

SENATE FINANCE COMMITTEE
March 1, 2024
9:01 a.m.

[9:01:55 AM](#)

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 9:01 a.m.

MEMBERS PRESENT

Senator Donny Olson, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Click Bishop
Senator Jesse Kiehl
Senator Kelly Merrick
Senator David Wilson

MEMBERS ABSENT

Senator Lyman Hoffman, Co-Chair

ALSO PRESENT

Thomas Lochner, Director, Alaska Broadband Office

SUMMARY

^UPDATE FROM THE ALASKA BROADBAND OFFICE

[9:03:13 AM](#)

THOMAS LOCHNER, DIRECTOR, ALASKA BROADBAND OFFICE, discussed the presentation, "Alaska Broadband Office, Broadband and Digital Equity Update" (copy on file).

Mr. Lochner addressed slide 2, "Alaska Broadband Office Mission":

Facilitate access to the full benefits of broadband for all Alaskans with improved quality of service and lower costs.

Mr. Lochner discussed slide 3, "Alaska Broadband Office":

Director: Thomas Lochner
Administrative Specialist: Kalyynn Himes
Tribal Liaison: Melissa Kookesh
Deputy Director: Lisa Von Bargaen

Mr. Lochner detailed his 23 years in the telecommunications field. He provided a background of the experience and duties of his team.

[9:06:40 AM](#)

Mr. Lochner pointed to slide 4, "Division of Community and Regional Affairs":

Division of Community and Regional Affairs

- Grant Administration
- Mapping Analytics and Data Resources

Department of Natural Resources

- Office of Project Management and Permitting
- Mining, Land and Water

Department of Transportation and Public Facilities

- Project Coordination
- Permitting

Department of Environmental Conservation

- Permitting

Mr. Lochner spoke to the work of the office to streamline the permitting process for efficiency.

[9:08:17 AM](#)

Mr. Lochner discussed slide 5, "Major Accomplishments":

State of Alaska Digital Equity Plan

- Evaluates the status of Digital Equity among eight covered populations
- Submitted January 27, 2024
- This makes the State eligible for an allocation of the \$1.44 billion Digital Equity Capacity Grant funds

Broadband Equity Access and Deployment (BEAD) State Challenge Process

- Creates a portal and process for Alaskans to challenge the internet speeds at their location
- Submitted November 3, 2023
- This gives Alaskans a voice in where the infrastructure will be built

BEAD Broadband Grant Program

- Creates the program to distribute the BEAD 1 Billion allocation
- Submitted December 27, 2023
- After revision process with the NTIA, ABO will post the Broadband Grant Program for bids

[9:11:27 AM](#)

Senator Merrick wondered how Alaskans without internet access would access the portal to submit a challenge.

[9:11:41 AM](#)

Mr. Lochner replied that those Alaskans would have to find internet at a public location. He said that the houses of those without internet access would be marked with a red dot, which would indicate to the office that they were unserved.

[9:12:20 AM](#)

Co-Chair Olson asked whether there had been many challenges in internet speed submitted to the office.

[9:12:35 AM](#)

Mr. Lochner replied that the challenge process had received 3 public comments, the Digital Equity Plan had received 112 comments, and the grant program had received 30 comments.

Co-Chair Olson queried Mr. Lochner's education history as it pertained to the challenge of broadband in Alaska.

[9:13:26 AM](#)

Mr. Lochner detailed his experiences that led him to the position he currently held. He relayed that he did not have formal training in telecommunications other than hands on experience.

[9:14:59 AM](#)

Co-Chair Olson commented that ha appreciated the work done by Mr. Lochner.

[9:15:15 AM](#)

Mr. Lochner looked at slide 6, "Broadband Equity, Access, and Deployment" (BEAD):

\$42.45 Billion For All States And Territories
Alaska's Allocation: **\$1,017,139,672.42**

Mr. Lochner relayed that he had worked to provide an overview for those in Washington D.C. of the unique challenges facing Alaskans in the areas of broadband, equity, access, and deployment.

[9:17:05 AM](#)

Mr. Lochner pointed to slide 7, "Grants will follow the following location priorities":

- 1 - Unserved** - less than 25 Megabits per second (Mbps) download and 3 Mbps upload (25/3)
- 2 - Underserved** - More than 25/3, but less than 100 Mbps download/ 20Mbps upload
- 3 - Unserved Community Anchor Institutions** - less than 1 Gigabit per second (Gbps) download and 1Gbps upload

Mr. Lochner said that the office had concluded that the cost to meet the challenges was approximately \$1.8 billion. He noted that the state received \$1 billion in federal funds but there were other funds that could be applied for to make up the delta.

[9:19:17 AM](#)

Senator Kiehl requested more information on what the \$1.8 billion would be spent on.

[9:19:25 AM](#)

Mr. Lochner replied that it would cost \$1.8 billion to build fiber to every single identified community in Alaska.

[9:19:53 AM](#)

Mr. Lochner addressed slide 8, "BEAD - State Challenge Process." The slide listed the 30-day periods, totaling 120 days, for Public Review of Broadband Serviceable Locations

(BSLs), Challenge Period, Internet Service Providers (ISPs) Rebuttal Period, and Alaska Broadband Office (ABO) Mediate Period, which comprised the State Challenge Process (Initial Proposal Volume 1).

[9:21:17 AM](#)

Mr. Lochner looked at slide 9, "BEAD - Broadband Grant Program." Concurrent with running of the challenge process was the grant program. The slide illustrated the timeline for the Broadband Grant Program.

[9:21:56 AM](#)

Mr. Lochner pointed to slide 10, "Digital Equity - Digital Inclusion - Digital Literacy":

\$2.75 Billion For All States And Territories

- Planning Grants: \$60 Million - Alaska Awarded: **\$567,800**
- Capacity Grants: \$1.44 Billion - Alaska's Award: **TBD**
- Competitive Grants: \$1.25 Billion - Alaska's Award: **TBD**

[9:23:04 AM](#)

Mr. Lochner discussed slide 11, "Digital Equity - Eight Covered Populations":

- Aging Individuals
- Incarcerated Individuals
- Individuals with Disabilities
- Individuals with a Language Barrier
- Individuals who are Members of a Racial or Ethnic Minority
- Individual in Low-Income Households
- Individuals who Reside in Rural Areas
- Veterans

[9:23:36 AM](#)

Mr. Lochner pointed to slide 12, "Digital Equity Milestone Dates and ABO Timeline."

Jan. 2024 - State of Alaska Digital Equity Plan Completed

April 2024 - National Telecommunications and Information Administration (NTIA) Publishes Digital Equity Capacity Grant "Notice of Funding Opportunity" (NOFO)

April 2024 - State Responds to the Digital Equity Capacity Grant Notice of Funding Opportunity to Develop Subgrants (60 days)

Sept. 2024 - NTIA Publishes Digital Equity Competitive Grant NOFO

Sept. 2024 - Responses to Digital Equity Competitive Grants Notice of Funding Opportunity

[9:24:25 AM](#)

Mr. Lochner looked at slide 13, "Mapping Updates":

- FCC Fabric Map
 - Current Fabric includes all Alaska Communities
 - Continuing refinement with the FCC from ISPs and State Broadband Offices
- Served, Underserved, and Unserved Locations in Alaska and published in the National Broadband Availability Map (NBAM) (NTIA)
- High-Cost and Non-High-Cost Areas designated based on Census Block Groups (NTIA)
- Evaluated ultra remote locations within the Non-High-Cost Areas and pursuing a 25 percent funding match waiver (Alaska Broadband Office)

[9:26:21 AM](#)

Mr. Lochner discussed slide 14, "Federally Designated High-Cost Map." The slide showed a map of the state with the "High-Cost Area: 25 percent Match Requirement Waived" in red and the "Non-High-Cost Area: 25 percent Match Required. Waivers may be requested" in grey.

Co-Chair Olson asked where the funding matches would come from.

Mr. Lochner replied that the match would be by the industry bidder.

[9:27:22 AM](#)

Co-Chair Stedman noted that Angoon would be a low cost and Sitka would be high cost, which seemed backwards. He

wondered about Port Alexandar. He requested more detail on the casts per community.

[9:28:01 AM](#)

Mr. Lochner responded that the categorization of communities could change, and waivers would be considered.

[9:28:35 AM](#)

Co-Chair Stedman reiterated his request for more information.

[9:28:59 AM](#)

Mr. Lochner addressed slide 15, "Technologies." The slide showed the available, reliable technologies listed by cost. The most expensive being fiber, followed by microwave, low earth orbit (LEO) satellites, and geosynchronous (GEO) satellite. He said that Starlink and unlicensed microwave were considered unreliable by the FCC.

Co-Chair Stedman asked why Starlink was considered unreliable.

Mr. Lochner replied that he did not know why, but that the FCC had categorized it as unreliable.

Senator Kiehl asked about the term "oversubscription" on the lower left side of the table.

Mr. Lochner said that to optimize capacity when one person isn't actively streaming, another person can benefit from the capacity. The idea is that several people could use the same capacity without any buffering.

[9:32:05 AM](#)

Senator Kiehl wondered whether the high ratio at the bottom of the chart represented efficiency or an option that was problematic.

Mr. Lochner responded that the high ratio represented an option that was problematic. He said that constricted capacity serving many customers led to problems with connectivity.

[9:32:50 AM](#)

Senator Bishop asked about the workforce dedicated to broadband in the state.

[9:33:10 AM](#)

Mr. Lochner responded that numbers had been provided by consultants and were being reviewed by the office.

[9:33:32 AM](#)

Senator Bishop asked about workforce numbers to implement the program.

[9:33:38 AM](#)

Mr. Lochner responded that the anticipated need, across all disciplines, included 17,000 additions to the labor pool to build all the anticipated projects.

Co-Chair Stedman wondered where the workforce would come from.

Mr. Lochner replied that the workforce would come from Florida.

[9:34:24 AM](#)

Mr. Lochner furthered that in his experience, many technicians were hired out of Florida.

[9:35:24 AM](#)

Co-Chair Stedman remarked that this could be an opportunity to train Alaskans for the positions.

[9:35:37 AM](#)

Mr. Lochner agreed.

[9:35:41 AM](#)

Senator Bishop thought that the delivery method to train a workforce for a gasline could be used to train an Alaskan workforce for these projects.

[9:36:50 AM](#)

Co-Chair Olson queried the timeline for which the federal grants had to be spent.

[9:37:05 AM](#)

Mr. Lochner responded that there was a four-year timeline and the potential for a fifth-year extension.

[9:37:19 AM](#)

Co-Chair Olson asked when the project was expected to be fully complete.

Mr. Lochner said four or five years.

[9:37:54 AM](#)

Co-Chair Olson wondered what kind of paperwork would be required if the projects were not completed within the four-to-five-year timeline.

[9:38:14 AM](#)

Mr. Lochner replied that they were planning for the best and believed that extensions would be granted for projects that took longer to complete.

Co-Chair Stedman discussed housekeeping.

[9:41:12 AM](#)

Co-Chair Olson asked Mr. Lochner about bandwidth legislation and wondered whether the passage a broadband grant bill currently making it's through the legislature would have an effect on the projects proposed by the office.

[9:41:39 AM](#)

Mr. Lochner replied that the legislation would not have an impact, because his office handled the capital investments and building out of infrastructure, while the other education bill dealt with operating and ongoing costs.

#

ADJOURNMENT

9:42:00 AM

The meeting was adjourned at 9:41 a.m.