

AK LEGISLATURE SPECIAL COMMITTEE FILES SCOMM 146 3134



2007 Rail Program Areas of Emphasis:

- CWR: MP 280 (Hurricane) to 311 (Broad Pass) and MP 181 to MP 187 (Willow)

Tie Program

The 2007 FRA Tie Program calls for installation of up to 64,000 wood cross ties on the main-line track. The Alaska Railroad tracks include nearly 2,000,000 ties. Since 1996, ARRC has replaced nearly 620,000 ties - or 31% of all ties.

Heavy tie renewals in the late 1990s resolved critical main track issues; however, the tie population is generally old, so renewals are needed to keep up with the ongoing loss of older ties.

2007 Tie Program Areas of Emphasis:

- Wood Ties: MP 436 (Dunbar) to MP 358 (Healy)
- Concrete Ties: Curves north of Nenana and curves south of Denali Park

Ballast Surfacing

The bed of a railroad track is comprised of several layers. The top layer is called ballast, which is made up of small, jagged rocks that fit snugly together, forming a stable bed that can withstand the tremendous weight of a train while still providing drainage. The 2007 Ballast and Surfacing Program calls for the surfacing of about 200 miles of track using 100,000 tons of ballast rock.

2007 Ballasting/Surfacing Program Areas of Emphasis:

- Surfacing throughout all Districts as needed

Shoulder Maintenance

ARRC plans to undertake a 10-year shoulder maintenance program, from Eagle River to Fairbanks, to enhance track safety by providing the necessary embankment support for the rail and the heavier and faster moving trains used today. As necessary, culverts providing drainage from one side of the embankment to the other side would be extended.



2007 Shoulder Maintenance Program Areas of Emphasis:

- Shoulder maintenance throughout all Districts as needed



Bridge Program

PROJECT FACTS

Project Scope

The Alaska Railroad's (ARRC) 500-plus miles of mainline track includes 162 bridges that cross barriers ranging from streams to gulches. Of these, 67 are constructed entirely of steel, 61 are constructed entirely from timber, 22 are constructed entirely of concrete, and 12 are of mixed construction (for example, the Matanuska River Bridge includes steel, concrete and timber spans).

ARRC's 2007 Bridge Program calls for major maintenance, overhaul and replacement needed to maintain Alaska Railroad integrity, safety and efficiency. Our long-term bridge program includes replacement of most, if not all, of our timber bridges.

Some of the Railroad's existing bridges have been identified as eligible for the National Register of Historical Places (denoted by an *), either individually or as contributing elements to a potential historic district. A historic bridge survey is underway to confirm eligibility determination. As necessary, mitigation will be conducted in accordance with agreements with the State Historic Preservation Officer (SHPO).

Purpose and Need

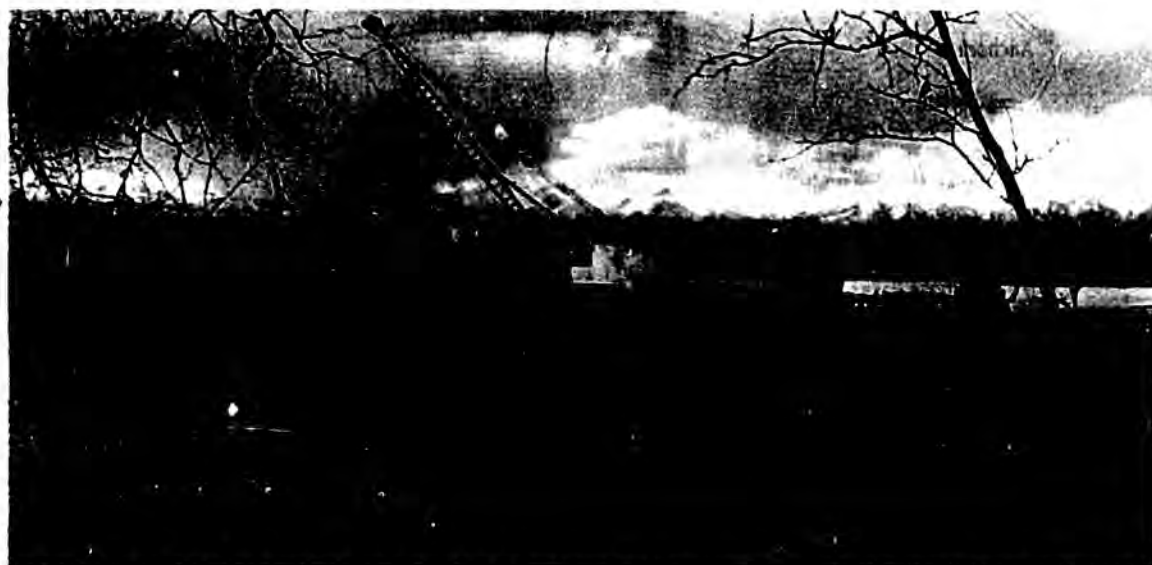
- Reinforcing or replacing some bridges and/or their components better accommodates the load demands of the Railroad's more modern, yet larger and heavier, fleet locomotives and trains.
- Replacing 50-year-old timber pile foundations addresses maintenance and safety concerns.
- Upgrading bridges will allow an increase in train speed and operational efficiency.

Project Cost and Funding

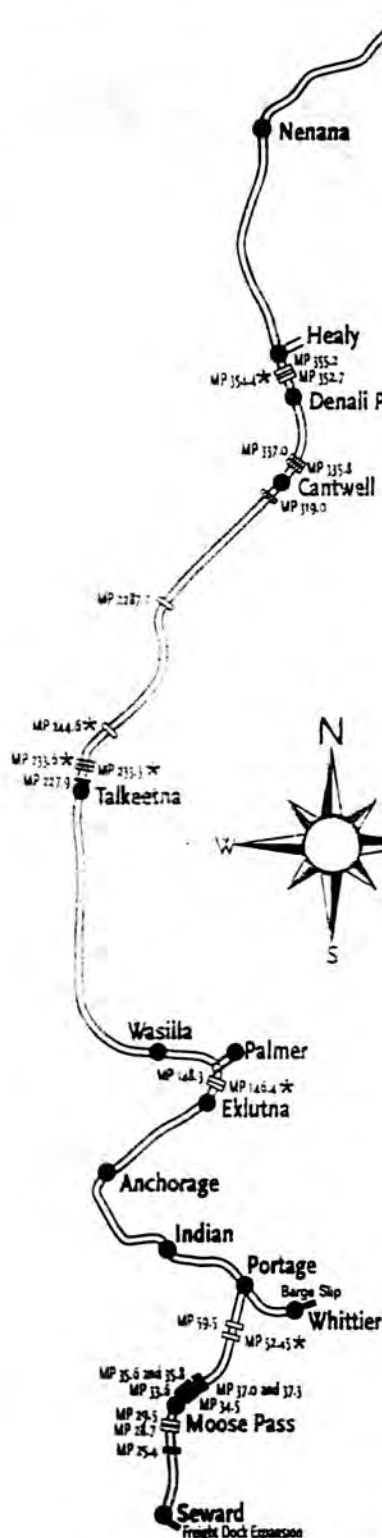
\$7.1 million budget in 2007, with \$5.3 million funded by the Federal Transit Administration, and \$1,800,000 by the Alaska Railroad.

Bridge Program Projects

- **Bridge Rehabilitation**
Replace timber foundations with a steel.
Locations: ARRC MP 148.3 and MP 352.7.
Rehabilitate piers at *Location: MP 354.*



At Knik River Bridge, MP 146.4, new piers and a new south span were constructed in 2005-2006. Demolition of existing piers will be completed in 2007.



• Replace with New Bridge

Replace existing timber trestle bridges with new bridges to improve safety. Converting existing bridges to either timber ballast deck or low clearance concrete deck bridges at *Locations:* MP 25.4, MP 33.6, MP 34.5, MP 35.6, MP 35.8, MP 37.0 and MP 37.3. Converting existing bridge to steel bridge at *Location:* MP 227.9. At MP 227.9, work in 2007 will include completion of the new piers, new span and demolition of old piers.

• Replace with Culvert

Replace existing timber trestle bridges with one or more culverts and fill material to improve safety and replace the maintenance-intensive timber structure with a lower-cost alternative. *Locations:* MP 233.3* and MP 233.6*. Culverts were installed in 2006 and the old bridges must be removed in 2007. *Locations:* MP 319.0, MP 315.8 and MP 337.0.

• Replace Component Parts

The purpose is to improve bridge and track safety through replacement or repair of component parts. ARRC plans replacement of caps, sash and sway braces, bulkheads, install steel pile bents and sheet pile bulkheads. *Locations:* *Whittier Barge Slip*, MP 29.5, MP 52.45, MP 59.5, MP 244.6, MP 267.7 and MP 355.2.

• Other Bridge Program Projects

Milepost: 146.4* (*Knik River*) – Complete demolition of piers in 2007.

NOTE: Execution of projects listed will depend on agency coordination/ approvals, funding and workforce availability.





Passenger Locomotive and Car Upgrades

PROJECT FACTS

Project Scope

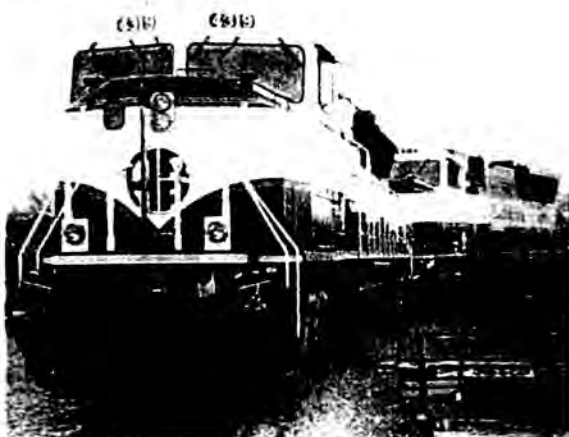
The Alaska Railroad (ARRC) has a fleet of 58 passenger related train vehicles, including 14 locomotives, 3 power/cab cars, 37 locomotive-hauled cars/coaches, and four self-propelled Rail Diesel Cars. This equipment varies in age and condition.

The Railroad upgrades older equipment to provide and expand passenger service operations in Alaska. Typical upgrade projects include the repainting and interior restoration of coaches, refurbishment of power generation cars, rehabilitation of railcar trucks, and rebuilding of passenger locomotives. ARRC acquires coaches and locomotives to replace older equipment.

2006 Project Costs/Status

- \$6.605 million was spent to purchase two bi-level dome coaches outfitted with full kitchens. Delivery in 2005 to provide a new first-class service option as part of the *Denali Star* train in summer 2005.
- \$7.15 million is budgeted in 2006-2007 to purchase two additional bi-level dome cars, which will also be equipped with full kitchens and dining areas. Delivery in 2007 ARRC plans to purchase two more in 2008.
- \$5.4 million is budgeted (2006) to purchase two low level dome passenger coaches that will match the Railroad's current 55x series. Delivery in 2006.
- \$1.55 million was spent to upgrade/rebuild the *Denali Car* to 1920s Victorian-era glory. New layout includes a bedroom suite, full kitchen, dining and conference areas. \$800,000 funded by Rasmuson Foundation and Ed Rasmuson.
- Except for the *Denali Car*, passenger car / coach refurbishment and purchase projects are funded primarily by the Federal Transit Administration, along with matching funds from the Alaska Railroad.

Locomotives



Eight new SDMAC locomotives were purchased by ARRC.

Passenger Coaches



Above: New bi-level dome coaches in 2005. Right and Below: Denali Car in 2006.





Collision Avoidance System

Project Scope

The Alaska Railroad (ARRC) is actively developing a multi-phased program to design, develop, and implement a communication-based train control system that utilizes data radio communications between train dispatchers and train crews, or dispatchers and roadway workers. The Collision Avoidance System (CAS) will ensure efficient and safe freight, passenger, and roadway worker operation.

The CAS project is comprised of a Computer Aided Dispatch (CAD) system, an on-board computer system, VHF packet data radio technology, and GPS locator technology. Wayside devices (including signals, switches, track integrity monitoring, and defect detection on trains) are interrogated by approaching locomotives for status. If needed, the train will be stopped prior to moving over the specific device.

Benefits

The Collision Avoidance System integrates CAD, on-board equipment, and wayside devices with a dedicated communication network and provides ARRC with the tools to:

- Electronically deliver authority (permission to be located on a specified stretch of track), speed restriction between the dispatcher office system and train.
- Stop locomotives/trains from exceeding authority/speed limits.
- Monitor switches for proper alignment.
- Detect broken rail (track integrity)

The fundamental difference between the CAS system and the current system is that the current system allows for human error that may cause catastrophic results. CAS will present human operators with improved information for decision-making. It will also detect infrastructure failure and potential violations quickly, and intervene when necessary. The proposed safety enhancements include:

- Generating safe mandatory directives
- Enforcing authority limits
- Enforcing speed restrictions
- Protecting roadway workers within their assigned limits

Status

The Collision Avoidance System is being implemented into ARRC operations in several phases, in which each step achieves incremental safety benefits. Completion is expected in 2007, and will include the installation of equipment on all of ARRC's 66 locomotives.

Phase I

The first phase, the communications segment, is installed and consists of mobile and base station packet data radios and GPS receivers on locomotives. Tracking occurs with GPS correction sent from the base stations to the locomotive. The system is operational and provides complete coverage of the railroad on all locomotives.

Phase II

- The Computer Aided Dispatcher (CAD) systems under contract with Pittsburgh-based Union Switch & Signal. The schedule is for installation during the first quarter 2006.

Phase III

- The Office Safety Server Segment is the source of control information and instructions required on-board to perform CAS safety functions. The system validates all authorization and restriction information.
- The Locomotive Segment increases train crew effectiveness, efficiency, and safety. Safety objectives are achieved through several on-board safety functions:



- On-board display of authorities, speed restrictions, and wayside detection alarms
 - On-board alerts
 - On-board enforcement of authority limits
 - On-board enforcement of speed limits
 - Protect roadway worker work limits
- Field acceptance testing is scheduled to begin in November 2007, with implementation complete by spring 2008.

Phase IV

- Wayside detection devices will be monitored in Phase IV. These hardware and software applications include track integrity, switch monitoring and detector instrumentation for high load, avalanche, and hot wheels.

Phase V

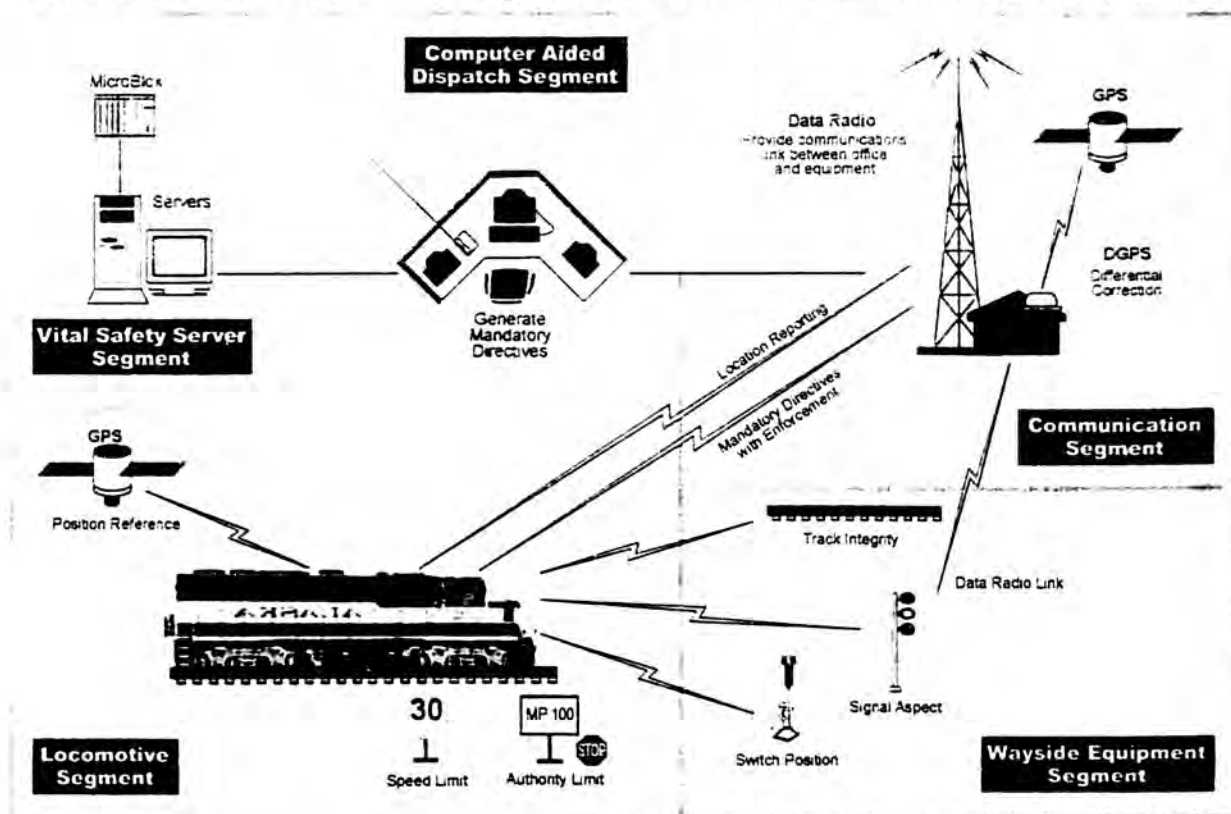
- Phase V will integrate on-track-vehicles (trucks and other vehicles outfitted to drive on the track) into CAS for monitoring, alerting and warning of authority limits and proximity to other maintenance vehicles.

Costs and Funding

The Federal Railroad Administration (FRA) funded earlier phases at \$11.9 million. Approximately \$13.5 million will be needed to complete Phase III. Phases IV and V are estimated to cost \$20 million.

\$4.48 million was budgeted for 2006 with funding from Federal Transit Administration (FTA) bond revenue. \$7.5 million is budgeted for 2007, funded 91% by the FTA and 9% by the Alaska Railroad.

Collision Avoidance System Overview for Locomotives





Train Whistle Noise Reduction Systems

Project Scope

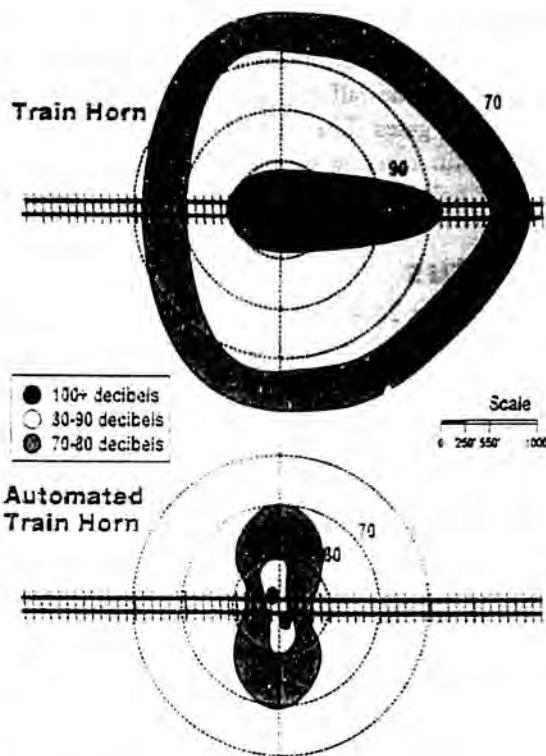
Federal regulations and Alaska Railroad rules require trains to sound their horns when approaching a public crossing and to continue sounding the horn until the crossing is reached. In June 2005, the Federal Railroad Administration (FRA) began enforcing a new rule requiring train engineers to sound the horn at least 15-20 seconds before the crossing and to continue sounding the horn until the crossing is reached. Given significant consequences for not complying (monetary fines to the railroad and suspension of train crews), train engineers have no choice but to blow the horn as required — day and night.

Anticipating potentially greater noise disruption to railbelt communities, ARRC began testing whistle noise reduction systems at two crossings in Anchorage in 2004. This technology, which is in use in other locations in the U.S., is designed to reduce noise from train whistling. The test determined that at least two whistle reduction systems can operate reliably in the Alaska environment.

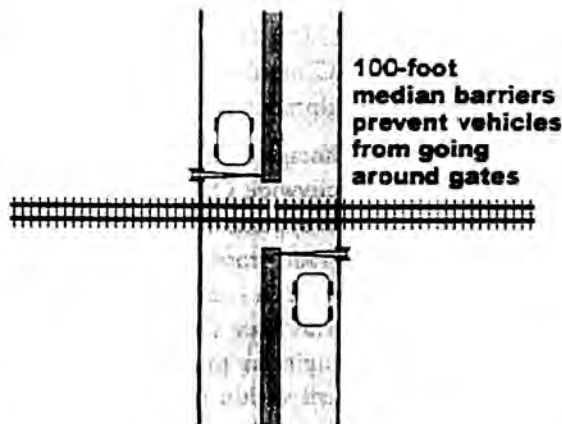
At one test site a stationary automated horn system was installed. When this system senses an approaching train, it sounds a whistle-like warning that is aimed perpendicular to the track, down the road, toward oncoming highway traffic. The system uses two stationary horns mounted at the crossing, instead of on the train. By directing the noise into the street, instead of the surrounding area, noise is more focused and less disruptive to the surrounding community.

At the other test site median barriers were erected down the middle of the street for about 100 feet on either side of the track. Crossing gates close against the median, thereby preventing vehicles from getting around the gates and onto the track. This system eliminates the need for trains to sound their horns for the crossing, making it a good choice for residential areas.

With either of these systems in place, train engineers do not need to blow the train whistle



Federal regulations and ARRC rules require horns to generate at least 96 decibels at 100 feet. A study conducted in Mundelein, Illinois, by the Northwestern University Center for Public Safety, showed the automated horn reduced noise by 85% compared to train-mounted horns.



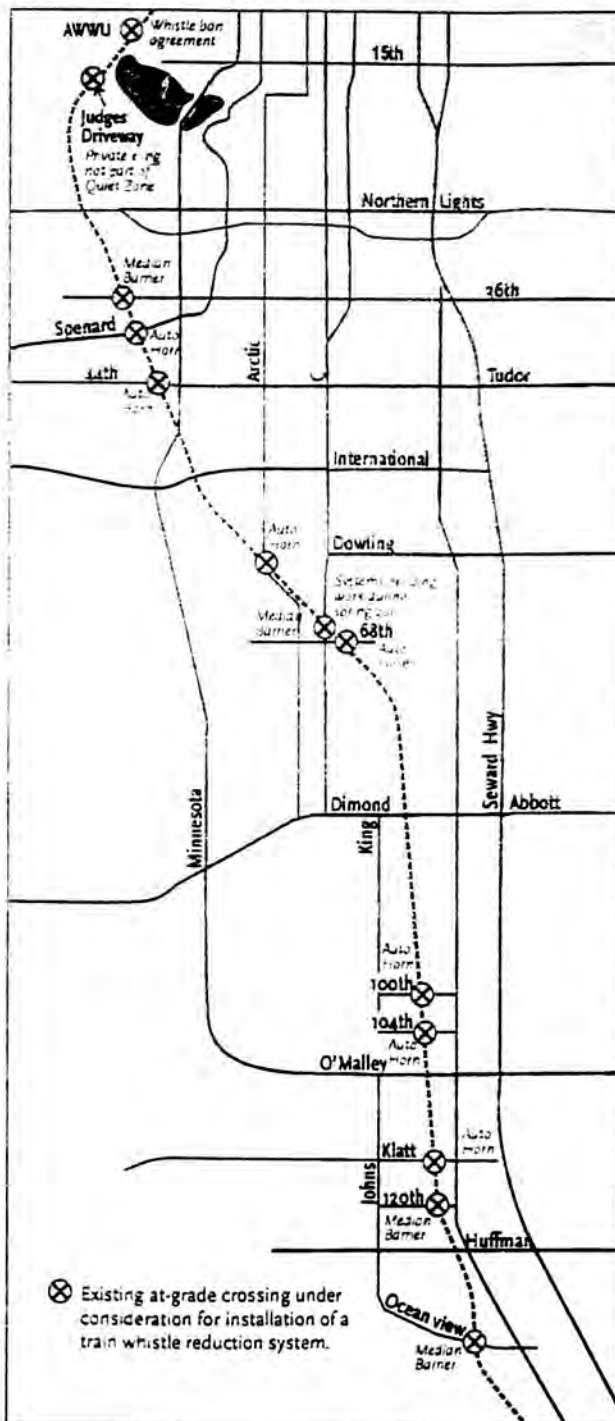
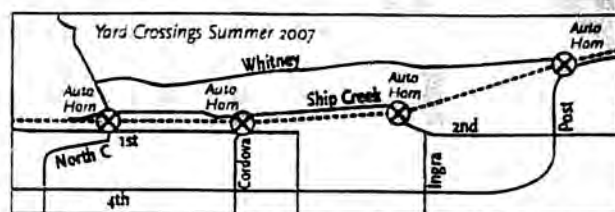
when approaching the crossing. However, there are circumstances when an engineer may need to blow the whistle when in the area. An example would be if the engineer sees a person or animal on the track, he or she would sound the horn as a warning to clear the tracks.

Benefits

Railroad train horns are proven to improve safety at road-rail at-grade crossings, even those with crossing gates. The whistle reduction technology can maintain crossing safety, while reducing the train horn noise in more populated areas.

Status

- Spring 2004, ARRC coordinated with state and municipal officials regarding whistle reduction system installation at test sites in Anchorage.
- Systems were installed for initial testing in 2004: 1) an automated horn system at the Klatt Road crossing, and 2) median barriers at the 36th Avenue crossing.
- ARRC notified residents living near test sites about the project, and invited them to take part in a before-and-after survey regarding any change in noise levels. About three dozen residents around each location participated. Survey results pointed to overall system success in reducing whistle noise, while ARRC monitoring confirmed equipment capability and reliability.
- ARRC conducted noise studies at the Klatt test site in July 2004 in order to compare noise levels between typical street noise, locomotive horn whistle and wayside horn whistle. Similar data was obtained for the 36th crossing site as part of the MP110-114 Capacity Improvement project. ARRC monitored the test sites to determine equipment capability and reliability.
- In 2005, Anchorage obtained federal dollars to help create a citywide Quiet Zone, by installing noise reduction systems at most of the 10 remaining at-grade crossings. The railroad continues to work in concert with Municipality of Anchorage and State Department of Transportation traffic engineers to determine the best systems to install within the constraints of available funding.



- In 2006, median barriers were installed at Oceanview and 120th Ave. Auto horns were installed at 104th and 100th Ave., Arctic Blvd., 44th Ave. and Spenard Road.
- Auto horns will be installed in 2007 at five additional crossings: 68th Ave., North C Street, Ingra, Cordova and Post Road.
- Communities statewide may determine that there are local crossings that warrant installation of whistle noise reduction systems. Nationwide, these projects are typically pursued at the request of the community, with funding coming from municipal, borough,

state and federal sources. Citizens interested in creating a Quiet Zone should first contact their local government transportation and community planning agencies with a request they fund, or seek funding for, train whistle noise reduction systems.

Project Costs

- The initial test budget was \$221,300, funded by Federal Railroad Administration (FRA). FRA granted an additional \$994,100 in 2005 to establish a Quiet Zone between the Anchorage Rail Yard and Oceanview Drive.

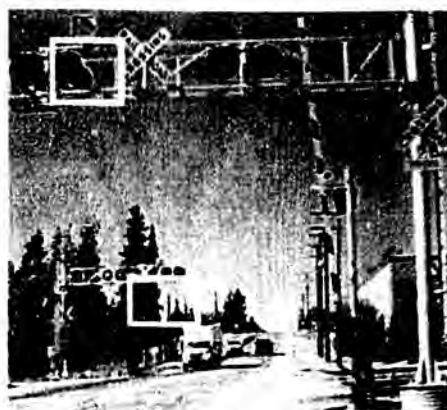
COSTS OF NOISE REDUCTION OPTIONS

For communities considering whistle noise reduction systems, the Railroad has researched cost ranges for the following options. These estimates are based on railroad experience with purchasing system equipment and materials, shipping charges, installation costs, and common construction-related contingencies.

Automated Horn - Equipment for this system includes two stationary horns mounted at the crossing, along with sensor equipment on the track and signals that notify the train engineer that system is working. Cost to install automated wayside horns ranges from \$50,000 to \$140,000. Higher end costs relate to upgraded signal and gate equipment, if necessary.

Median Barrier - Materials for this system include a non-mountable curb that create a barrier 60 to 100 feet long. For locations in the Anchorage area jersey barrier segments were used to reduce cost in installation, maintenance, and for ease of installation. Traffic engineers have determined that the roadway lanes and shoulder on either side of the median must be at least 30 feet in order to accommodate for shy distance from median, snow removal, and lane width for a vehicle. Configuration of surrounding roads also impact the feasibility of installing this system. Cost to install is \$45,000 to \$180,000 depending on roadway improvements, if necessary.

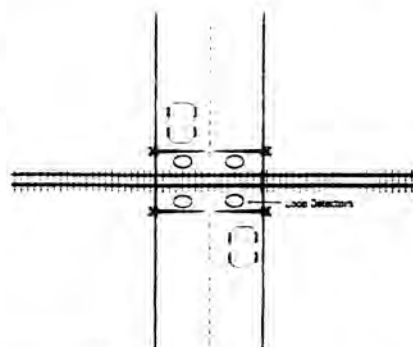
Four Quadrant Gate - Not yet tested in Alaska, this system installs two gates on either side of the track. The four gates come down, closing off access to the track on both sides of the road and on both sides of the track. This system also includes installation of loop detectors (sensors) which are buried beneath the pavement on each side of the crossing. These detectors sense vehicles that may be stalled or caught between the gates. If the system detects a trapped vehicle, the gates open so the vehicle can escape. Equipment and installation are expensive. This system is not feasible for many crossings due to high cost, impact to the roadway, and potential delays to traffic and railroad operations in the event of system failure. Cost to install is \$200,000 to \$360,000, depending on gate equipment already in place, and the extent of road construction needed.



Automated wayside horns at Klatt Road.



Median barriers at Oceanview crossing.



Four quadrant gate concept.



Crossbuck Illumination Test

PROJECT FACTS

Project Scope

The Alaska Railroad Corporation (ARRC) is testing the effectiveness of experimental illumination materials installed on railroad crossbucks, the familiar X-shaped warning signs that indicate a railroad crossing is present. ARRC will affix the luminescent material at select crossings that are not equipped with signals (flashing lights) and gates.

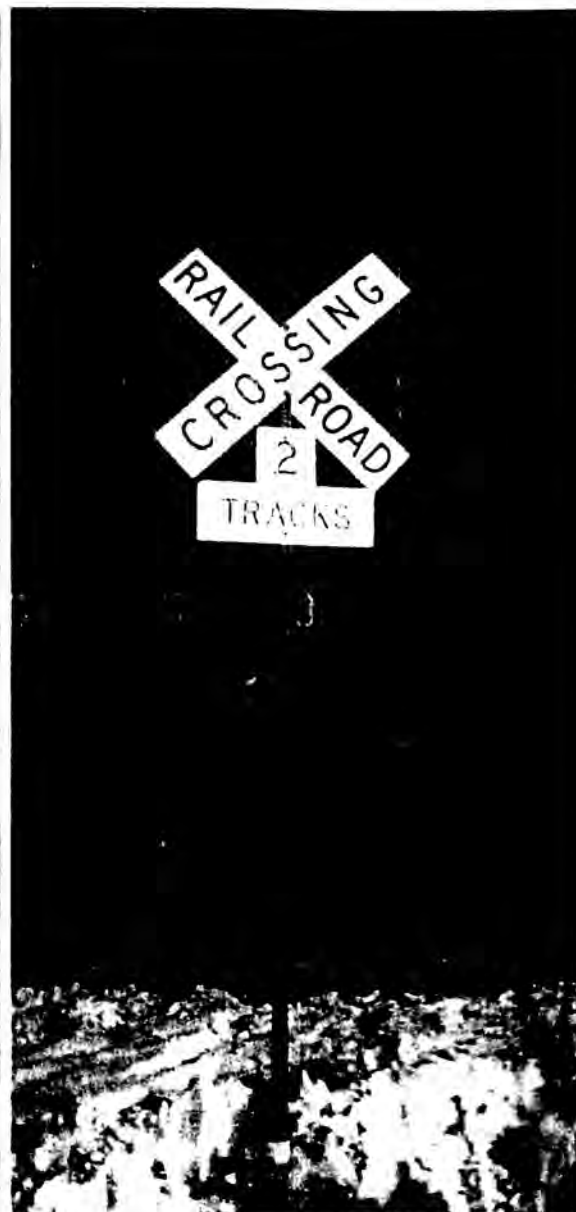
Benefits

According to national grade crossing accident statistics, "vehicle-run-into-train" accidents account for approximately one-third of nighttime crossing accidents. Poor visibility of the crossing and of the train within the crossing can contribute to these kinds of accidents.

The material being tested retains light absorbed during daylight hours, so that it effectively radiates light during hours of darkness. This source of light may enhance crossbuck visibility, thereby reducing incidents with vehicles. The Alaska Railroad provides an ideal platform to find out, given the state's cold climate and extended hours of darkness during winter months.

Project Status

- Based on initial test results in 2005, the material is being reformulated. Material will be ordered and retested in 2006 and 2007 for compliance with Federal Railroad Administration (FRA) and Federal Highway Administration (FHWA) standards.
- Test focus will be during fall and winter months, when darkness is most prevalent.
- Results will be reported to the Federal Railroad Administration. Application for acceptance of the material by the governing bodies – FRA and FHWA – will be based on test results.



Cost and Funding

Project budget is \$992,500. Funded by the FRA's Next Generation High Speed Rail Program.



Section Maintenance Facilities

PROJECT FACTS

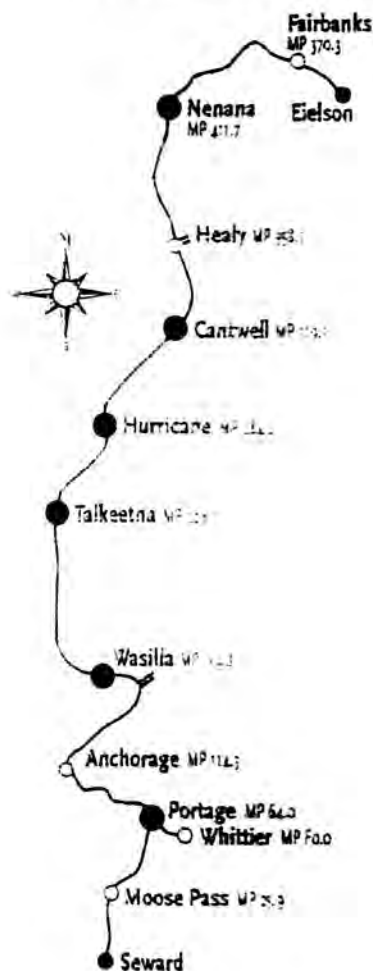
Project Scope

The Alaska Railroad Corporation (ARRC) proposes to build up to six section maintenance facilities (SMF) along the mainline track. The prototype will be constructed in Cantwell, with additional facilities planned for Hurricane, Portage, Talkeetna, Wasilla and Nenana.

Each of these locations is known as a "section," which, as the name suggests correlates to a section of track. Currently, ARRC sections are located at Portage, Whittier, Anchorage, Wasilla, Talkeetna, Hurricane, Cantwell, Healy, Nenana and Fairbanks. Sections typically have at least three people assigned, including a supervisor, track laborers and equipment operators. These employees are tasked with keeping their section of track in good operating order. To support this, sections are outfitted with a maintenance shelter, ranging from a heavy-duty tent to an aging building. More remote sections also provide housing, ranging from a nearby hotel to trailer to a temporary structure. There is no consistency among the section facilities.

The SMF project will bring uniformity to the section architecture and infrastructure. Five of these steel-framed heated maintenance facilities will be 45-by-62 feet in dimension, with 2,800 square feet of space. Each will house a small office, small restroom, small utility room, and a two-bay open shop area that will accommodate one piece of rail maintenance equipment (typically a ballast regulator, which doubles as a snow plow), and one to two trucks. The Talkeetna facility may be slightly larger to accommodate a larger piece of rail equipment (possibly a self-propelled passenger rail car) in the future.

Situated on a concrete foundation, the facility's exterior is consistent with the railroad's new building image. It includes lap siding (overlapping horizontal siding) and split face block design (brick veneer halfway up the sides) aluminum insulated windows and metal roof-



- Start/End of track
- Section hubs
- Section Hubs getting new maintenance facilities

ing. A decorative timber truss, which mimics the Hurricane Gulch Bridge, will accent each side of the building, providing a distinctive, unifying design element.

Located entirely within the Alaska Railroad right-of-way, facility sites will include a small graded approach and parking area. A single track will run from the mainline track to the facility, and continue, embedded in the concrete, through the entire length of the building.

Project Benefits

- The Alaska Railroad Facilities and Engineering departments designed the facilities to be simple, easy to construct, expandable and readily adaptable to many uses. The purpose is to support continuing growth and development through modern, uniform infrastructure.
- During the winter employees spend significant time clearing trucks of snow and ice. Providing truck shelter will decrease the likelihood of injuries and improve response times to rail and track maintenance needs.
- The SMF provides a safe, secure place to protect Alaska Railroad investments in vehicles and tools. Railroad trucks, and tools stored in truck beds, are often stored outside, subjected to the weather, and in some cases, vulnerable to vandalism and theft.
- The SMF will replace aging, non-uniform facilities that are costly to maintain. The new facilities will lower the cost of operating and maintaining sanitation and heating components.

- The SMF represents a significant first step toward improving employee conditions in semi-remote areas. Future infrastructure upgrades call for construction of amenities buildings to replace existing old trailers. Amenities buildings will include showers, laundry room and a kitchen/breakroom.

Project Status

- Anchorage-based F&W Construction completed the first SMF in Cantwell in October 2006.
- Current plans call for construction of additional section maintenance facilities at Hurricane, Portage, Talkeetna, Wasilla, and Nenana.

Project Costs

- Each facility will cost between \$750,000 and \$1 million, depending on facility size and location. Funding is 100% Alaska Railroad.



The first Section Maintenance Facility was completed in Cantwell. Section crews completed the move in October 2006.



SCOMM

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Alaska State House of Representatives

Representative Mark Neuman, Chair
Alaska State Capitol, Room 432
Juneau, Alaska 99801-1182
Phone: (907) 465-2679
Fax: (907) 465-4822
House District 15



Representative Vic Kohring
Representative Carl Gatto
Representative Bob Lynn
Representative Kyle Johansen
Representative Andrea Doll
Representative Mike Doogan

House Special Committee on Economic Development, Trade & Tourism

To: House Economic Development, Trade, and Tourism Committee Members
From: Representative Mark Neuman, Chair
Date: February 26, 2007
Re: Committee Schedule

Schedule for House: Special Committee on Economic Development, Trade & Tourism

+ **Tuesday, February 27th, 2007**, 11:00 a.m. in Room 106

Alaska's Shipbuilding Industry is afloat
Presented by Douglas B Ward of Alaska Ship & Dry Dock Inc.

- * First Hearing in First Committee of Referral
- + Teleconferenced
- = Bill was Previously Heard/Scheduled

At this time we will call the meeting to order.

Let the record reflect the time is 11 am on Tuesday, February 20, 2007.

Let the record show that

- ☐ Representative Gatto
- ☐ Representative Lynn
- ☐ Representative Kohring
- ☐ Representative Johansen
- ☐ Representative Doll
- ☐ Representative Doogan
- ☐ And myself Representative Neuman

and that we have a quorum.

(Let the record also reflect that _____ has been excused from the committee meeting today.)

Today we will be hearing a:

Alaska's Shipbuilding Industry is afloat

Presented by Douglas B Ward of Alaska Ship & Dry Dock Inc.

(Doug)

Before you start please, state your name for the record.

Does the committee have any questions?

Thank You.

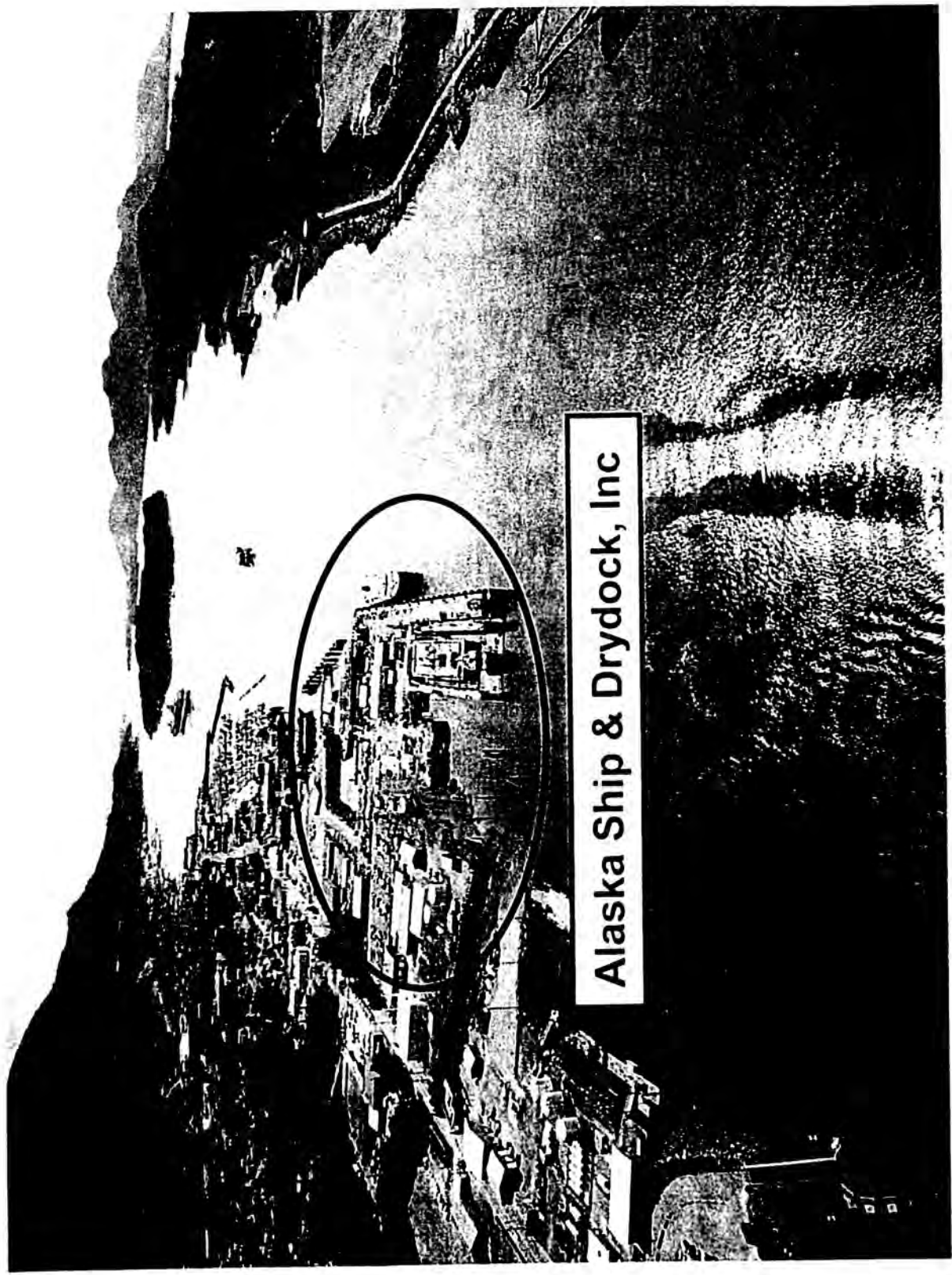
This committee is adjourned



Alaska Ship & Drydock & AIDEA

**A Public Private Partnership
Anchoring Alaska's**

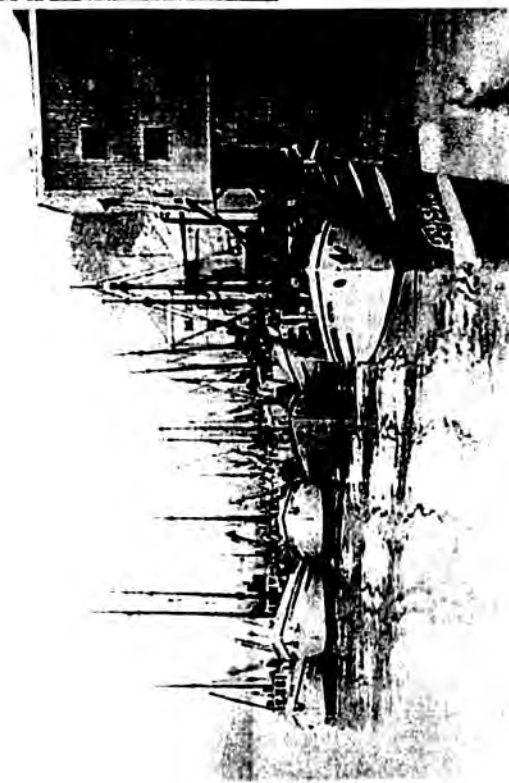
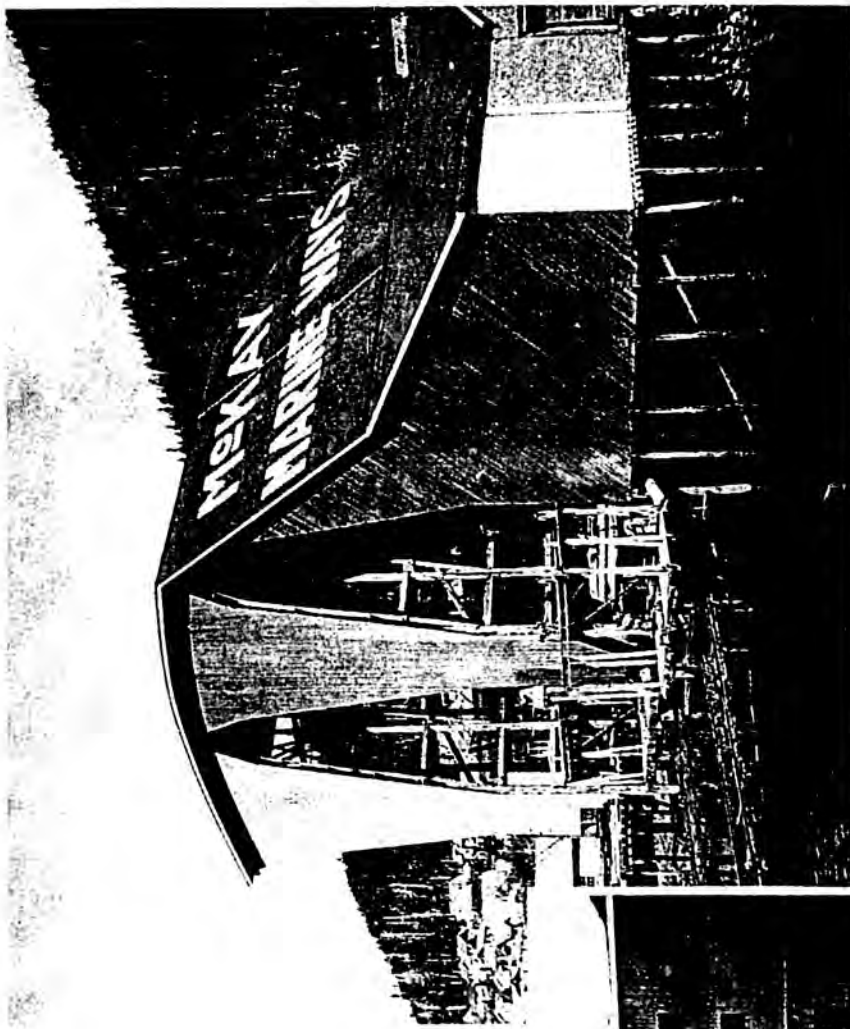
Maritime Industry Complex

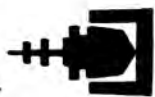
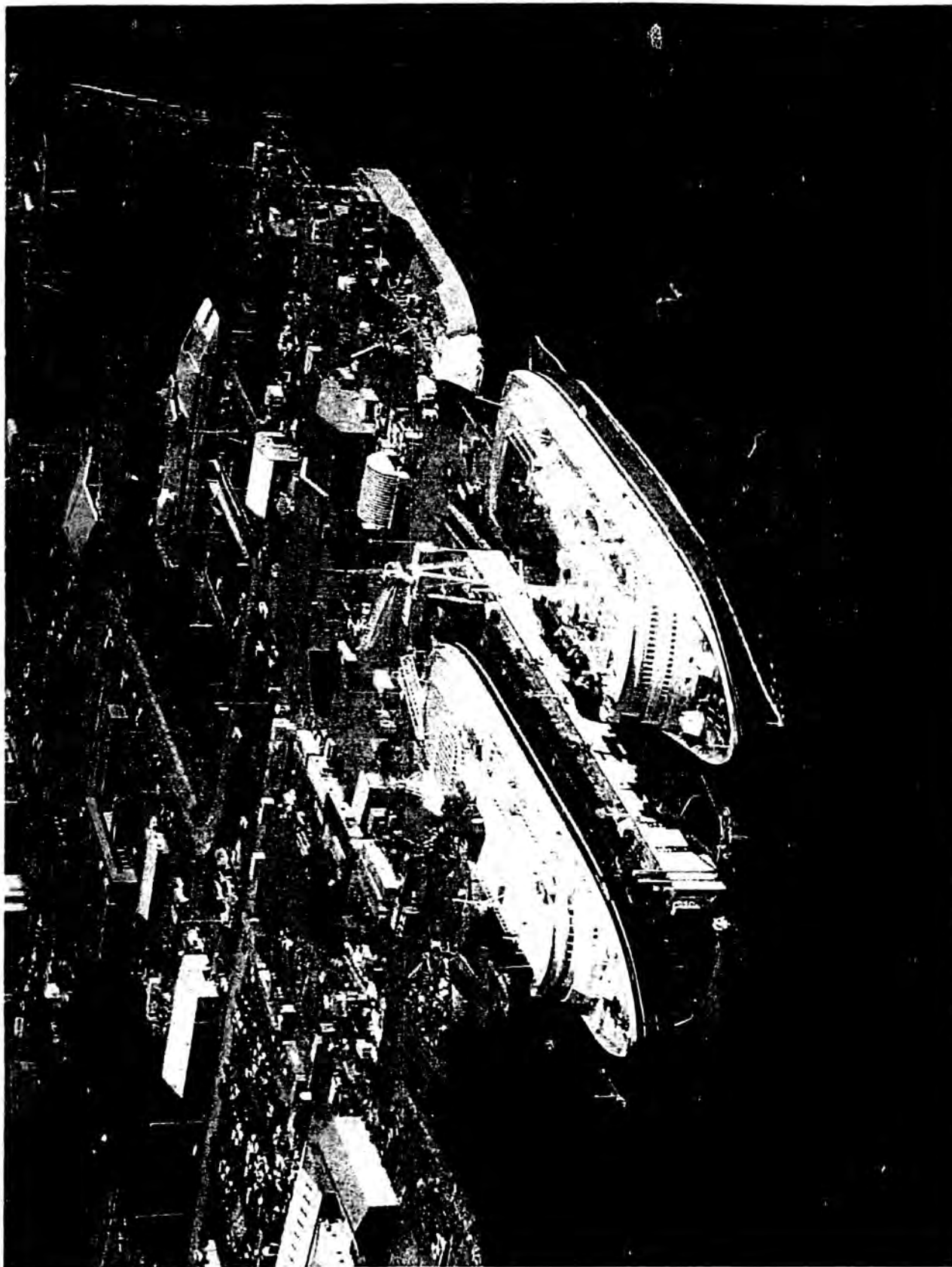


Alaska Ship & Drydock, Inc



A Sustainable Industry in Alaska

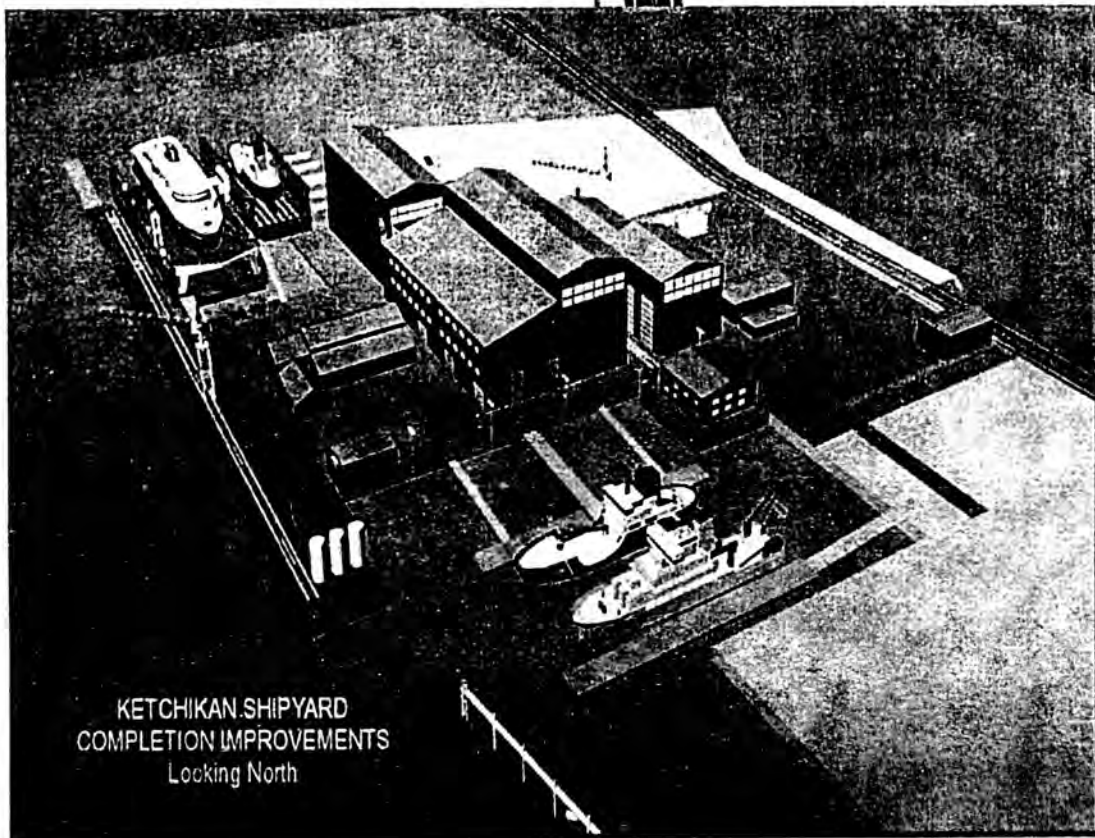
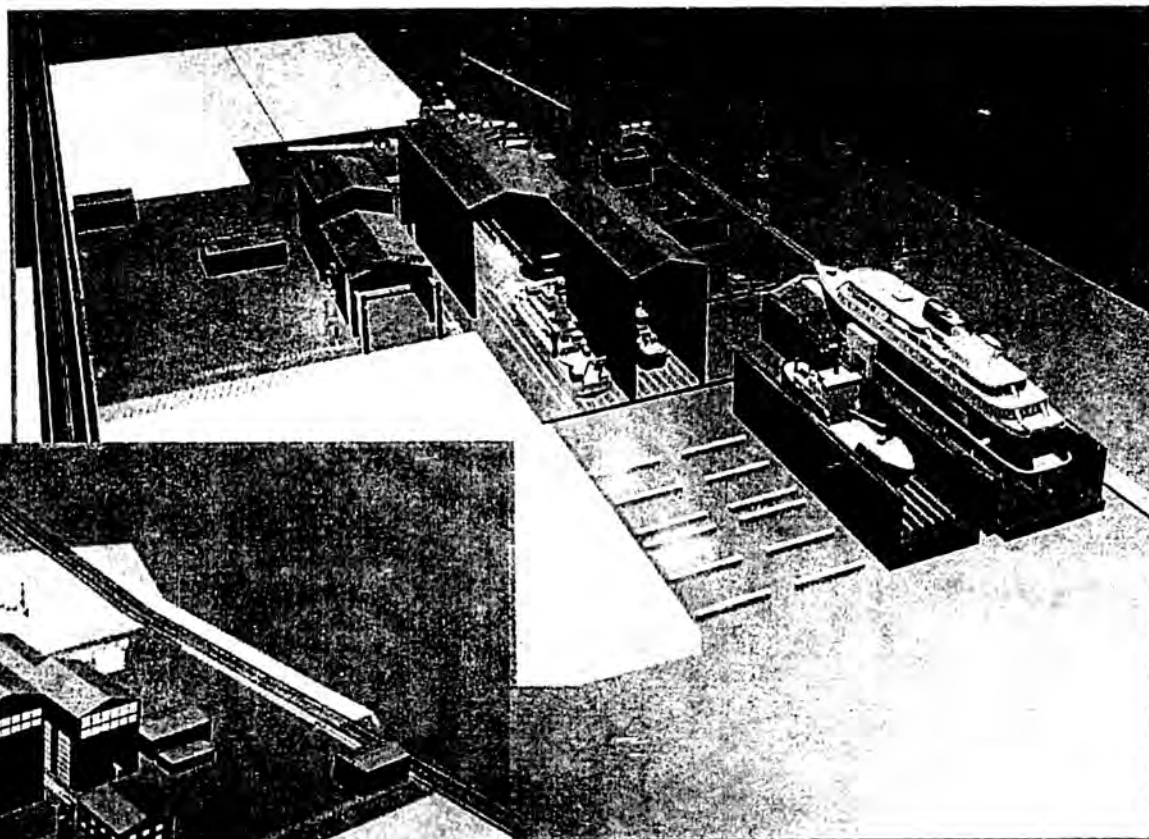






A Globally Competitive Shipyard in Alaska

Concurrent Development



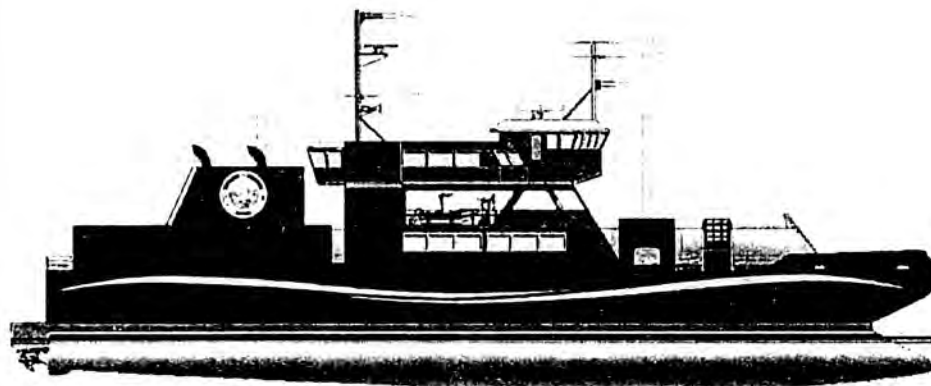
KETCHIKAN SHIPYARD
COMPLETION IMPROVEMENTS
Looking North

**Supporting the
Southeast
Transportation Plan**
Affordable Ferries



Keel Laying M/V Susitna

Lockheed Martin
Design



Vessel Characteristics:

Length -195 Feet, Beam - 60 feet

Displacement: 940 tons full load

Variable Draft - SWATH mode is 12± feet,
shallow-draft landing-craft mode is 4± feet.

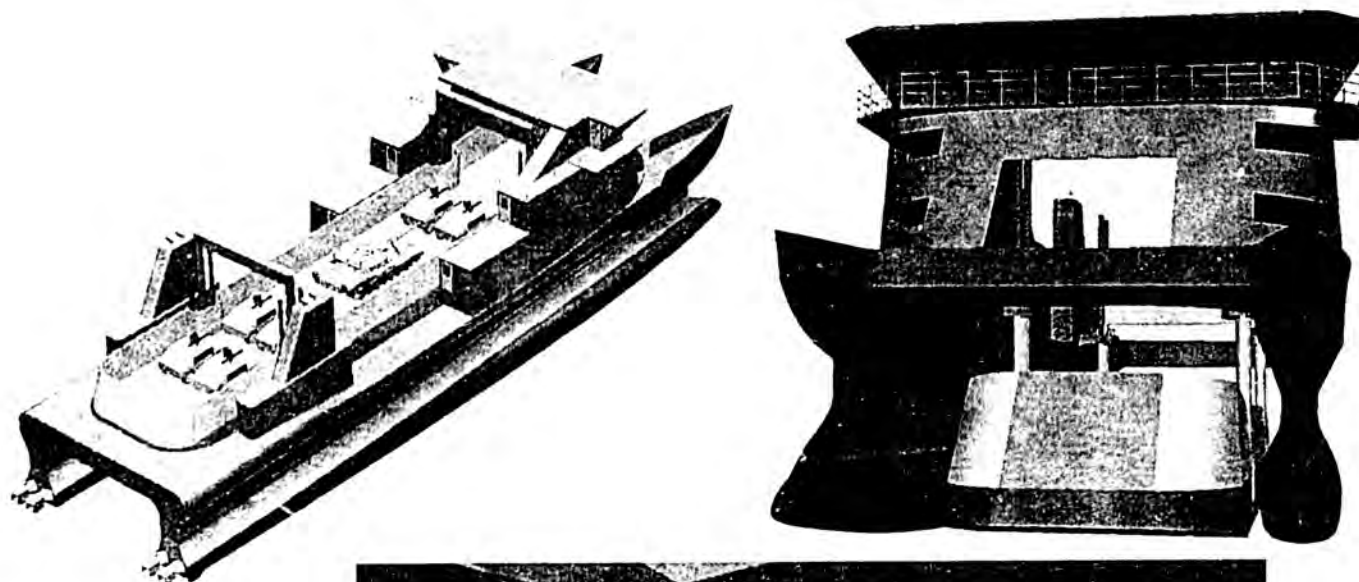
Capacity: 100 Passengers and 20 vehicles.

Speed: 20 knots

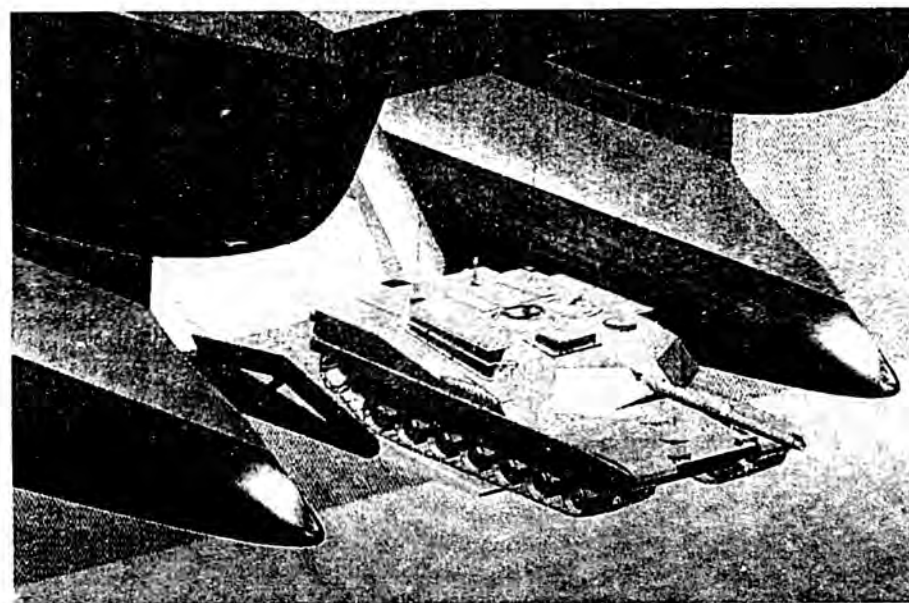
Power Plant: 4 ea., MTU 12V 4000 diesel
engines



Variable Geometry – Variable Draft Ice-Strengthened - Beachable

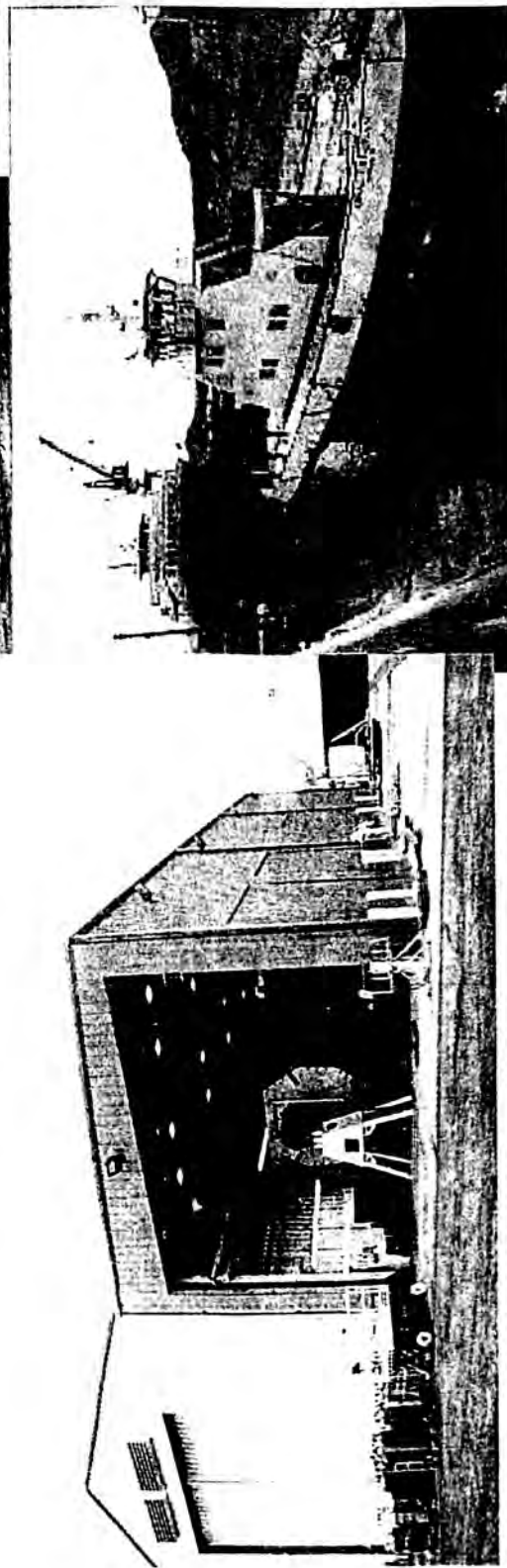
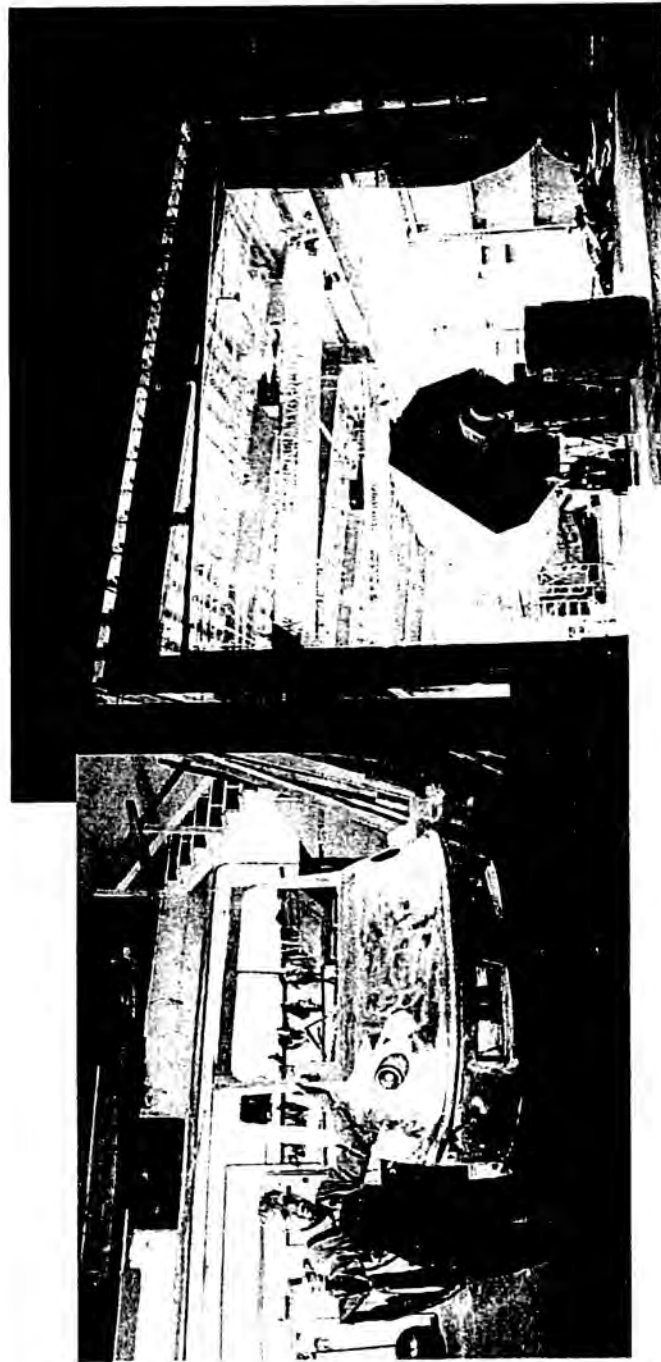


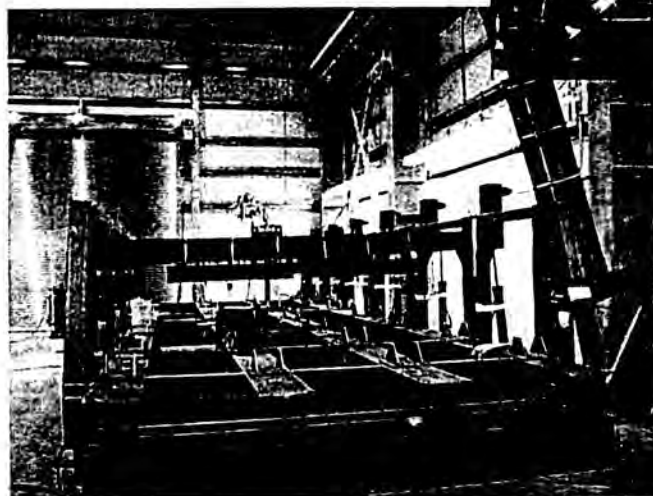
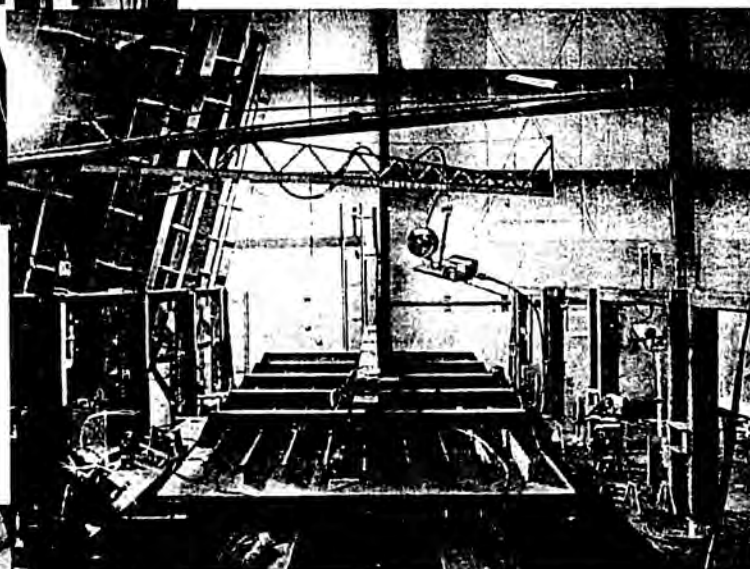
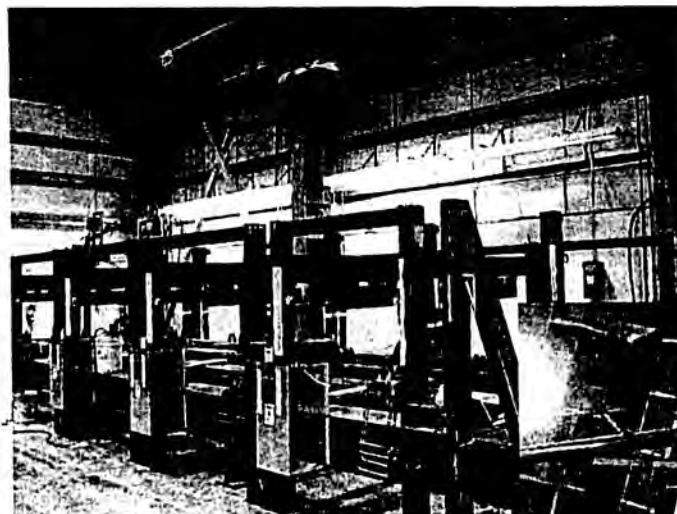
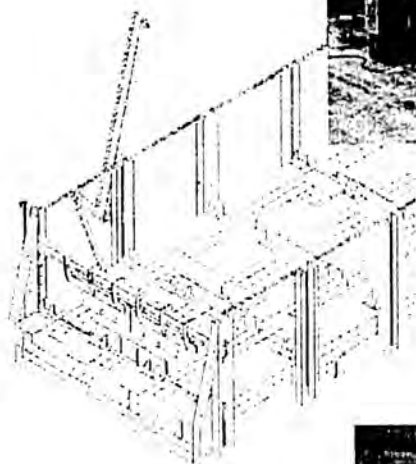
**Commercialization
of Defense Science
& Technology in
Alaska**



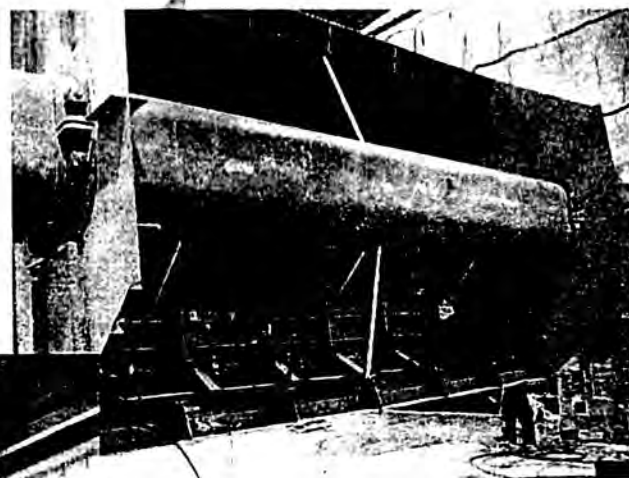
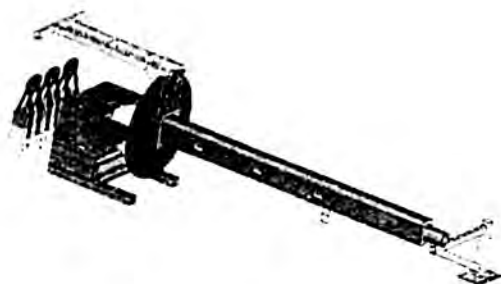
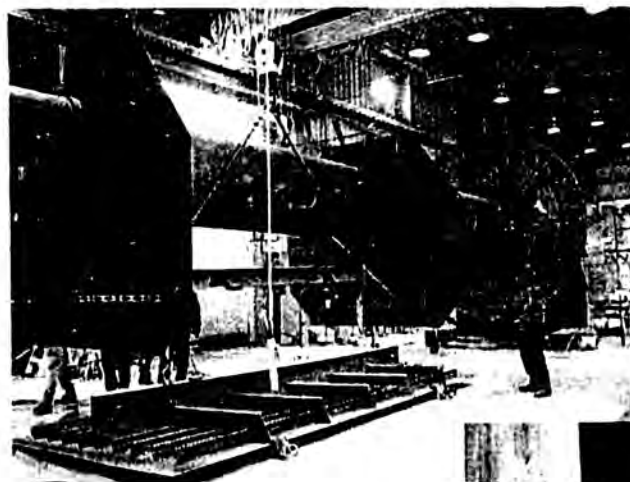


Agile & Advanced Manufacturing in Alaska





Advanced Hull Forming



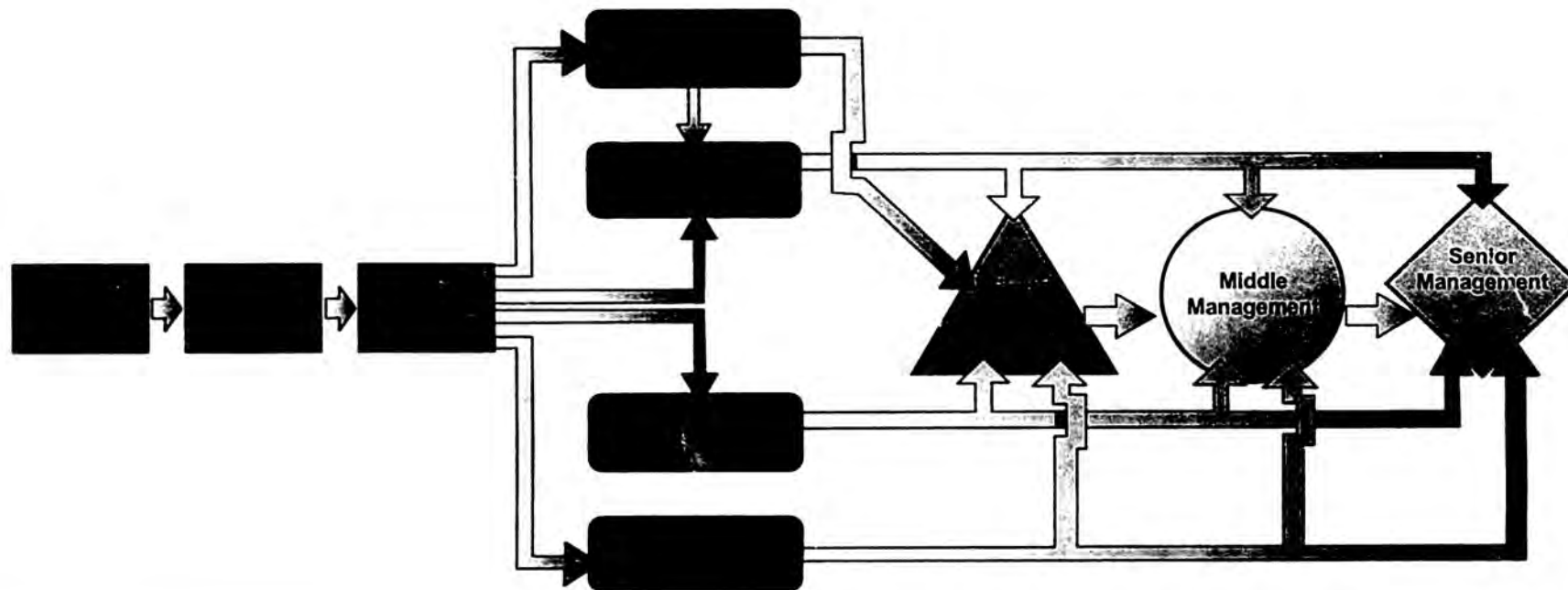
Positioner & Mandrel



**Semi-
Automated
Production**



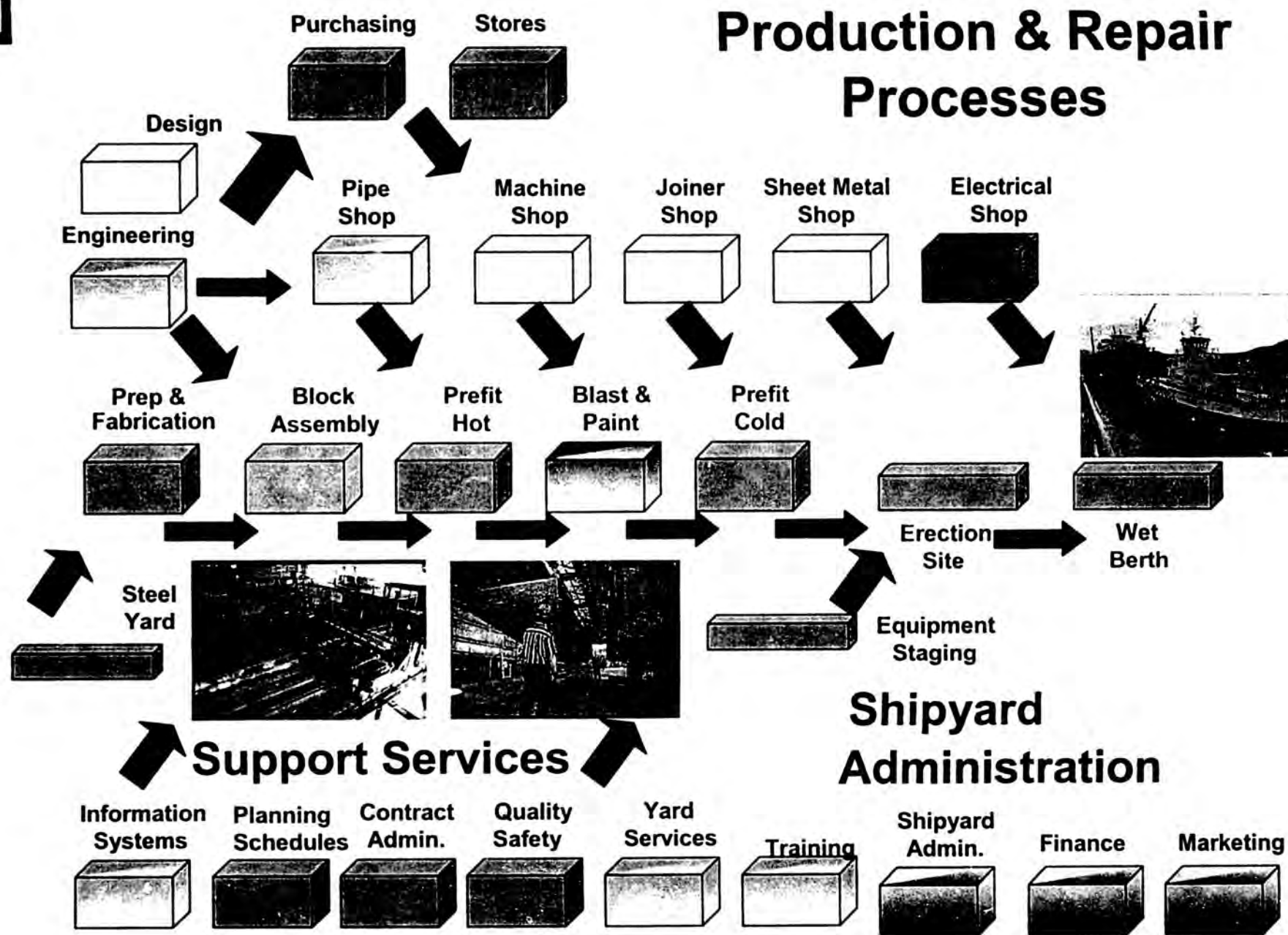
Shipyard Career



Career Pipelines -- Pre-Employment Assessments – Learning—On-The-Job Training

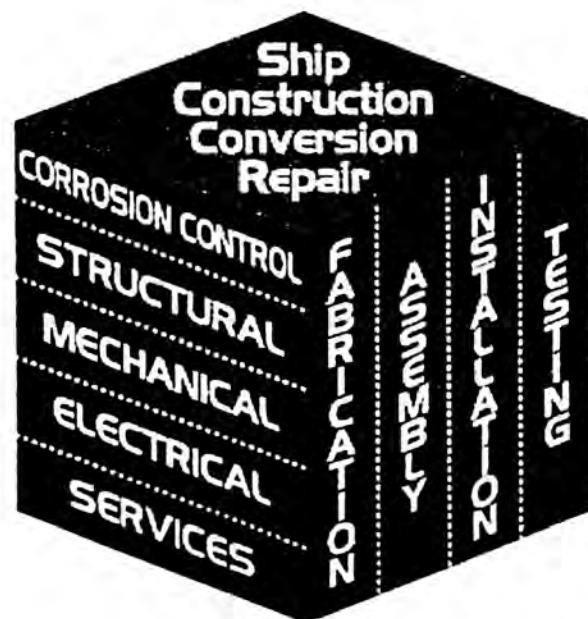


Production & Repair Processes





Globally Competitive Workforce TWI Training Within Industry



NSRP Improve Industry Image

Marine Industry Technical Centers

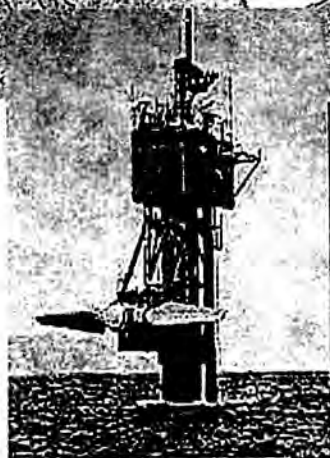
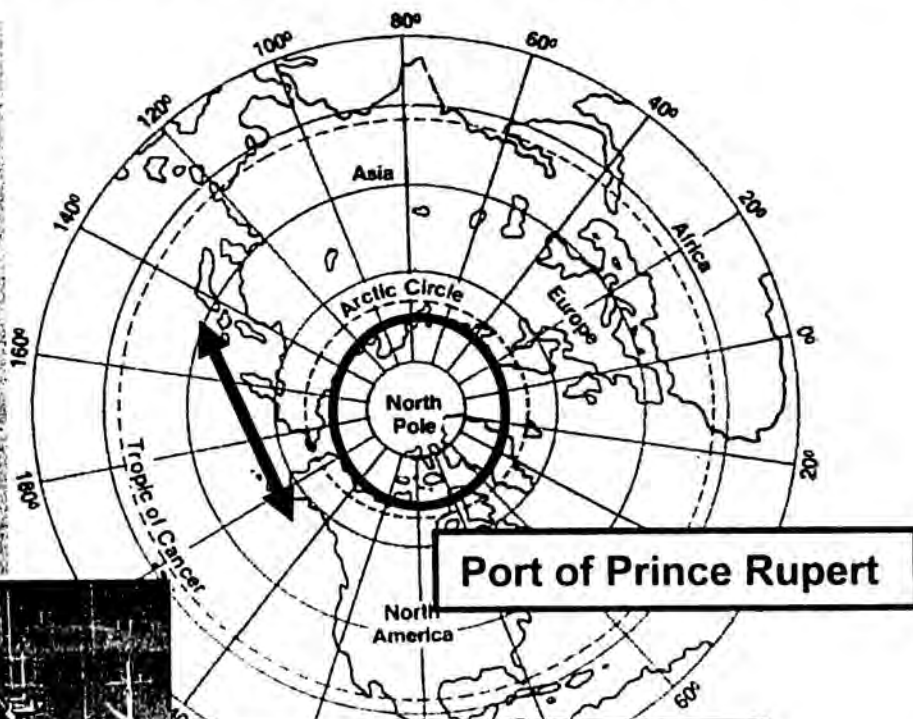
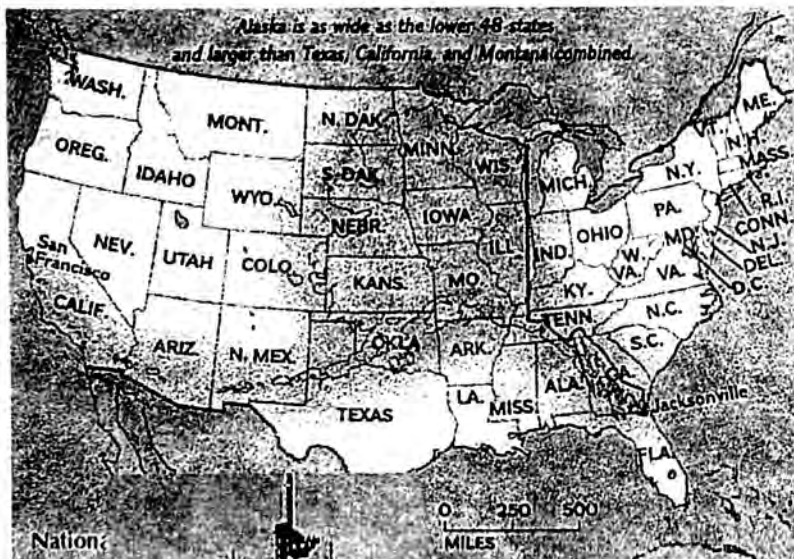
**Northrup Gruman – Newport News
Shipyard**

ASSET





Island Nation - Island State – Center of the Pacific Rim





ALASKA SHIP AND DRYDOCK, INC

3801 TONGASS AVENUE
P.O. BOX 9470 • KETCHIKAN, ALASKA 99901
BUS. (907) 225-7199 FAX: (907) 247-7200

Establishing Globally Competitive Shipbuilding and Repair in Alaska

Alaska Ship & Drydock, Inc. (ASD) commenced operations at the Ketchikan Shipyard in November 1993. Constructed by the State of Alaska and opened in 1987, the Ketchikan Shipyard was intended to reduce the cost of operating AMHS ferries and other marine vessels operating in the North Pacific and Arctic Oceans. Other intended beneficiaries include the communities of Ketchikan and Southeast Alaska where reversals in federal timber harvesting policy and more recent impacts from imported foreign farmed salmon devastated regional economies. Closure of the two large Southeast Alaska pulp mills in the 1990's followed by a 56% reduction in the number of active fishing permits between 1995 and 2004 has left the Southeast Region with the cruise and visitor industry as the most visible economic sector.

Early planning for the shipyard was lead by knowledgeable Ketchikan based maritime professionals who developed the economic and technical basis for establishing the Ketchikan Shipyard as an enduring enterprise. The state owned AMHS ferry fleet constitutes over 50% of repair, maintenance and conversion activity at

the Ketchikan Shipyard. Other government customers include the US Coast Guard, Army, Navy and NOAA. Commercial clients include a wide variety of work boats, barges, fishing, cruise, and research vessels (see back panel for project listing).



Historic Ketchikan Shipyards

Ketchikan's once viable ship repair industry included 3 independent all-weather marine ways supporting a fleet of 200 halibut schooners based in Ketchikan during the 1920's.

Gravina Island supported a shipbuilding yard where a fleet of US Forest Service cutters were built to patrol Southeast Alaska.

The last of Ketchikan's early shipyards survived until the 1980's, victims of increasing vessel size, complexity and welded steel construction.





The Ketchikan Shipyard as presently configured

Following the recommendations of the early Ketchikan shipyard planners, ASD has pursued expansion and improvement of the shipyard's production capabilities to achieve adequate business volumes necessary to produce a reasonable profit on a sustainable basis; an enduring enterprise. ASD has worked in partnership with the communities of Ketchikan, the State (AIDEA), and the Alaska Congressional Delegation to secure \$75 million to expand and improve ship production facilities at the Ketchikan Shipyard.

The year 2005 marked a significant turning point on decades of regional economic decline in Ketchikan and Southeast Alaska. In addition to capping \$75 million of new investment in the Ketchikan Shipyard, ASD also entered into a 30 year operating agreement with AIDEA and was awarded a contract to construct the Office of Naval Research (ONR)

demonstrator vessel M/V Susitna (formerly E-Craft).

Implementation of the \$75 million capital improvement program is underway with fast track procurement of production improvements needed to support construction of E-Craft. Construction of the balance of shipyard improvements is scheduled over the next three to five years and will provide the shipyard with the originally planned capacity to transfer up to 250 foot long ships to multiple, all-weather, land-level production facilities.



Ketchikan Shipyard at build out of \$65 million expansion and improvement

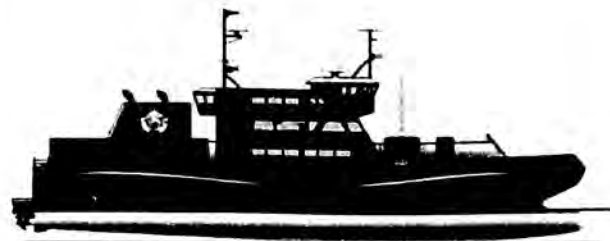
ASD is leading a Workforce Improvement Initiative with the University of Alaska and the Alaska Department of Labor and Workforce Development. The initiative is based on skill standards and recommendations from developed by the National Shipbuilding Research

Program's (NSRP) Crosscut Initiative Panel to expand and improve the nation's pool of multi-skilled and knowledgeable shipyard workers. This Workforce Improvement initiative will support a stable and globally competitive workforce estimated to grow from the present 100 workers to 300 workers following build out of the planned capital improvements.

Construction of the E-Craft in Ketchikan will catalyze over 30 years of planning and investment and accelerate the reindustrialization of Ketchikan and Southeast Alaska. With a globally competitive shipbuilding and repair yard located in Ketchikan, marine vessels that work principally in Alaska's waters, but homeport outside of the state, will be attracted by regional competitive advantage and seek new homeports in Southeast Alaska's ice free and protected harbors. Regionally available, globally competitive shipbuilding and repair capacity will reduce the cost of operating AMHS ferries and other marine vessels in Alaska.

ASD and AIDEA are implementing the principles of concurrent development

to reduce risk to the public and private stakeholders by concurrently developing infrastructure, workforce improvement and market opportunities to assure that, at build out, a knowledgeable and skilled work force is in place to maintain and build new, affordable marine vessels to work in Alaska and northern international waters.



M/V Susitna

A variable draft, ice strengthened, SWATH Vessel for the Office of Naval Research to be demonstrated as a commercial ferry across the Knick Arm between Anchorage and Mat/Su Borough. Construction of hull modules commences at the close of 2006 with the launch date scheduled for the fall of 2007

Major Projects Successfully Completed by ASD Since Year 2000

Year	Project	Owner	Project Value
2005	LECONTE REPAIRS	ALASKA MARINE HIGHWAY SYSTEM	\$4,041,219
2005	IX-527 BARGE	SAIC NAVAL SURFACE WARFARE CENTER	\$5,275,579
2005	M/V MATANUSKA	ALASKA MARINE HIGHWAY SYSTEM	\$6,212,917
2004	MISTY	US FOREST SERVICE	\$612,300
2004	KENNICOTT ANNUAL	ALASKA MARINE HIGHWAY SYSTEM	\$863,916
2004	US ARMY LT 802 TUG	US ARMY	\$1,219,820
2004	M/V MALASPINA	ALASKA MARINE HIGHWAY SYSTEM	\$3,562,221
2003	M/V TAKU	ALASKA MARINE HIGHWAY SYSTEM	\$682,404
2003	IX-527 BARGE	SAIC NAVAL SURFACE WARFARE CENTER	\$757,976
2003	M/V KENNICOTT	ALASKA MARINE HIGHWAY SYSTEM	\$1,110,325
2003	AMHS-M/V COLUMBIA	ALASKA MARINE HIGHWAY SYSTEM	\$4,516,973
2003	AMHS-M/V TAKU	ALASKA MARINE HIGHWAY SYSTEM	\$4,522,848
2003	M/V MATANUSKA	ALASKA MARINE HIGHWAY SYSTEM	\$5,315,922
2002	USCG STORIS WMEC38	US COAST GUARD	\$980,196
2002	M/V KENNICOTT	ALASKA MARINE HIGHWAY SYSTEM	\$1,110,325
2002	USCG ACUSHNET	US COAST GUARD	\$1,736,749
2002	KGB FERRY CONSTRUCT	KETCHIKAN GATEWAY BOROUGH	\$2,805,477
2002	M/V COLUMBIA	ALASKA MARINE HIGHWAY SYSTEM	\$10,334,592
2001	U S ARMY BD-6660	US ARMY	\$564,609
2000	AMHS M/V MALASPINA	ALASKA MARINE HIGHWAY SYSTEM	\$516,493
2000	M/V COLUMBIA	ALASKA MARINE HIGHWAY SYSTEM	\$620,055
2000	USCG ACUSHNET	US COAST GUARD	\$654,607
2000	MILLER FREEMAN	NOAA	\$5,653,285



SCOMM

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Alaska State House of Representatives

Representative Mark Neuman, Chair
Alaska State Capitol, Room 432
Juneau, Alaska 99801-1182
Phone: (907) 465-2679
Fax: (907) 465-4822
House District 15



Representative Vic Kohring
Representative Carl Gatto
Representative Bob Lynn
Representative Kyle Johansen
Representative Andrea Doll
Representative Mike Doogan

House Special Committee on Economic Development, Trade & Tourism

To: House Economic Development, Trade, and Tourism Committee Members
From: Representative Mark Neuman, Chair
Date: March 18, 2007
Re: Committee Schedule

(Committee Members should remember to bring there bill folders from last meeting; also expect the meeting to run its full one and half hours – 11:00am to 12:30pm.)

+ **Tuesday, March 20th, 2007** 11:00 a.m. in Room 106

- = **HB 147 : Tourism Contract Matching Funds**
Sponsored by Rep. John Harris
- = **HB 167 : Appropriation: Tourism Marketing**
Sponsored by Rep. Craig Johnson

Presentation by M2Z Networks: Revolutionizing Wireless Broadband

- * First Hearing in First Committee of Referral
- + Teleconferenced
- = Bill was Previously Heard/Scheduled

John Muleta CEO and Founder

John Muleta is Founder, CEO and Board Member of M2Z Networks. Together with his partner Milo Medin, Mr. Muleta founded M2Z Networks in 2005.

Immediately prior to founding M2Z Networks, Mr. Muleta was most recently partner and co-Chair of the Communications Practice at Venable LLP. Mr. Muleta has distinguished himself through dedicated service in two previous federal government career positions. Between 2003 and 2005, Mr. Muleta was the head of the Federal Communications Commission's Wireless Telecommunications Bureau and responsible for implementing the Commission's policies regarding consumer wireless services and public safety radio networks. Between 1994 and 1998, Mr. Muleta worked at Commission in the Common Carrier Bureau in several capacities including Deputy Bureau Chief of the Bureau and Chief of the Bureau's Enforcement Division.

Mr. Muleta also has a distinguished private sector record as entrepreneur, most prominently serving as a senior officer of PSINet, Inc., a leading commercial Internet Services Provider. Mr. Muleta headed PSINet's infrastructure provisioning organization that operated in 28 countries, he served as President of PSINet's India, Middle East and Africa unit and also served as the President of PSINet Ventures, the company's \$160 million corporate venture unit.

In addition to M2Z Networks, Muleta serves on the Board of the Directors of Fiber Tower (NASDAQ:FTWR) and on the Board of HRSmart, a privately held HR Application Services Provider (ASP) ranked as one of the fastest growing companies by Inc. Magazine. Additionally, Mr. Muleta serves on the advisory boards of PacketHop, Inc. and Visto, Inc., two innovative Silicon Valley companies. Mr. Muleta holds degrees in Engineering, Law and Business from the University of Virginia.



What We're Doing

America deserves better broadband Internet service. Through education and promoting a public dialogue, the Coalition for Free Broadband Now is working to ensure that all Americans have access to broadband service that is free, fast and family-friendly.

The Federal Communications Commission is currently considering a proposal by M2Z Networks that would guarantee delivery of free, fast and family-friendly wireless broadband service to at least 95 percent of Americans within 10 years, with speeds similar those presently offered by phone companies. Under the proposal, M2Z would offer a free broadband service and, for higher-speed access, a monthly subscription service. The free service would be suitable for basic Internet access such as email and web surfing, while the subscription service would be suitable for those, such as business owners, who require higher speeds. The free service would be search-supported, which means that M2Z would share with its Internet advertising partners the zip code of the tower through which the user has Internet access, so that text searches would be more relevant to the user's location, for example, locating a nearby pizza shop instead of one far away. Under the M2Z plan, all a user will have to do to get started is make a one-time purchase of a modem at any electronics store.

M2Z's proposal requires that the FCC grant it a license to use "spectrum," that is, a specific range of frequencies that M2Z would use to offer Internet access. The FCC typically licenses spectrum through auctions. However, the FCC has the authority to license spectrum through other means, when it is in the public's interest. M2Z has proposed that, in lieu of making an auction payment, it pay the U.S. Treasury 5% of its gross annual revenues from the subscription service each year during the term of the requested license. This innovative payment plan will complement the existing FCC spectrum auction mechanism by promoting innovation and competition while providing the government with a predictable, long-term income stream.

Without hearing from you about the importance of free broadband now, the FCC might take years to consider such a proposal. The Coalition for Free Broadband Now believes America deserves prompt action on this bold idea. Join us and let the FCC know America needs and wants action now to deliver free, fast and family-friendly broadband across the nation.

How It Would Work

In the early days of radio and television, the government created a system that delivered universal access in the broadcast arena. By granting pioneering broadcasters access to spectrum, the airwaves over which television signals travel, Americans of all income levels were immediately able to gain access to free over-the-air news, entertainment, public service and emergency alert information.

The same cannot be said for broadband access. While more than half of American homes contain a computer, this does not guarantee broadband access to the Internet. Many American households and businesses simply do not benefit from affordable broadband access.

A plan currently before the FCC would replicate the free, over-the-air television model for broadband.

FOR BROADBAND

Application Details and Download

Americans take for granted that, regardless of their choices regarding the purchase of cable or satellite television packages, free, over-the-air television service is always available everywhere. We believe that in this information-era, the same assumption should hold true for wireless broadband.

A plan currently before the FCC would replicate the free, over-the-air television model for broadband, thereby delivering free, fast and family-friendly broadband service across the nation. Under this plan, a nationwide broadband service would be available to consumers, small businesses and public safety entities without any fee. All that would be needed is a certified modem, which could be obtained at an electronics store or online.

In exchange for access to the spectrum needed, the service provider would commit to:

- Provide nationwide broadband service with no recurring fee;
- Build a network that would reach 33% of Americans within three years, 66% within five years, and 95% within 10 years;
- Block access to indecent content for all users of the free service;
- Provide public safety officials with access to an interoperable secondary data network; and
- Pay the U.S. government 5% of gross revenues from a premium subscription service.

Don't take our word for it

- Read the M2Z Networks application (pdf)
- See what America's leaders say about the importance of broadband

Coalition for Free Broadband Now

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The Problem – The current U.S. broadband infrastructure is incomplete, inadequate and expensive.

The United States does not have a ubiquitous nationwide broadband network.

Facts About U.S. Broadband Deployment

- At least 114 million adults in the U.S. that are either completely unconnected to the Internet or still using narrowband access (e.g., using dialup circuits at 64 kilobits per second or less).
- Current prices for broadband access range from \$15 to \$45 per megabits per second (mbps); among the highest rates in the world on a per mbps basis.
- Currently the U.S. assesses nearly \$5 billion to consumers using interstate telephone facilities in order to provide "voice" only Universal Service access.
- Current proposals to expand universal service to cover broadband (defined as 200 Kbps) range from an additional \$500 million a year to \$3 billion to the Universal Service fund. These potential increases represent additional "universal service" payments of \$4 to \$27 a year by 110 million American households.

The Problem – The U.S. public safety network is too slow, too expensive and not interoperable.

The United States does not have an interoperable public safety network capable of providing broadband to first responders.

Facts About the U.S. Public Safety Network

- Department of Homeland Security and Public Safety organizations have estimated that building a modern interoperable broadband data network in the U.S. will cost nearly \$18 billion and take decades to develop.
- The FCC has concluded that enabling commercial networks that also serve public safety might be a viable solution to handle the increased demand for interoperability and affordability.

The Consumer Solution: M2Z's family friendly and free nationwide wireless broadband network

M2Z plans to build a family friendly nationwide data network that provides free (384 Kbps down and 128 Kbps up) asymmetric broadband wireless Internet Protocol (IP) connectivity.

The network will be available to 95% of American consumers that purchase or obtain an M2Z certified modem from various distribution channels, including retailers, local ISPs and other M2Z distribution partners. The 384 Kbps download speed is a guaranteed rate, not a ceiling.

- The M2Z "free" and "family friendly" consumer service is able to provide consumers (both individuals and households) with broadband capacity at least 6 times faster than narrowband and at least 1.5 times faster than the FCC's definition of Broadband and is designed to serve individuals and homes.
- M2Z's Free Network will be protected by a sophisticated indecency filter to protect minors from inappropriate information and make it a valuable alternative in the marketplace. Adults wishing to obtain otherwise lawful material can do so by providing credit card and other age verification information and upgrading their class of service.
- M2Z will provide 95% of population in the United States access to this level of connectivity within a decade:
 - 1/3 of the population to be passed within 3 years of license grant
 - 2/3 of the population to be passed within 5 years of license grant
 - 95% of the population to be passed within 10 years of license grant
- The M2Z "free" and "family friendly" service complements unlicensed devices and helps extend the reach of low power service known as Wi-Fi. M2Z anticipates that modems will be available for approximately \$250 as an initial price point will decline substantially and rapidly with increased market penetration. M2Z also plans to offer consumers, either directly or through the M2Z partners, a premium subscription service that consists of a competitively priced 3 Mbps fixed/portable wireless broadband IP connectivity.
- The M2Z network will require 20 MHz of unpaired spectrum at 2155- 2175. This is unassigned spectrum with no identified uses. The FCC has already determined a new spectrum "home" for the limited number of incumbents at 2155- 2175 and M2Z is committed to relocating these licenses according to FCC rules and regulations. M2Z is also committed to protecting those operators from interference prior to the transition pursuant to the FCC's rules and regulations.
- M2Z seeks the assignment of spectrum without an auction in consideration for providing significant public interest benefits to the American public. M2Z's plans for providing "free and family friendly" broadband access is estimated to reduce the need to increase USF between \$9-20 billion in net present value over a 25 year horizon. Additionally, M2Z's commitment to provide America's First Responders' a nationwide interoperable broadband data network, at no cost for access, will provide considerable savings to the public. In contrast, DHS and other public safety experts contend that such a publicly funded network with similar attributes would cost at least \$18 billion and many decades to build.
- Additionally, consistent with Section 309(j)(3)(C) mandate that the Commission will "recover a portion of the value of the public spectrum", M2Z has volunteered to pay to the U.S. Treasury a "usage" fee in an amount equal to five percent (5%) of the gross revenues derived from its Premium Services.

The Public Safety Solution – M2Z's nationwide interoperable broadband network for first responders.

M2Z plans to offer free (384 Kbps down and 128 Kbps up) asymmetric broadband IP fixed wireless Internet Protocol (IP) connectivity to first responder units operating within the M2Z network (e.g., 95% of the population) so long as they use an M2Z certified modem.

Similar to the consumer modem, the First Responder equipment will also come enabled with Wi-Fi radios enabling First Responders local area connectivity (e.g., at the incident site).

- M2Z's offer to First Responders allows them to have a high speed network that supplements and complements their existing networks with broadband access through a seamless nationwide secondary data network at no cost to the first responder organizations and at no cost to federal and state governments.
- Similar to the M2Z consumer offer, each first responder unit can be upgraded to a premium connectivity of 3 mbps of access connectivity. M2Z is committed to working with DHS and other public safety organizations to develop features such as priority access, emergency alert systems, and localized preemption of non-critical communications when faced with natural or man-made catastrophes.
- Additionally, M2Z has entered into an agreement with PacketHop (www.packethop.com) to make each M2Z First Responder device enabled to utilize PacketHop's First Responder optimized software applications. PacketHop's software applications meet all of the DHS specified requirements for First Responder data connectivity and can be activated by First Responder organizations as a subscription service by working directly with PacketHop and its activation partners. PacketHop's proprietary applications allow First Responder units and organizations to:
 - Create secure virtual private networks
 - Instant mesh networking of individual First Responder CPE units at incident sites for information sharing
 - Allow white boarding and video capture of incident sites
 - Video capture and display



PUBLIC NOTICE

Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

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Internet: <http://www.fcc.gov>
TTY: 1-888-835-8322

DA 07-492

Released: January 31, 2007

WIRELESS TELECOMMUNICATIONS BUREAU ANNOUNCES THAT M2Z NETWORKS, INC.'S APPLICATION FOR LICENSE AND AUTHORITY TO PROVIDE A NATIONAL BROADBAND RADIO SERVICE IN THE 2155-2175 MHz BAND IS ACCEPTED FOR FILING

WT Docket No. 07-16

On May 5, 2006, M2Z Networks, Inc. (M2Z) filed an Application for License and Authority to Provide a National Broadband Radio Service in the 2155-2175 MHz Band (Application).¹ This 20-megahertz block of spectrum at 2155-2175 MHz is allocated for fixed and mobile services and designated for Advanced Wireless Services (AWS) use.² M2Z's Application has been found, upon initial review, acceptable for filing, pursuant to our general statutory authority under Section 309 of the Communications Act of 1934, as amended (the Act).³ Although we are accepting M2Z's Application for filing under our general statutory authority (rather than pursuant to an established framework of processing rules), this action does not imply any judgment or view about the merits of the Application, nor does it preclude a subsequent dismissal of the Application as defective under existing rules or under future rules that the Commission may promulgate by notice and comment rulemaking.

Pursuant to Section 309(d) of the Communications Act of 1934, as amended, "any party in interest may file with the Commission a petition to deny any application...at any time prior to the day of the Commission grant thereof ... or ... formal designation ... for hearing."⁴ Further, the Commission

¹ On September 1, 2006, M2Z amended the Application to incorporate by reference a separately filed Petition of M2Z Networks, Inc. for Forbearance. See Letter from W. Kenneth Ferree, Esq., to Marlene Dortch, Secretary, FCC (Amendment to Pending Application, filed Sept. 1, 2006).

² See 47 C.F.R. § 2.106 (Table of Frequency Allocations). In 2002, the Commission allocated 2165-2180 MHz for fixed and mobile services, including AWS. See Amendment of Part 2 of the Commission's Rules to Allocate Spectrum Below 3 GHz for Mobile and Fixed Services to Support the Introduction of New Advanced Wireless Services, including Third Generation Wireless Systems, ET Docket No. 00-258, *Third Report and Order, Third Notice of Proposed Rulemaking and Second Memorandum Opinion and Order*, 18 FCC Rcd. 2223, 2238 ¶ 28 (2002). In 2005, the Commission allocated 2155-2160 MHz for fixed and mobile services and designated the entire 2155-2175 MHz band as AWS spectrum (2160-2165 MHz was already allocated for fixed and mobile services). See Amendment of Part 2 of the Commission's Rules to Allocate Spectrum Below 3 GHz for Mobile and Fixed Services to Support the Introduction of New Advanced Wireless Services, including Third Generation Wireless Systems, ET Docket No. 00-258, *Eighth Report and Order and Fifth Notice of Proposed Rulemaking and Order*, 20 FCC Rcd. 15866, 15872 ¶ 9 (2005).

³ See 47 U.S.C. § 309. See also 47 U.S.C. §§ 308(a) (stating that "the Commission may grant construction permits and station licenses ... only upon written application therefore received by it") and 308(b) (requiring that Section 308(a) applications set forth "such facts as the Commission by regulation may prescribe," but not requiring the Commission to prescribe such regulations) (emphasis added).

⁴ 47 U.S.C. § 309(d)(1).

may not act on this application "less than thirty days following the issuance of public notice by the Commission of the acceptance for filing of such application or of any substantial amendment thereof."⁵ We also note that additional applications for spectrum in this band may be filed while the M2Z application is pending.

Procedural Matters

While the Application is currently not opposed or subject to competing applications, given the fact that it implicates broadly applicable policy issues, we do not believe that it would serve the public interest either to allow presentations to be made off the record or to proscribe *ex parte* presentations altogether. Accordingly, pursuant to Section 1.1200(a) of the Commission's Rules, we find that this proceeding should be treated for purposes of the *ex parte* rules as a permit-but-disclose proceeding.⁶ Therefore, presentations regarding the Application (as well as any additional applications for this spectrum that may be filed in the future) will hereinafter be subject to the provisions of § 1.1206 governing permit-but-disclose proceedings.⁷ Specifically, *ex parte* presentations that are made with respect to the issues involved in the Application will be allowed but must be disclosed in accordance with the requirements of § 1.1206(b).⁸ Parties making oral *ex parte* presentations in these proceedings are reminded that memoranda summarizing the presentation must contain the presentation's substance and not merely list the subjects discussed.⁹ More than a one-or two-sentence description of the views and arguments presented is generally required.¹⁰

Filing and Accessing Filings

The Application is available for public inspection and copying in the Commission's Reference Center, Room CY A257, 445 12th Street, S.W., Washington, DC 20554. Copies of the Application also may be obtained via the Commission's Electronic Comment Filing System (ECFS) by entering the docket number, WT 07-16. Copies of the Request are also available from Best Copy and Printing, Inc., telephone (800) 378-3160, facsimile (301) 816-0169, e-mail FCC@BCPIWEB.com.

Petitions, comments or additional applications may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. See generally Electronic Filing of Documents in Rulemaking Proceedings, 63 Fed. Reg. 24121 (1998). Petitions or comments filed through the ECFS can be sent as an electronic file via the Internet to <http://www.fcc.gov/cgb/ecfs/>. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic petition or comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send an e-mail to ecfs@fcc.gov,

⁵ *Id.*

⁶ See 47 C.F.R. §§ 1.1200(a) and 1.1206.

⁷ 47 C.F.R. § 1.1206.

⁸ 47 C.F.R. § 1.1206(b).

⁹ See "Commission Emphasizes the Public's Responsibilities in Permit-But-Disclose Proceedings," *Public Notice*, 15 FCC Rcd 19945 (2000).

¹⁰ See 47 C.F.R. § 1.1206(b)(2). For further guidance regarding the requirements and content of *ex parte* submissions, see also Fact Sheet, "FCC's Ex Parte Rules," July 2001, http://www.fcc.gov/ogc/admain/ex_partefactsheet.html. Other rules pertaining to oral and written presentations are set forth in § 1.1206(b) as well. *Id.* § 1.1206(b).

and should include the following words in the body of the message, "get form." A sample form and directions will be sent in reply.

Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, commenters must submit two additional copies for each additional docket or rulemaking number. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). The Commission's contractor will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002.

- The filing hours at this location are 8:00 a.m. to 7:00 p.m.

- All hand deliveries must be held together with rubber bands or fasteners.

- Any envelopes must be disposed of before entering the building.

- Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743.

- U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, SW, Washington, D.C. 20554.

- All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

- Parties shall send one copy of their filings to Best Copy and Printing, Inc., Portals II, 445 12th Street, SW, Room CY-B402, Washington, D.C. 20554, (800) 378-3160, e-mail FCC@BCPIWEB.com.

Petitions, or comments filed in response to this Public Notice will be available for public inspection and copying during business hours in the FCC Reference Information Center, Portals II, 445 12th Street SW, Room CY-A257, Washington, D.C. 20554, and via the Commission's Electronic Comment Filing System (ECFS) by entering the Docket Number, WT 07-16. The petitions or comments may also be purchased from Best Copy and Printing, Inc., telephone (800) 378-3160 facsimile (301) 816-0169, e-mail FCC@BCPIWEB.com.

Alternate formats of this Public Notice (computer diskette, large print, audio recording, and Braille) are available to persons with disabilities by contacting Brian Millin at (202) 418-7426 (voice), (202) 418-7365 (TTY), or send an e-mail to access@fcc.gov.

FOR FURTHER INFORMATION, CONTACT: Joel Taubenblatt of the Wireless Telecommunications Bureau, Broadband Division, at (202) 418-2487, joel.taubenblatt@fcc.gov. All press inquiries should be directed to Chelsea Fallon, at (202) 418-7991.

Action by the Chief, Wireless Telecommunications Bureau

-FCC-



PUBLIC NOTICE

Federal Communications Commission
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DA 07-987
Released: March 9, 2007

WIRELESS TELECOMMUNICATIONS BUREAU SETS PLEADING CYCLE FOR APPLICATION BY M2Z NETWORKS, INC. TO BE LICENSED IN THE 2155-2175 MHZ BAND

WT Docket No. 07-16

On January 31, 2007, in WT Docket No. 07-16, the Wireless Telecommunications Bureau (Bureau or WTB) accepted for filing an application by M2Z Networks, Inc. (M2Z) for a license in the 2155-2175 MHz band (Application),¹ pursuant to general statutory authority.² By this Public Notice, the Bureau establishes deadlines for pleadings on M2Z's application.

Background. In the *January Notice*, the Bureau stated that pursuant to Section 309(d) of the Communications Act of 1934, as amended, "any party in interest may file with the Commission a petition to deny any application...at any time prior to the day of the Commission grant thereof...or... formal designation... for hearing."³ On February 14, 2007, M2Z filed a Motion for Leave to File a Consolidated Opposition (Motion) to any and all petitions to deny its Application.⁴ M2Z contends that although the *January Notice* does not establish a pleading cycle for this proceeding, the Commission's rules provide that petitions to deny must be filed no later than March 2, 2007, *i.e.*, thirty days after the date of the public notice listing the application as accepted for filing.⁵ In this connection, M2Z states that parties may file such petitions at any time before the end of the 30-day filing window, which would

¹ See Wireless Telecommunications Bureau Announces that M2Z Networks, Inc.'s Application for License and Authority to Provide a National Broadband Radio Service in the 2155-2175 MHz Band Is Accepted for Filing, WT Docket No. 07-16, *Public Notice*, DA 07-492 (rel. Jan. 31, 2007) (*January Notice*). See also Application [of M2Z Networks, Inc.] for License and Authority to Provide a National Broadband Radio Service in the 2155-2175 MHz Band (filed May 5, 2006, as amended on Sept. 1, 2006, to incorporate by reference M2Z's separately filed forbearance petition). See, *e.g.*, *January Notice* at n.1.

² See *January Notice* at n.3 citing 47 U.S.C. § 309 and quoting 47 U.S.C. § 308(a) (stating that "the Commission may grant construction permits and station licenses... only upon written application therefore received by it") and (b) (requiring that Section 308(a) applications set forth "such facts as the Commission by regulation may prescribe," but not requiring the Commission to prescribe such regulations) (emphasis added).

³ *January Notice* at 1 quoting 47 U.S.C. § 309(d)(1).

⁴ See Letter from Erin L. Dozier, Esq., to Marlene Dortch, Secretary, FCC (transmitting Motion for Leave to File a Consolidated Opposition, filed Feb. 14, 2007).

⁵ See Motion at 2, n.4 citing 47 C.F.R. § 1.939(a)(2). According to M2Z, for example, if petitions to deny were filed on February 14, February 20, and March 2, and each petition were served via hand delivery, M2Z would be required to respond to these pleadings on three separate dates: February 26, March 2, and March 12. *Id.* at n.7.

trigger a series of staggered deadlines for the filing of oppositions to such petitions to deny.⁶ As such, the Motion seeks leave for M2Z to file, no earlier than ten days after the close of the 30-day window, a consolidated response to any initial pleadings on the merits of the Application which may be filed.⁷ Several petitions to deny M2Z's application were filed on March 2, 2007.⁸

Discussion. While the Bureau did not, through the *January Notice*, establish fixed date deadlines for the filing of petitions to deny, oppositions, and replies in WT Docket No. 07-16, we recognize the benefit of maintaining an efficient process for developing a record in this docket, as discussed in M2Z's Motion. Accordingly, in order to establish a more efficient and orderly process, we announce that petitions to deny M2Z's Application must be filed in this docket on or before **March 16, 2007**; oppositions to any such petitions to deny are due on **March 26, 2007**; and replies to such oppositions are due on **April 3, 2007**.⁹

We note that additional applications for a license in the 2155-2175 MHz band were filed on March 2, 2007, by several applicants.¹⁰ This Public Notice neither constitutes public notice of the acceptance for filing of those applications nor establishes a pleading cycle for them.

In view of the foregoing, the Motion for Leave to File Consolidated Opposition filed by M2Z Networks, Inc., on February 14, 2007, is GRANTED, to the extent indicated above and otherwise DENIED. This action is taken under delegated authority pursuant to Sections 0.131 and 0.331 of the Commission's Rules, 47 C.F.R. §§ 0.131, and 0.331.

FOR FURTHER INFORMATION, CONTACT: Joel Taubenblatt of the Wireless Telecommunications Bureau, Broadband Division, at (202) 418-2487, joel.taubenblatt@fcc.gov.

Action by the Chief, Wireless Telecommunications Bureau

-FCC-

⁶ See Motion at 2, n.5 citing 47 C.F.R. §§ 1.45(b) & 1.49(f).

⁷ *Id.*

⁸ See, e.g., petitions to deny filed in WT Docket No. 07-16 by AT&T Inc.; CTIA – The Wireless Association; Motorola, Inc.; NextWave Broadband, Inc.; T-Mobile USA; Verizon Wireless; and the Wireless Communications Association International, Inc.

⁹ We note that, on February 16, 2007, the Bureau established a separate pleading cycle, in WT Docket No. 07-30, for a forbearance petition filed by M2Z under Section 10(c) of the Communications Act of 1934, as amended, in association with M2Z's application. See Pleading Cycle Established for Comments on Petition of M2Z Networks, Inc. for Forbearance Under 47 U.S.C. § 160(C) to Permit Acceptance and Grant of Its Application for a License to Provide Radio Service in the 2155-2175 MHz Band, WT Docket No. 07-30, *Public Notice*, DA 07-736 (rel. Feb. 16, 2007) (*February Notice*). As indicated in the *February Notice*, comments on M2Z's forbearance petition are due on March 19, 2007, and reply comments are due on April 3, 2007.

¹⁰ See, e.g., applications filed in WT Docket No. 07-16 by CommNet Wireless, LLC; McElroy Electronics Corp.; NetfreeUS, LLC; NextWave Broadband, Inc.; and Open Range Communications, Inc.

THE WALL STREET JOURNAL.

MONDAY, MAY 15, 2006

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More Spectrum, Please

Pols and regulators complain that broadband deployment in the U.S. lags other developed nations. At the same time, they conspire to devise policies that hamstring the domestic broadband marketplace. A good example is Washington's approach to allocating wireless electromagnetic spectrum.

This past week the Federal Communications Commission finally got around to an auction of spectrum licenses for in-flight Internet service, which is already offered by foreign carriers like Lufthansa and Japan Airlines. Later this summer, the FCC will accept bids for so-called third-generation, or 3G, spectrum that can be used for high-speed Web access and video. Europe auctioned off 3G licenses more than five years ago.

Allocating spectrum via auction is certainly the most efficient way to go, and no one is suggesting a return to lotteries and competitive hearings. Rather, the problem is the infrequency of the auctions themselves and the fact that the government is dragging its feet in getting more spectrum into private hands.

According to a recent report by the Progress & Freedom Foundation, a free-market telecom think tank, "only 7% of the most valuable spectrum – between 300 MHz and 3GHz – is currently subject to market allocation. Another 14% is slated for market allocation at some point in the future. Seventy-five percent remains under a command-and-control regime, much of it reserved for federal government use."

Policy makers reason that by pushing auctions off they can starve the sector for some period, which creates scarcity and artificially inflates the costs of the licenses. The Congressional Budget Office expects the 3G spectrum

auction scheduled for next month to raise about \$15 billion for the U.S. Treasury, reflecting uncertainty about future auctions.

But the government's role here shouldn't be to maximize its revenue; the main objective is efficient allocation of an important resource for economic growth. "Congress is spending too much time looking at auction revenues and not enough time looking at the gains to the economy from having more productive use of spectrum," says Thomas Hazlett, a former FCC economist who now teaches law and economics at George Mason University.

Lack of spectrum has prevented T-Mobile from upgrading to high-speed Internet service. Nextel and Sprint opted to merge rather than continue waiting on Uncle Sam to auction off more frequencies. Ultimately, it's the U.S. consumer who loses out. The dearth of spectrum available for commercial use means less choice and price competition with respect to wireless broadband. More spectrum would mean more services and lower prices.

Regulators have tried to compensate for this stinginess by allowing some 2G license holders to offer 3G services, but this is at best a temporary fix. The better course is to stop distorting the market by pretending that spectrum is a scarce resource. Put as much spectrum as possible – as quickly as possible – on the market and remove unnecessary government controls for how it's used. Some incumbent wireless carriers will complain because they don't want any new competition. But the government has no more business protecting these incumbents than it has hoarding frequencies that the market could put to better use.

THE WALL STREET JOURNAL

THURSDAY, MAY 11, 2006

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Cell Carriers to Web Customers: Use Us, but Not Too Much

By AMOL SHARMA AND DIUNN SEARCEY

LEADING U.S. WIRELESS operators have spent billions of dollars to offer consumers the ability to connect to the Internet on the go, but now that such services are gaining popularity, the companies are taking steps to make sure subscribers don't use them too much.

In the past two years, Verizon Wireless, Sprint Nextel Corp. and other carriers have launched services that allow consumers to log onto the Web by plugging a small card into their laptops and signing up for a high-speed Internet plan. Unlike Wi-Fi "hotspots", which allow Internet access in public places such as coffee shops and airports, the cellular services allow roving connections almost anywhere cellphone calls can be made.

But the new services, while offering the convenience of mobility, come with limitations tucked into their policies that are unfamiliar to users of land-line Internet connections. Applications that consume large amounts of capacity are prohibited. In practice, that puts off-limits popular activities such as Internet calling, video streaming and using routers that let multiple users share a single Internet connection.

Verizon Wireless has sent service-cancellation notices to customers it says are using excessive network capacity. Sprint and Cingular Wireless, meanwhile, have moved to charge people for the amount of data bits they wirelessly transfer to their computers each month.

"They market it in such a way that you would think it's Internet-on-the-go, then they start piling on restrictions," says Bill Roland, an information-technology administrator in Ocala, Fla., who uses a Sprint high-speed connection. "What they want you to do is just basically surf the Internet and nothing else."

Those policies represent a dramatic shift from the nearly unfettered Internet access consumers have enjoyed with wired high-speed service from cable and phone companies. The wireless carriers

say they are taking this approach because cellphone networks, which transmit signals over radio waves, inherently have far less capacity than land-line networks. Internet applications that consume lots of capacity, such as movie downloads, are taking their toll on all Internet service providers, but wireless carriers face an even greater challenge.

Verizon Wireless, a joint venture of Verizon Communications Inc. and Vodafone Group PLC, was the first to launch cellular high-speed service in 2004 and now offers it in 181 markets. The company says it has sent letters to fewer than 100 customers that have what

Surfing Rates

Mobile carriers' monthly fees for wireless broadband

Cingular: \$80 flat fee for data downloads, or from \$20 for 5MB to \$50 for 50MB

Sprint: \$80 flat fee, or \$40 for 40MB plus \$.01 per additional 10KB, up to \$100

Verizon: \$80 flat fee

Source: the companies

it considers unusually high network activity — evidence, it says, that they must be sharing their connections among multiple users or otherwise using applications that violate their service agreements.

ments.

One Verizon Wireless letter asks a user to cease the activity or risk being turned off. Dick Lynch, the company's chief technology officer, said such letters have gone only to people using "thousands of times the average" amount of network capacity.

In its usage policies for its high-speed service, Verizon Wireless explicitly bans activities that take up large amounts of network capacity, such as Web-camera broadcasts and automatic data feeds. In general, the company reserves the right to terminate service for "excessive consumption of network or system resources."

Internet calling and sharing of connections using external routers are examples of activities that could drive

up usage, the company says. Mr. Lynch said Verizon Wireless is developing technology to sense what applications consumers are using so that violations can be detected more precisely.

Cingular, a joint venture of AT&T Inc. and BellSouth Corp., which was the last of the major carriers to begin building out its high-speed network, has usage restrictions in place that are similar to Verizon Wireless's. Sprint's policy has fewer specific restrictions but does contain broad language that allows it to regulate usage.

Customers of the carriers are also getting used to a new way of paying for access to the Web. Sprint and Cingular have adopted a business model that charges people based on how much capacity they use each month, similar to how the companies charge for usage of voice minutes.

That is a totally foreign notion for today's Internet users, most of whom don't often think about "kilobytes" and "megabytes." (They measure data, with 1,000 kilobytes making up a megabyte.) Land-line Internet service providers offer packages that vary by speed of service, but without regard for the amount of data being transferred. There are about one to three megabytes of data in a typical high-resolution digital photo. A typical movie download is about 900 megabytes.

To be sure, Cingular and Sprint both offer high-end plans for \$80 a month that offer unlimited data downloads. But the other pricing schemes are a new wrinkle for consumers. Verizon Wireless offers unlimited access only, but is considering going to a usage-based system as well out of fear that a handful of users will hog network capacity.

The very notion that traditional Internet providers, cable and phone companies, might restrict how consumers or content providers use the Internet or charge them more for higher-capacity activities has prompted consumer groups to ask Congress to pass what

they call "network neutrality" laws, which would require all Internet traffic to be treated equally.

Some consumer groups spoke out against proposals by BellSouth and other digital subscriber line, or DSL, providers to start charging based on usage. Similar activities in the wireless world have largely flown under the radar and so far have not been part of the net-neutrality debate.

"Certainly you have to be concerned about these pay-by-the-megabyte plans as a way to gouge consumers," said Jeannine Kenney, a senior policy analyst at Consumers Union in Washington. Ms. Kenney said consumers will have a hard time keeping track of how much data they have downloaded.

Kevin Beebe, group president of operations for Alltel Corp., a smaller national carrier that has its own unlimited-data high-speed service, predicted the usage-based models would backfire because consumers are already too used to all-you-can-download plans.

"The pricing scheme is established," Mr. Beebe said. "It's flat-rate unlimited. That's what consumers are used to, and that's how it's going to be."

Alltel does have one plan designed for occasional users that offers two megabytes of downloads for \$8 a month, with overage charges of two cents a kilobyte.

Some technology consultants and analysts say wireless companies will need to make their services more similar to those offered by phone and cable companies if they want more consumers to adopt them. The wireless carriers do not disclose how many customers they have for their broadband service but analysts say the number is still relatively small.

Embracing the demands of wireless high-speed consumers "requires some creativity on the carriers' part to keep their service profitable and to grow their user base and gain favor from the end user," said Jack Unger, a wireless consultant and founder of Ask-wi.com Inc.

Some of the carriers seem to be making an effort to adapt to consumers' land-line Internet habits, even if it will increase stress on their networks. Sprint, for example, allows customers to use their wireless high-speed cards in conjunction with certified routers that allow multiple users to share cellular high-speed connections. This could appeal to business customers in areas where phone and cable companies don't offer high-speed Internet but cell service abounds.

Mike Ginsberg, president of EVDOinfo.com, who consults on and sells routers, said he shipped more than 1,000 of them in recent months, a sign that consumers are likely sharing the service and using it in ways that some of the carriers object to.

"Companies will either need to embrace this," he says, "or get into big trouble because others will go to carriers that are embracing it."

THE WALL STREET JOURNAL.

WEDNESDAY, MAY 10, 2006

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Red-Light District

Plan for Adult Area Sparks a Fight On Control of Web

Dot-XXX Proposal Focuses Global Ire on U.S. Role; Is Regulator Independent?

Pressure From Conservatives

By Christopher Rhoads

JUPITER, Fla. — Stuart Lawley wants to create a new Internet neighborhood for the adult-entertainment industry: dot-xxx. The 43-year-old British entrepreneur believes the new three-letter ending for Web-site addresses would help protect children from online pornography, by making it easier to filter such material. He also hopes to make a pile of money by collecting fees for registering dot-xxx sites.

The matter, which could be voted on as early as today by the organization that governs domain names, has triggered a rancorous global debate involving freedom-of-speech advocates, child-protection groups, adult-content providers, foreign governments and conservative Christian groups.

Mr. Lawley's proposal also raises thorny issues for the U.S. government, which funded the creation of the Internet and has long played a behind-the-scenes role in running it. As the

Internet grows as a place of business and a forum for exchanging ideas, some have argued that it shouldn't be dominated by any one country. That discontent has prompted a few countries and regions to begin breaking away and forming their own

Internet-like computer networks — a threat to the universality that makes the Internet such a powerful tool.



Stuart Lawley

The Commerce Department has expressed reservations about the dot-xxx measure, amid a flood of email from conservative groups, according to internal government documents reviewed by The Wall Street Journal. In one document, the department made clear that it could block the proposal if the domain-name organization, called the Internet Corporation for Assigned Names and Numbers, or Icnann, approves it. As a result of the concerns, Icnann has postponed several scheduled votes since last August.

The Commerce Department says it wanted to make sure that Icnann had received input from all interested parties.

"We expected an objective process," says Mr. Lawley, in the living room of his opulent, Mediterranean-style home on the waterfront here. "So we found it bizarre that the Commerce Department would want to get involved in the minutiae of a single contract."

Commerce established Icnann in 1998 as a way to formalize the approval of new domain-name suffixes and other technical procedures that keep the Internet running. The majority of its board members are non-American. The department has usually been careful not to meddle publicly with Icnann, a non-profit group based in Marina del Rey, Calif.

But as Internet use has exploded around the globe in recent years, carrying more than \$2 trillion in annual commerce, discontent among other governments over the U.S.'s influence has grown. Now the dot-xxx case is becoming a flashpoint for that criticism.

"Icnann exists to make technical decisions about the Internet," says Martin Selmayr, an official in the European Commission office that oversees Internet and telecom matters. "It's unacceptable to make the question of whether to approve a domain address a political decision, based on the government of the day."

Address Book

Web sites with the following domain-name suffixes:

DOMAIN	SITES	DOMAIN	SITES
.com	45,947,615	.edu	7,602
.net	6,755,704	.pro	6,487
.org	4,149,482	.coop	6,342
.info	2,389,902	.aero	3,936
.biz	1,280,205	.gov	3,500 ¹
.name	300,623	.museum	2,877 ²
.travel	16,162		

¹ Estimate ² Data from September 2005

Source: Zooknic.com

Last June, the Commerce Department signaled it had no intention of giving up its oversight of Icnann, a statement that angered countries expecting Commerce to sever its ties. That question will come to a head soon, since Commerce's memorandum of understanding that established Icnann is up for renewal by the department in September.

Web-address suffixes weren't expected to draw so much controversy. They were created to make navigating the Internet easier. In addition to more than 240 two-letter suffixes for countries, such as dot-de for Germany, there

are 18 three-letter names for general uses like dot-com and dot-edu for educational institutions.

The dot-xxx saga started six years ago when Ican set out to create more suffixes. It wanted to spark more competition among domain-name operators. Each operator collects annual fees from users who register a Web-site address with that suffix.

The process attracted 47 applicants, including a 29-year-old Canadian named Jason Hendeles, who proposed dot-xxx. It cost \$50,000 to apply, but running a popular domain name can be lucrative. Verisign Inc. makes hundreds of millions of dollars from managing the dot-com and dot-net domains.

A member of a wealthy Canadian real-estate family whose mother is a well-known modern-art collector in Toronto, Mr. Hendeles says he spent around \$200,000 on the effort.

Ultimately, Ican opted for less controversial options, approving dot-biz, dot-museum and dot-aero, among others. The board's main criteria boiled down to whether there was a perceived need for each name.

By the time Mr. Lawley arrived on the scene in 2003, Mr. Hendeles's company, ICM Registry Inc., was "in hibernation," says Mr. Lawley.

After graduating from college in the U.K. in 1985, Mr. Lawley started a company that sold fax machines to small and medium-size businesses. He sold the company in 1997 but soon jumped back into business, helping his old fax customers get onto the Web. He took his new company, Oneview.net, public.

As the Internet boom turned to bust, he sold Oneview to Freecom.net Ltd., which subsequently accused Mr. Lawley of inflating the number of his customers. Mr. Lawley and other senior executives resigned from the newly merged company and agreed to pay back stock valued at about \$8.5 million. Mr. Lawley says the disagreement over the numbers stemmed from Oneview's having more than one account with a given customer, and counting those as multiple accounts, while Freecom considered them a single account.

Mr. Lawley says he has never had any connection to the porn world. He says he got interested in domain names in 2003 at his son's school in Florida, when he met a parent involved in Ican affairs. Soon he came upon the dot-xxx file at Ican and gave Mr. Hendeles a call. They agreed to revive ICM and give dot-xxx another try.

The timing was good, since Ican

was about to launch a new batch of suffixes.

Mr. Lawley says he wanted the ICM proposal to address concerns about online pornography, an industry that generates an estimated \$1 billion to \$5 billion a year in revenue. ICM has pledged to donate \$10 of the proposed annual fee of \$60 for a dot-xxx domain name to child-protection groups and to require users of dot-xxx to label their content.

ICM has also proposed establishing a foundation that would engage interested parties in a dialogue about online pornography. ICM now consists of four people, including Messrs. Lawley and Hendeles, who between them made 90% of the investment in the company.

In June of last year, the Ican board agreed to enter contract negotiations with ICM. Mr. Lawley thought the effort, which had cost about \$2.4 million, was close to paying off.

Then, conservative groups jumped into the fray. The Family Research Council and Concerned Women for America implored supporters to write to the Commerce Department to oppose dot-xxx. They argue, among other things, that the concept legitimizes online pornography. Because it doesn't require adult-content providers to move their material from their dot-com sites to dot-xxx sites, the step just adds pornography to the Internet, they say.

"The porn industry is constantly preying on the eyes of our children," says Charmaine Yoest, a spokeswoman for the Family Research Council. "This would only double porn holdings on the Internet."

Through mid-June, Commerce Department staffers tracked incoming emails on the subject with increasing alarm, the internal government documents show.

On June 16, in an internal email, a Commerce official said the administration needed to make it clear to conservative Christian groups that the White House shared their opposition to dot-xxx.

"Who really matters in this mess is Jim Dobson," wrote Fred Schwen, the executive secretary to Commerce Secretary Carlos Gutierrez, according to the documents reviewed by the Journal. Mr. Dobson is an evangelical Christian who hosts a highly influential daily radio show called "Focus on the Family."

"My suggestion is that someone from the White House ought to call him ASAP and explain the situation, including that the White House doesn't support

the porn industry in any way, shape, or form, including giving them their own domain name," Mr. Schwen wrote, according to the documents.

Mr. Schwen declined to comment. A Commerce Department spokesman says Mr. Schwen was not involved in policy discussions on this issue within the department.

Mr. Dobson couldn't be reached for comment.

On Aug. 11, five days before Ican's scheduled vote on the dot-xxx proposal, Michael Gallagher, then the official responsible for Internet matters within the Commerce Department, wrote to Ican stating it had received nearly 6,000 letters and emails opposing the domain-name suffix due to "concern about the impact of pornography on families and children."

The letter, which was made public, didn't disclose Commerce's opinion on the matter. But an internal memo prepared by Commerce, titled "United States Control of the Domain Name System," spelled out how the U.S. could kill the plan: "If the international community decides to develop an .XXX domain for adult material, it will not go on the Top Level Domain (TLD) registry if the U.S. does not wish for that to happen." The top-level domain registry refers to the list of approved domain suffixes, which Ican manages.

The head of the Ican advisory committee that represents other governments also wrote to the board, citing "discomfort" with the proposal from several countries.

At the Aug. 16 Ican meeting, Ican postponed the vote on dot-xxx, citing a need for more input.

"We were well aware of the international dynamic," says Mr. Gallagher, who has since re-entered private law practice. "We intervened to make sure that Ican had input from all parties."

Vinton Cerf, the chairman of the Ican board, says, "At no time has the Department of Commerce said you must do this."

Some in the adult-entertainment industry itself also oppose the plan. "This is probably the only time that my industry and folks on the far right agree on something," says Steven Hirsch, the founder and co-CEO of Los Angeles-based Vivid Entertainment Group, which makes about 60 adult films a year. More than a third of its revenue comes from online sales, he estimates. "Dot-com is much better known, and we have spent millions of dollars promoting our dot-com business," he adds.

Mr. Lawley says the debate over how dot-xxx will affect pornography on the Internet should be irrelevant, since Kann's approval criteria have nothing to do with such questions.

"We never said we're going to save the whales or stop world hunger," he says.

"We fit the criteria. The only question is, Will someone intervene at the last minute?"

ALASKA MUNICIPAL LEAGUE
Resolution No. 2007-13

**A RESOLUTION TO SUPPORT EFFORTS TO PROVIDE FREE, NATIONWIDE, WIRELESS
BROADBAND ACCESS THAT WILL HELP BRIDGE THE DIGITAL DIVIDE**

WHEREAS, ubiquitous access to reliable broadband internet service is essential for national economies to grow and compete in the information economy; and

WHEREAS, for many Alaskans, broadband Internet access is either too costly or simply unavailable, which has contributed to a digital divide that separates Alaskans in their access to information and, consequently, in their ability to participate in the information economy and in civic affairs; and

WHEREAS, the United States has fallen further behind other countries with regard to the availability of broadband Internet access; and

WHEREAS, protecting children from exposure to indecent material on the Internet continues to be a serious challenge; and

WHEREAS, there is a need for reliable communication among first responders, command centers, and municipal officials every day and in response to natural disasters, acts of terrorism and other emergencies; and

WHEREAS, a nationwide, free, wireless broadband network that is safe for children, by employing network-level filtering of indecent material would benefit the American public in many ways. For example, such a network would:

- Help to bridge the digital divide and give more Americans the opportunity to participate in the information economy and in civic affairs; and
- Help American businesses, and in particular, small businesses and entrepreneurs compete in the United States and around the world by increasing access to information, encouraging innovation, expanding marketing opportunities and improving prospects for growth; and
- Protect children from indecent material on the Internet while allowing for increased freedom to use the Internet as an educational tool in school, at home, and in home schools; and
- Improve the ability of first responders, command centers and municipal officials to respond to emergencies, thereby enhancing public safety; and

WHEREAS, the citizens of Alaska would benefit from such a wireless broadband network.

NOW, THEREFORE BE IT RESOLVED that the Alaska Municipal League supports efforts to provide free, nationwide, wireless broadband access that will help bridge the digital divide that separates many Americans and that would help all Americans compete for jobs in the information economy, ensure a safe environment and prosperous future for our children, and make us global leaders in providing our citizenry access to the Internet and all its benefits; and

BE IT FURTHER RESOLVED that the Alaska Municipal League urges the Alaska Legislature and the United States government to consider all alternatives that would allow for the delivery of free, nationwide, wireless broadband access to its citizens.

PASSED AND APPROVED BY THE ALASKA MUNICIPAL LEAGUE on the 17th day of November 2006.

Signed: _____

Tim Bourcy, President
Alaska Municipal League

Attest: _____



CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

OFFICE OF THE MAYOR

Telephone: (907) 586-5240; Facsimile: (907) 586-5385

Mayor@ci.juneau.ak.us

December 15, 2006

Chairman Kevin Martin
Federal Communications Commission
445 12th Street SW
Room 8-B201
Washington, DC 20554

Re: Free Broadband Internet Access

Mr. Chairman:

The FCC has the opportunity to allow a monumental step forward in internet provider service. M22 has submitted an application to the FCC for establishment of nationwide free broadband internet which, if approved, will revolutionize the availability and usability of the internet in this country. I urge the commission to give prompt and favorable consideration to this proposal.

Alaska would benefit in many ways from having free broadband internet services. Our education system would clearly benefit by utilizing this free service. Many of our schools use the internet extensively to bridge the rural/urban divide and to share educational experiences. A nationwide broadband system would greatly enhance their ability to utilize the internet.

Each elected official has a responsibility to encourage and promote development of small business. The internet plays a huge roll in giving these businesses access to world markets. Free access to broadband internet could be instrumental to the success of these small businesses.

The communities in southeast Alaska are widely spread out and not connected by road. The internet has proven to be an essential means of communication for community leaders, emergency service providers and our citizens. Universal connectivity to broadband internet is important to our future growth and prosperity.

The FCC currently has a proposal before it to allow nationwide free broadband internet services. I urge the commission to give favorable consideration to this proposal.

Sincerely,


Bruce Botelho
Mayor

Chairman Kevin Martin, Chairman FCC
December 18, 2006
Page 2 of 2

CC: Commissioner Michael J. Copps
Commissioner Jonathan S. Adelstein
Commissioner Deborah Taylor Tate
Commissioner Robert M. McDowell
FCC Secretary Marlene Dortch
Acting Chief Wireless Bureau Kathy Seidel
Senator Ted Stevens
Senator Lisa Murkowski
Representative Don Young

Alaska House of Representatives

Richard Foster
P.O. Box 1630
Nome, AK 99762
907-443-5036
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Staff
Larry LaBolle



During Session
State Capitol Rm. 410
Juneau, AK 99801 1182
907-465-3789
Fax 907-465-3242
Session Staff
Paul LaBolle

Majority Whip

Mr. Kevin Martin
Federal Communications Commission
445 12th Street SW Room 8-B201
Washington DC 20554

Re: Free Internet Access

Dear Chairman Martin:

I urge the FCC to support the free nationwide broadband internet concept. I am aware of at least one private company has submitted a proposal to the FCC to provide this service. I understand that the method of payment they are proposing is unconventional, but it seems that it is a win-win situation, providing both a free service to all citizens and a revenue stream to compensate the government for use of the bandwidth. This is the kind of action that can bring the United States into the forefront in providing internet access.

The AML (Alaska Municipal League), of which Nome (the population center of my district) is a member, has adopted a resolution, No # 2007-13, in support of free nationwide wireless internet. The resolution urges the federal government to consider all alternative that would "allow for free deliver of , nationwide, wireless broadband access to its citizens." I add my support to this resolution and ask that the FCC expedite any reasonable process which establishes free nationwide broadband internet access.

This issue is of great importance to my constituents, specifically in the rural areas.

Please provide a copy of this letter to all FCC members and include it in any pertinent permit application files.

Sincerely,

A handwritten signature in cursive script, appearing to read "Richard Foster".

Representative Richard Foster

Atkanuk, Brevig Mission, Chevak, Elim, Emmonak, Gambell, Golovin, Hooper Bay, Kotlik, Koyuk, Little Diomede, Mountain Village, Nome, Pitka's Point, Pilot Station, St. Mary's, St. Michael, Savoonga, Scammon Bay, Shaktolik, Sheldon Point, Stebbins, Teller, Unalakleet, Wales, White Mountain

CC: Commissioner Michael J. Copps
Commissioner Jonathon S. Adelstein
Commissioner Deborah Taylor Tate
Commissioner Robert M. McDowell
FCC Secretary Marlene Dortch
Chief, Wireless Bureau, Fred Campbell
Senator Ted Stevens
Senator Lisa Murkowski
Representative Don Young