

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

February 3, 2025

3:16 p.m.

MEMBERS PRESENT

Representative Zack Fields, Co-Chair
Representative Carolyn Hall, Co-Chair
Representative Ashley Carrick
Representative Dan Saddler
Representative Julie Coulombe
Representative David Nelson

MEMBERS ABSENT

Representative Robyn Niayuq Burke

COMMITTEE CALENDAR

HOUSE JOINT RESOLUTION NO. 6

Urging the United States Congress to safeguard the Universal Service Fund to ensure continued funding for essential programs that support critical broadband and telecommunication infrastructure and services for low-income rural residents of the state.

- MOVED HJR 6 OUT OF COMMITTEE

HOUSE BILL NO. 80

"An Act relating to minimum standards for residential buildings; relating to construction contractors and residential contractor endorsements; establishing the Alaska State Residential Building Safety Council; and providing for an effective date."

- BILL HEARING CANCELED

PREVIOUS COMMITTEE ACTION

BILL: HJR 6

SHORT TITLE: SUPPORT UNIVERSAL SERVICE FUND

SPONSOR(S): LABOR & COMMERCE

01/29/25	(H)	READ THE FIRST TIME - REFERRALS
01/29/25	(H)	L&C
02/03/25	(H)	L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

AMY EAKIN, Director of Technology
Northwest Arctic Borough School District
Kotzebue, Alaska

POSITION STATEMENT: As an invited testifier, testified in support of and answered questions during the hearing on HJR 6.

BOB ONDERS, MD, Medical Director
Maniilaq Association
Kotzebue, Alaska

POSITION STATEMENT: As an invited testifier, testified in support of and answered questions during the hearing on HJR 6.

GARRET SPARGO, Director of Enterprise Architecture
Alaska Native Tribal Health Consortium
Anchorage, Alaska

POSITION STATEMENT: As an invited testifier, testified in support of and answered questions during the hearing on HJR 6.

DAVID NEES, representing self
Cooper Landing, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 6.

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

POSITION STATEMENT: As an invited testifier, answered questions during the hearing on HJR 6.

ACTION NARRATIVE

[3:16:01 PM](#)

CO-CHAIR ZACK FIELDS called the House Labor and Commerce Standing Committee meeting to order at 3:16 p.m. Representatives Coulombe, Saddler, Hall, and Fields were present at the call to order. Representatives Nelson and Carrick arrived as the meeting was in progress.

HJR 6-SUPPORT UNIVERSAL SERVICE FUND

[3:16:25 PM](#)

CO-CHAIR FIELDS announced that the only order of business would be HOUSE JOINT RESOLUTION NO. 6, Urging the United States Congress to safeguard the Universal Service Fund to ensure

continued funding for essential programs that support critical broadband and telecommunication infrastructure and services for low-income rural residents of the state.

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AMY EAKIN, Director of Technology, Northwest Arctic Borough School District, noted that she was speaking on behalf of the Northwest Arctic Leadership Team (NWALT). She began her invited testimony by stating that NWALT is comprised of the Maniilaq Association, the Northwest Alaska Native Association (NANA), the Northwest Arctic Borough (NWAB), and the Northwest Arctic Borough School District (NWABSD). She stated that the universal service fund (USF) was created to ensure that every community could stay connected to the rest of the world. Since establishment, USF has become a lifeline for many rural communities across the nation, including Alaska, and funds services like broadband for rural hospitals/clinics, Internet access for schools/libraries, and affordable connectivity for low-income families. Ms. Eakin asserted that the impacts of losing USF funds would be "catastrophic." She said Alaska's broadband infrastructure projects, like NANA's \$73 million initiative to bridge the digital divide in the most remote areas of Alaska, would be significantly impacted by the loss of USF. Additionally, she stated that [NWABSD] would lose \$19 million, and the Maniilaq Association would lose over \$24 million annually from the rural health's clinic program. Without the USF funds, healthcare access would decline, schools would lose connectivity, and rural economies would decline.

Regarding educational impacts, Ms. Eakin stated that USF has allowed school districts to improve technological infrastructure and enable high-quality Internet access in schools, ensuring that every student, regardless of location, has the opportunity to participate in digital learning. She stated that without USF, the 13 schools in the NWABSD would be reduced to approximately 2 megabytes per second, far below the standard for households across the country. She emphasized that 2 megabytes per second would not support essential business or educational services such as phones, timeclocks, accounting software, or PowerSchool [a student information system]. She stated that currently, with USF monies, students can access online virtual resources, participate in digital classrooms, and collaborate with other students on digital projects. Teachers can leverage digital tools to create lessons, provide personal feedback to students, and foster collaborative learning environments.

MS. EAKIN cited John Hattie's research on Visible Learning, which stresses the importance of effective teaching practices and the impact of technology on academic achievement. She reported that Mr. Hattie's meta-analyses revealed the average effect size of educational interventions is 0.4, with a higher effect size indicating more significant impacts on student learning. She explained that any item scored higher than 0.4 indicates a gain of "more than a year's worth of growth and a year's worth of time." Ms. Eakin stated that Mr. Hattie found that student/teacher relationships have an effect size of .57, underscoring the importance of positive relationships between educators and their students. She stated that Mr. Hattie's research emphasized the importance of Internet access for implementing high-impact teaching strategies. For example, collaborative learning, with an effect size of .46, is heavily reliant on digital tools and online platforms to facilitate student interaction. Additionally, she stated that feedback, with an effect size of .5, and student self-verbalization, with an effect size of .58, are greatly augmented by online tools.

MS. EAKIN concluded that USF is a crucial investment in the future of Alaska's students and communities. She asserted that USF funding is vital to ensuring that all students, regardless of geographical location, have the same high-quality educational opportunities. She urged the committee to support HJR 6 and consider the profound impacts entailed by a loss of funding.

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BOB ONDERS, MD, Medical Director, Maniilaq Association, as an invited testifier, stated that he has worked for 17 years in Alaska tribal health systems. He currently practices at the Maniilaq Health Center, located in Kotzebue, Alaska. He stated that the Maniilaq Association performs over 1,000 patient-related visits annually, all of which require online access. He asserted that USF is essential to providing a high level of patient care in the Northwest Arctic Region. He stated that, although the Maniilaq Association still uses historical [radiotelegraphy] names, broadband and telecommunication infrastructure have transformed the process.

DR. ONDERS provided the following anecdote, illustrating how technology is critical to healthcare in rural Alaska. A patient presented recently with complaints of chest pain in a remote village. Following guidelines available online, the village community health aide recorded vitals and transferred them electronically to an emergency physician in Kotzebue, Alaska,

who authorized a medical evacuation. During the flight, the physician was able to monitor vitals through Zoom. Dr. Onders noted that physicians frequently access clinics via Zoom to provide support and care. An electrocardiogram (EKG) and radiograph obtained at the emergency department in Kotzebue, Alaska, were electronically transmitted to a cardiologist and radiologist in Anchorage, Alaska. The emergency doctor in Kotzebue continued to follow recommendations, sent via electronic communications from the cardiologist in Anchorage, for subsequent EKG and imaging until a second medical evacuation was authorized to Anchorage. The receiving physician in Anchorage had all of the records prior to the patient's arrival via electronic delivery systems, whilst the Maniilaq doctor in Kotzebue was able to track the patients progress via electronic delivery systems.

DR. ONDERS concluded that the aforementioned technology-dependent process occurs for all patients in rural healthcare settings, from minor issues to major health emergencies. He offered his support for HJR 6 and urged the committee to shore up statutory and regulatory foundations, to prevent regression back to times before telecommunications.

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CO-CHAIR FIELDS thanked Dr. Onders and Ms. Eakin for their testimonies.

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REPRESENTATIVE SADDLER asked whether USF is the only source of funding for Internet service for NWABSD.

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MS. EAKIN responded that USF is not the only source of funding. She stated that NWABSD currently receives \$2 million through the Alaska School Broadband Assistance Grant (BAG). She noted the rest of the funds were "basic, general funds." In response to clarifying questions from Representative Saddler, Ms. Eakin stated the remainder of the funds are received from the state general fund and totaled a little less than \$500,000. She explained that there is not a lot of local funding.

REPRESENTATIVE SADDLER asked about the funding sources for Internet connectivity for the Maniilaq Association.

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DR. ONDERS responded that the Maniilaq Association is funded through Indian Health Services and other third-party revenues, like other health systems, to support Internet availability not funded through USF.

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REPRESENTATIVE SADDLER asked for the total dollar amount not funded through USF.

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DR. ONDERS responded that he did not have that detail.

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GARRET SPARGO, Director of Enterprise Architecture, Alaska Native Tribal Health Consortium (ANTHC), as an invited testifier, stated that ANTHC is a statewide tribal health organization that services all 229 tribes and all Indigenous populations across the state. He stated that ANTHC provides a wide range of state, public health, and community programs. He noted that due to approximately [only] 20 percent communities in Alaska having road access to Anchorage, ANTHC has developed a unique delivery system that relies heavily on [Internet] connectivity in order to provide an array of services. He stated that ANTHC provides specialty care that is not provided by regional tribal healthcare partners, such as the Maniilaq Association. Internet connectivity is critical to hospital operations, including medical imaging, medical record access, pharmacy lab management, patient communications, and telemedicine. He noted that, unlike many other states, patients in Alaska commonly have to fly in small planes to access care, due to lack of road access. He remarked that a routine follow-up appointment could require days of travel. He stated that reliable, high-speed connectivity allows the tribal health system to avoid unnecessary travel by sending patient data rather than the patients themselves. Mr. Spargo stated that the Universal Services Administration Company's (USAC's) rural healthcare program, whose funds come from USF, provides subsidies for infrastructure and services to increase accessibility to healthcare in rural areas of Alaska. Across Alaska, 22 tribal health organizations use funds from USAC to provide clinics in 192 communities with secure communications infrastructure. In total, Mr. Spargo reported, tribal health

organizations and clinics depend on over \$193 million in annual subsidy from USF. He explained that the funding from USF goes toward guaranteed bandwidth with limited latency and adequate upload/download speeds, which are necessary to support the wide medical networks essential for electronic health record systems, telemedicine, remote patient monitoring, continuing education for providers, training for community health aide programs, telepharmacy, teleradiology, videoconferencing, provider and emergency services, and communication systems.

MR. SPARGO said that prior to USF, patients were forced to ration network usage and could not schedule concurrent screenings [receiving a mammogram during a CT scan]. He asserted that the long-term support of USAC has allowed the rural healthcare system to grow, and rationing network usage is a thing of the past. Without funds covering ongoing networking costs, Mr. Spargo maintained that tribal health partners would not be able to afford the network and connectivity that enables modern healthcare delivery. He warned that defraying the increased costs for connectivity would require a reduction of staffing and impact clinical services. He concluded that critical health infrastructure would fully cease operations in some communities, due to the multi-million increase in networking expenses. He supported HJR 6.

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REPRESENTATIVE COULOMBE asked how many of the 192 communities are using Starlink.

MR. SPARGO responded that he is unsure of the exact number, but there are many communities using Starlink, and that he will follow-up with a written response. He noted that communities using Starlink do not receive USF funding through telecommunications programs to pay for Starlink.

REPRESENTATIVE COULOMBE asked whether there was a difference in consistency between the legacy systems and Starlink.

MR. SPARGO explained that the ability of Starlink to guarantee network connectivity and performance, historically, has not been consistent. Starlink does "best effort connectivity," while the services funded under USF are on dedicated connections. Additionally, he noted, there are periods of degraded performance dependent on community use.

REPRESENTATIVE COULOMBE asked why USF is not used for Starlink costs.

MR. SPARGO offered his belief it has to do with [Starlink's] inability to guarantee connectivity. He stated that he will submit a response to the committee afterward.

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REPRESENTATIVE SADDLER asked whether satellite communications, like Starlink, would be a good substitute for fiber optics communications.

MS. EAKIN answered that NWABSD experienced two quintillion fiber breakages that significantly affected the NWAB regions. She noted that [NWABSD] connected Starlink satellites after the first break. Within one week, a Starlink was damaged by a student, and the district ordered another one. She noted that Starlink systems have been a little more reliable since the first quintillion fiber break. She explained that because of the harsh weather and conditions, when a satellite is broken, there are no services. She gave an example, stating that a broken satellite mounted on the district office cannot be repaired until the summer due to the icy conditions. She argued that if they were to rely 100 percent on satellite services and experienced a break during the winter, they would be out of service for months. Additionally, Ms. Eakin stated that they do not have the personnel necessary to support Starlink by themselves.

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DR. ONDERS stated that village clinics have a system of three redundant backups. Historically, satellite systems have acted as a third backup. He noted that all village clinics are moving to Starlink as the backup satellite system. He explained that the bandwidth necessary for the operations of village clinics would require multiple Starlinks. He echoed Ms. Eakin's concerns, voicing that they [Maniilaq Association] have dealt with broken Starlinks due to harsh weather. He asserted that the healthcare facilities need a redundant backup system, given a loss of connectivity could be life-threatening.

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REPRESENTATIVE SADDLER stated that he does not presume that satellites are an appropriate substitute for all legacy systems.

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CO-CHAIR FIELDS opened public testimony on HJR 6.

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DAVID NEES, representing self, testified during the hearing on HJR 6. He stated that the library in Cooper Landing, Alaska, is serviced by TeleAlaska. He shared that he installed a personal Starlink. He opined that it is good to advocate for funding but asked committee members what they might do in the event that the Supreme Court does not turn over the Fifth Circuit Court's decision, that USF is a tax and therefore unconstitutional.

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CO-CHAIR FIELDS, after ascertaining that there was no one else who wished to testify, closed public testimony on HJR 6.

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REPRESENTATIVE SADDLER stated that the decision lies with the federal court system. He asked what might happen should the Fifth Circuit Court decision stand.

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CHRISTINE O'CONNOR, Executive Director, Alaska Telecom Association, offered her understanding that there are multiple possibilities, including: upholding the Fifth Circuit Court decision; changing the way in which the program is administered; or declaring USF unconstitutional. Additionally, she offered her belief that it is unlikely that USF will be declared unconstitutional. However, in this worst-case scenario, she warned, there would be catastrophic impacts across all of rural America, and Alaska would be the first to experience the impact.

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REPRESENTATIVE SADDLER asked how that [worst-case scenario] might affect Alaska's telecommunications industry.

MS. O'CONNOR stated that most, if not all, companies would "go dark."

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REPRESENTATIVE COULOMBE clarified that USF is going to telecommunication companies and asked what the telecommunications companies in Alaska might do. She remarked that many companies, such as General Communications Incorporated (GCI), have invested a lot of money into the telecommunications industry in Alaska.

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MS. O'CONNOR stated that it would vary from company to company. The cashflow impacts on every company would be significant. She stated that half of the telecommunication companies in Alaska are not-for-profit cooperatives serving hub communities such as Dillingham or Cordova. Their scope to navigate a challenge of such magnitude [as the loss of USF] is limited. She offered her belief that larger companies could absorb impact longer, but many communities are unable to support the necessary infrastructure on their own.

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CO-CHAIR FIELDS stated that members may act on HJR 6 if they wish, or the committee could consider the bill again the following week.

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REPRESENTATIVE COULOMBE clarified that this resolution does not provide a solution but acts as a statement against halting USF.

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CO-CHAIR FIELDS explained that HJR 6 was written in such a way to highlight the importance of USF in Alaska. He explained that HJR 6 could be used both by the Supreme Court in its deliberation or, if the federal court ruled in a way that was damaging to Alaska, by the congressional delegation before Congress to restore USF.

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MS. O'CONNOR stated that the goal is to build awareness [of the importance of USF] with HJR 6. She argued that immediate action would be necessary in the worst-case scenario.

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REPRESENTATIVE SADDLER asked Ms. O'Connor what decision she anticipated from the Supreme Court.

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MS. O'CONNOR responded that she is "cautiously optimistic." She stated that there is a lot of groundwork and a brief filed by the Federal Communications Commission (FCC) that made a very strong case to overturn the Fifth Circuit Court decision. Notwithstanding, she acknowledged that the Supreme Court is taking a fresh look at many old cases. She reiterated that she is optimistic, but that there are many hard-working people laying the safety nets.

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CO-CHAIR HALL moved to report HJR 6 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HJR 6 was reported out of the House Labor and Commerce Standing Committee.

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ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at [3:55] p.m.