

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

February 15, 2023

3:16 p.m.

**MEMBERS PRESENT**

Representative Jesse Sumner, Chair  
Representative Mike Prax  
Representative Dan Saddler  
Representative Stanley Wright  
Representative Ashley Carrick  
Representative Zack Fields

**MEMBERS ABSENT**

Representative Justin Ruffridge, Vice Chair

**COMMITTEE CALENDAR**

PRESENTATION(S): OVERVIEW FROM STATE OF ALASKA BROADBAND

- HEARD

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

THOMAS LOCHNER, Director  
Alaska Broadband Office  
Department of Commerce, Community, and Economic Development  
Anchorage, Alaska

**POSITION STATEMENT:** Gave a PowerPoint presentation, titled "Alaska Broadband Office Update."

**ACTION NARRATIVE**

[3:16:07 PM](#)

**CHAIR JESSE SUMNER** called the House Labor and Commerce Standing Committee meeting to order at 3:16 p.m. Representatives Prax, Carrick, and Sumner were present at the call to order. Representatives Wright, Saddler, and Fields arrived as the meeting was in progress.

**PRESENTATION(S) : OVERVIEW FROM STATE OF ALASKA BROADBAND**

3:16:40 PM

CHAIR SUMNER announced that the only order of business would be a presentation, titled "Overview from State of Alaska Broadband."

3:17:37 PM

THOMAS LOCHNER, Director, Alaska Office of Broadband, Department of Commerce, Community, and Economic Development, gave a PowerPoint presentation, titled "Alaska Broadband Office Update" [hard copy included in the committee packet]. He stated that the Alaska Office of Broadband was formed in September of 2022. He continued to slide 2 and gave an overview of the office's hierarchy and positions. He explained that the office currently has three of its four positions filled and is continuing its work in setting up and becoming effective. On slide 3, he gave a brief overview of the Broadband Advisory Board, which includes members of the public, government officials, and various other representatives from different parts of Alaska business and industry.

MR. LOCHNER continued to slide 4 and slide 5 and stated that the majority of funding for the Alaska Office of Broadband is coming from the Infrastructure Investment and Jobs Act (IIJA), with \$42 billion allocated to broadband equity, access, and deployment (BEAD) throughout the United States. He stated that the money goes to the states for usage in grants to build broadband infrastructure in areas without access to broadband. He stated that IIJA also allocated \$640 million for administrative costs associated with the set-up of programs and offices needed to administer the grants.

3:21:23 PM

MR. LOCHNER moved to slide 6 and gave an overview of digital equity, inclusion, and literacy. He stated that the three types of grants coming from IIJA for these issues are planning, capacity, and competitive grants. He said that Alaska has been awarded a grant of \$567,800 for planning, with the latter two grant awards pending. He stated that these grants are focused on helping populations with less access or ability to navigate an increasingly digital world. He gave an example of the diverse technology a person released from 20 years of incarceration would face.

MR. LOCHNER continued with slide 7 and gave an overview of the funding and disbursement of the allocated \$42 billion. He stated that there would be a minimum \$100 million allocation for all 50 states, and 10 percent of the \$42 billion would be allocated for "high cost" areas in the U.S. He gave the definitions of service for broadband in relation to download and upload speeds: unserved is less than 25 megabytes per second (Mbps) download and 3 Mbps upload, and underserved is less than 100 Mbps download and 20 Mbps upload.

[3:23:58 PM](#)

MR. LOCHNER continued to slide 8 and provided a timeline for the grants and funding plans. He stated that the Alaska Broadband Office must submit a five-year action plan, an initial proposal, and a final proposal to the National Telecommunications and Information Administration. The goal of the Alaska Broadband Office is to have the plans ready this year by June 15, July 31, and November 30, respectively.

[3:26:24 PM](#)

MR. LOCHNER continued to slide 9 through slide 16, reiterating the definitions of broadband access and showing several maps with evaluations on the status of broadband across Alaska. He pointed out that 28.9 percent of communities in the state are served. All communities served by broadband are on fiber systems. He said that the current microwave systems do not meet the threshold of 100 over 20 Mbps required to be considered served. He continued that the federal government is involved in bringing broadband to another 20.6 percent of U.S. Alaska's communities through programs such as the Department of Agriculture's (USDA's) Connect Program and the National Telecommunications and Information Administration's (NTIA's) Tribal Broadband Connectivity Program. After the completion of those projects, he said, 50.6 percent of Alaska's communities will still be under or unserved.

[3:29:19 PM](#)

MR. LOCHNER moved to slide 17 through slide 19, showing maps with possible layouts for broadband projects that would reduce the number of communities not being served by broadband. He said the plans have been published online so that the Alaska Broadband Office can receive feedback on the most accurate places to lay down the broadband lines.

[3:31:13 PM](#)

MR. LOCHNER continued to slide 20 and slide 21, outlining the next steps for the five-year action plan. He stated that the Alaska Broadband Office broke down the requirements into three broad categories: outreach, network, and logistics. The office has completed 40, 60, and 70 percent of its goal for each category, respectively. He said that the primary grant criterion is worth 75 percent of the score for the Notice of Funding Opportunity, which includes efficient use of BEAD funding, affordability for consumers, and fair labor practices. The secondary criterion is whether the project will be completed on time, and other criteria include network design, operating costs, Native bidders, and carrier neutral and fair pricing practices.

[3:34:44 PM](#)

REPRESENTATIVE FIELDS asked if there would be any solutions for parts of urban areas experiencing lower broadband speeds.

MR. LOCHNER answered that a particular location within a served area receiving lower than slow speeds would still be lower on the list for funding because it is within a served community.

REPRESENTATIVE FIELDS asked if there is data which shows a disconnect between the speeds certain people experience in urban communities versus the speeds they are theoretically supposed to experience.

MR. LOCHNER answered that the Alaska Broadband Office has a speed test available on its website, and people have been advised to submit results so data can be collected.

[3:37:01 PM](#)

REPRESENTATIVE WRIGHT asked if the BEAD funding was a one-time grant or if it would be recurring.

MR. LOCHNER answered that the BEAD funding is a one-time grant and a part of IIJA, as well as the grants from USDA and NTIA. He added that the Federal Communications Commission (FCC) does provide recurring grants. In response to a follow-up question, he expressed uncertainty concerning whether the federal funding will be enough to cover the entire cost of the planned projects.

REPRESENTATIVE WRIGHT asked whether there would be opportunities for matched funding from different municipalities.

MR. LOCHNER answered that the Notice of Funding Opportunity requires a 25 percent match, although for some rural high-cost locations the match requirement is waived.

[3:39:57 PM](#)

REPRESENTATIVE PRAX questioned whether the Alaska Broadband Office plans to use both fiber optic and microwave cables.

MR. LOCHNER answered that the office is "technology agnostic" but must meet certain speed and latency requirements. In response to Representative Prax's concern about spending money on a technology that could become quickly outdated, he said that the office is developing an "operations and maintenance" model. In response to a follow-up question, he answered that close work is being done with the Department of Natural Resources to ensure that the Alaska Broadband Office has the necessary permits for whatever type of land the fiber optic cables go across.

[3:45:09 PM](#)

REPRESENTATIVE SADDLER asked if the BEAD funding was solely targeted at the "covered populations" listed on slide 6.

MR. LOCHNER answered that the projects would benefit all Alaskans. In response to a follow-up question, he said that the focus of the funding is making sure all communities are covered regardless of their population, with the caveat that each project would need to be sustainable.

REPRESENTATIVE SADDLER asked why satellite Internet was not on the provided maps as a consideration for providing broadband to Alaska communities.

MR. LOCHNER answered that geosynchronous satellites are unable to meet the federal government's speed or latency requirements. He added that low orbit satellites such as the ones used by Starlink also do not meet these standards, although they are a useful stopgap.

[3:48:55 PM](#)

REPRESENTATIVE WRIGHT asked if there would be a point in time at which Starlink would be able to provide 1 gigabyte (GB) over 1 GB speeds.

MR. LOCHNER answered Starlink is "magical" for those that have previously been without any type of Internet, although it does have several limitations. In response to a follow-up question, he said that projects would have to be completed within four years to keep funding, with the possibility of a one-year extension.

[3:50:38 PM](#)

CHAIR SUMNER asked how much money the federal government would allocate to Alaska for the purpose of building broadband.

MR. LOCHNER answered that it is too early to know.

[3:51:24 PM](#)

REPRESENTATIVE SADDLER asked whether it would make sense for the state to wait until satellite Internet technology improves before making investments in broadband for rural Alaska, as this could lower the cost.

MR. LOCHNER responded that to receive the federal funding, the state must do what the federal government is incentivizing the state to do.

[3:52:17 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Labor and Commerce Committee meeting was adjourned at 3:52 p.m.