. O'Connor.

CHAIR HUGHES stated her preference to finish the department's presentation before hearing Ms. O'Connor's response.

4:10:21 PM

MS. FOWLER advanced to slide 3 that shows the starting point for the Office of Broadband. She explained that part of the initial funding to stand up the office came from an Economic Development Administration - Statewide Planning Grant. Those funds came to the state and the legislature authorized the department to use that as bridge funding to fill some positions before the BEAD dollars were available.

MS. FOWLER said a lot of how the BEAD funding should be deployed is still undefined so the department established a couple of priorities when it started to design the Office of Broadband. First was to design the office to be small but easily scalable so positions could be added if and when it becomes necessary. Emphasis will be placed on capturing people with the right technical expertise and who also have the right understanding of the state of Alaska and what it will take to get this work done.

CHAIR HUGHES asked when she expects the jobs to be posted.

MS. FOWLER answered that the department hopes to get the jobs posted in May so they can be hired by June.

MS. FOWLER said a second priority in establishing the Office of Broadband was to build in some sort of sunset review process because it isn't known whether there will still be federal funding in five or so years. The notion is to keep from creating a large bureaucracy that eventually requires UGF funding.

CHAIR HUGHES asked if the "Initial Funding" shown on the bottom of the slide is to run the office for five years.

MS. FOWLER answered that the \$212 thousand Economic Development Administration - Statewide Planning Grant and the \$5 million BEAD Five Percent for Administration and Planning Grant will fund the office for five years. The \$1 million DEA Formula Funding Planning Grant is not just for running the office, but the office will be working on the associated planning grant. She noted that subsequent slides address that grant funding in more detail.

[4:13:45 PM](#)

LISA VON BARGEN, Project Manager, Office of the Commissioner Department of Commerce, Community and Economic Development (DCCED), advanced to slide 4, State Comments on BEAD and DEA Programs. She said all six themes outlined on the slide are important to the state, but in the interest of time she would only discuss the third point that read:

Take Alaska into account when creating "high-cost" area definition

- *10% of BEAD funding reserved for high-cost areas
- *Alaska is an extreme outlier and should be prioritized

MS. VON BARGEN relayed that the definition of a high-cost area is an unserved area in which the cost of building out broadband service is higher as compared to the average cost of building out broadband areas in unserved areas of the United States. The factors that are considered in determining high-cost are things like the remote location of the area, the lack of population density, unique topography, the high rate of poverty, and "any other factor identified by the assistant secretary of commerce." In comments to NTIA, the state sought a clear definition for "any other factor identified." The state also wanted to make sure that NTIA's full definition and the high cost formula took into consideration the vast difference in the high cost to deploy in Alaska compared to any high-cost area in the rest of the US because that is a massive factor.

[4:16:34 PM](#)

MS. VON BARGEN advanced to slide 5, to discuss the BEAD initial and near-term scope of work for the Office of Broadband. She recapped that the Broadband Equity Access and Deployment Program has a \$100 million state allocation and the state is allowed to use \$5 million or five percent of the allocation for planning and some administration of the Broadband Office. The Notice of Funding Opportunity will be released by May 15, 2022 as required by IIJA. After that the department has to file a Letter of Intent. She said the guidance about the turnaround time for issuing the Letter of Intent will probably be in the NOFO, but it's a misnomer to call it that because it's really a significant piece of work that addresses six broad categories in IIJA related to broadband planning. She restated that in the interest of time she discussed just one of those items but she'd be happy to provide the detailed list if the committee so desired.

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CHAIR HUGHES asked if the Letter of Intent has to show that there is a plan to set up of the Office of Broadband.

MS. VON BARGEN answered yes and the number one item is to show the details of the existing program or office of the eligible entity.

MS. VON BARGEN continued to say that once the Letter of Intent has been submitted to NTIA and approved, the \$5 million planning grant will be available. A specific requirement is for the state to development a Five-Year Action Plan. This is the roadmap for deploying broadband infrastructure to achieve the goal of broadband for everybody in the state. It includes the methodology for prioritizing projects to serve unserved locations, the technical assistance requirements, and the timeframe for achieving universal broadband service buildout within the state. This achieves the task force's goal of broadband for everybody.

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CHAIR HUGHES asked if the deadline for completing the buildout is five years. She added that she was trying to understand when the broadband capacity will be fairly good throughout the state.

MS. VON BARGEN said she didn't have an answer, but Ms. O'Conner might know.

CHAIR HUGHES asked Ms. O'Connor to respond to the question after the presentation is finished.

MS. VON BARGEN said that while the state doesn't know what the turnaround time is for the Five-Year Action Plan, the administration is approaching these efforts from the perspective that time is of the essence.

MS. VON BARGEN said her final comment on slide 5 is about the deployment funding under BEAD. As previously mentioned, additional formula funding is available for high-cost areas. Additional formula funding is also available for unserved and underserved areas. The unserved funding is based on dividing the number of unserved locations in the state by the total number of unserved locations in the US, multiplied by a quotient that is outlined in IIJA. She highlighted the importance of the fabric mapping, because that is what will be used to determine how many locations Alaska has and how many of those are served, underserved, and unserved. That will be the information that is used in the formula funding for Alaska to receive money on the unserved allocation.

[4:22:38 PM](#)

MS. FOWLER returned attention to slide 6 that shows the funding timeline for deploying NTIA funds. She said it's helpful to recognize how much stakeholders, nonprofits, industry, and state employees are already undertaking to make sure the state is well positioned to meet the deadlines to receive the NTIA funding. She noted that the four blue areas identified on the timeline are where the state needs to take action.

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MS. VON BARGEN advanced to slide 7, to discuss the Digital Equity Act (DEA) initial and near-term scope of work for the Office of Broadband. She explained that DEA is about ensuring that people have the ability to access broadband once it is available to their home or business and that they have information technology capacity for full participation in society and the economy. It means they also have access to devices and applications that meet the needs of the user and the skills associated with using technology to find, evaluate, organize, create, and communicate information.

MS. VON BARGEN reviewed the bullet points on slide 7:

Digital Equity Act (DEA)

- Three Components
 - Planning Grants (\$64 Million Nationwide)
 - Capacity Grants
 - Competitive Grants
- Formula Based Funding Allocation
- Planning Grant NOFO Estimated Release Mid-June 2022
- NOI due within 60 days of NOFO
- Planning Grant Awarded (estimated \$1 Million+)
- Digital Equity Plan due within 1 year of award

Additional Funding (under DEA)

- Capacity Grants
- Competitive Grants

MS. VON BARGEN explained that the formula for both the Planning and Capacity grants is based on 50 percent total population and 25 percent covered population, which includes the individuals listed on slide 2. Once the NOFO is released in mid-June the department anticipates the Notice of Intent for the DEA planning will need to be returned to NTIA by mid-August. Once NTIA gives approval, about \$1 million will be awarded to the state for the Planning Grant. The state will then have one year to develop the Digital Equity Plan. That plan will have to identify the barriers to digital equity and the solutions to achieve digital equity in the covered population.

She highlighted that the amount available nationwide from the DEA Competitive Grant is \$1.25 billion. It is designed to support efforts to achieve digital equity and spur greater adoption of broadband among covered populations. These grants are open to states, tribal entities, anchor institutions, nonprofit organizations, educational institutions, and others.

[4:28:45 PM](#)

MS. FOWLER reviewed slide 8, Implement Task Force Recommendations:

Task Force recommendations include:

- Prioritize Accurate Data; Efficiently Obtained
- Create Broadband Development Planning Areas
- Establish State Broadband Advisory Board
- Ensure and Strengthen Tribal Partnerships
- Partner with Alaskans
- Establish a Vision for State Broadband Policy
- Streamline State Permitting
- Advocate for Improved Federal Permitting

MS. FOWLER referenced an earlier question and advised that part of establishing the state Broadband Advisory Board and partnering with Alaskans means doing a lot of outreach throughout Alaska to identify what local communities see as their opportunities. The state recognizes the importance of partnering with the Alaska Regional Development Organizations (ARDORs) to identify the economic opportunities that broadband connectivity will open throughout Alaska, incorporating that into the Statewide Comprehensive Economic Development Strategy (CEDS). She said we want to make sure we're working proactively so we don't waste this unique opportunity.

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CHAIR HUGHES urged the department to start the conversations about how to strengthen and improve communities now. She also encouraged DCCED in stay in touch and work with the Department of Labor and Workforce Development (DOLWD), the Department of Education and Early Development (DEED), and the university in this effort. She said the workforce shortage is widespread and the state needs to gear up to help open up opportunities.

CHAIR HUGHES asked Ms. Von Bargaen if she'd heard talk about job training and other economic opportunities coming to rural areas once broadband capacity has expanded nationwide.

MS. VON BARGEN answered that she imagines that those discussions will be starting very soon.

CHAIR HUGHES commented on the shortage of teachers in the state and the potential opportunity to train teachers virtually once broadband capacity is expanded throughout the state. She asked Ms. Von Bargaen to let her know if she hears anything about that.

CHAIR HUGHES asked what the governor's stance was currently on a broadband bill and if it would be problematic if one didn't pass. She noted that Representative Edgmon and the Senate Labor and Commerce Standing Committee both had introduced broadband bills.

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MS. FOWLER answered that both of those bills follow the guidelines and recommendations of the task force and are aligned with the work the department has done. Both bills give clear legislative guidance for the work the state will be undertaking, which is beneficial. It would not stop the administration from

moving forward if neither bill were to pass, but it is an opportunity for the legislature to weigh in and give direction.

CHAIR HUGHES asked Ms. Von Bargaen if she had reviewed the bills and if she had any closing comments.

MS. VON BARGEN asked if she was asking about whether she had read the bills moving through the Alaska Legislature or if she had read the infrastructure bill.

[4:37:39 PM](#)

CHAIR HUGHES asked if she had read the bills moving through the Alaska Legislature to establish the Office of Broadband.

MS. VON BARGEN answered that she had read those bills and provided comments through the appropriate legislative liaison. She agreed with Ms. Fowler that the bills are a useful tool.

CHAIR HUGHES asked Ms. O'Connor to address the questions that were posed during the department's presentation.

MS. O'CONNOR said she couldn't answer the first question about how the number of unserved locations in Alaska compares to the number of unserved locations nationwide until there is new nationwide mapping that provides that data. The old maps defined served or unserved by census block and the federal regulations say that if any location within a census block is served, then the entire block is identified as served. She said the high-cost definition is expected to direct a lot of funding to Alaska.

CHAIR HUGHES recalled that the allocation for areas defined as high-cost was 10 percent of \$3 billion. She asked if that was correct.

MS. O'CONNOR clarified that it is 10 percent of the \$42.5 billion allocated for the NTIA Broadband Equity, Access, and Development (BEAD) Program. Roughly \$4 billion will be allocated to high-cost areas based on a percentage of comparison of population. This funding is particularly important for Alaska and is in addition to the \$100 million allocated to every state.

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CHAIR HUGHES asked what the estimate was three or four years ago to get good broadband across the state.

MS. O'CONNOR answered that the 2014 task force did a broad estimate of \$1.2 billion. The gaps are smaller now, but there isn't a fresh estimate.

CHAIR HUGHES asked if she agreed that there should be sufficient funding for Alaska to have a robust broadband system throughout the state.

MS. O'CONNOR replied that she wasn't sure there was enough for universal service that's in the bill but it will be very close.

CHAIR HUGHES asked if it would be accurate to say that broadband is better when there are fewer microwave hops.

MS. O'CONNOR said she believes that the issue with microwave is that it handles less capacity than fiber.

CHAIR HUGHES asked Ms. O'Connor to address her second question [about the deadline for the buildout].

MS. O'CONNOR said the bill talks about a four-year buildout. It also says the deadline can be extended for good cause if the state has a plan in place. Extensions can also be granted for extenuating circumstances. She highlighted the important factor that has been developed since the bill passed is the extreme supply chain delays. For example, fiberoptic cable currently is backordered 80 weeks. Lack of workforce may also delay these projects.

CHAIR HUGHES asked whether the four-year buildout was within or in addition to the five-year plan period.

MS. O'CONNOR said she believes that it's within the five-year plan period.

[4:44:30 PM](#)

CHAIR HUGHES asked if she believes everything will be deployed and up and running in the 2026 to 2028 timeframe.

MS. O'CONNOR answered that it might not be everything, but a significant amount should be deployed and up and running in that timeframe. It helps that \$100 million in middle mile projects have already been awarded through the USDA program and construction will start this summer.

CHAIR HUGHES asked Ms. Bissett to talk about low Earth orbit (LEO) satellites and whether the infrastructure bill provides an

opportunity for LEOs to be part of deploying broadband throughout Alaska. She also offered her belief that there should be redundancy plans, similar to what is provided on electric grids.

[4:47:01 PM](#)

At ease.

[4:47:26 PM](#)

CHAIR HUGHES reconvened the meeting.

CHAIR HUGHES noted that the committee could not hear Ms. Bissett and requested she submit her comments in writing.

CHAIR HUGHES asked Ms. O'Connor to talk about LEOs.

MS. O'CONNOR said the infrastructure bill defines "unserved" and "underserved" and requires any new project to deliver 100 Mbps service with low latency or latency that allows videoconferencing. Her understanding is that low Earth orbit satellites have this capability and she believes that satellite capacity will be needed going forward. NTIA will provide more details in the Notice of Funding Opportunity (NOFO) and then it will be up to the Office of Broadband, in consultation with communities and others, to develop the plan. She said the Act is technology neutral so it's less about the specific technology and more about delivering the service. To the comment about redundancy, she said \$1 billion has gone into a middle-mile program, and one eligible use is to enhance redundancy.

[4:49:55 PM](#)

At ease.

[4:50:19 PM](#)

CHAIR HUGHES reconvened the meeting.

MS. VON BARGEN advised that she could read Ms. Bissett comments about LEOs. She read the following:

LEOs will have similar supply chain issues. I am told you need hundreds of them deployed for the system to work, so even those won't be immediate satisfaction. The estimate she heard is four years.

The fiber will complement the LEOs and provide that redundancy that you spoke about.

[4:51:42 PM](#)

At ease.

[4:53:01 PM](#)

CHAIR HUGHES reconvened the meeting. She noted that Ms. O'Connor wanted to talk about the workforce training opportunities.

MS. O'CONNOR advised that the bill says that one of the eligible uses of the DEA competitive grants is for training programs for covered populations or other workforce development programs.

CHAIR HUGHES thanked the presenters.

[4:54:35 PM](#)

There being no further business to come before the committee, Chair Hughes adjourned the Senate Community and Regional Affairs Standing Committee meeting at 4:54 p.m.