

Alaska Universal Service Administrative Company

BOARD OF DIRECTORS

Meeting Agenda

**Monthly Meeting – Wednesday March 26, 2025 2:00 p.m.
Anchorage, Alaska**

Teleconference: Contact AUSAC for Meeting Link

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- I. Roll Call
 - II. Approval of Agenda
 - III. Public Comment (Limited to 5 Minutes)
 - IV. Approval of Prior Minutes
 - A. February 27, 2025 – Monthly Board Meeting
 - V. AUSF Remittance and Distribution: February 2025
 - VI. Agent Report
 - A. Financial Statements – February 2025
 - B. AECA Invoices – February 2025
 - VII. Unfinished Business
 - A. R-24-001 (2) Reconsideration of Revisions to the Alaska Administrative Code (AAC) – (Status)
 - B. R-25-002 AUSF Sunset - Status
 - VIII. New Business
 - A. Election of Officers
 - IX. Next Meeting/Adjournment

**ALASKA UNIVERSAL SERVICE
ADMINISTRATIVE COMPANY**

DRAFT

Board of Directors

Monthly Meeting

February 27, 2025

I. Roll Call

Board President Juliana Wayman called the meeting to order at approximately 8:36 a.m. Alaska time.

She then asked Keegan Bernier to call roll:

Juliana Wayman, President – CLEC (virtual)

Eric Hoffman, Secretary/Treasurer – ACS (virtual)

David Collier- IXC w/Wholesale Tariff (virtual)

Jana Grenn, ILEC (virtual)

Laura Kompkoff – Other Telecom Provider (virtual, joined at 10:10 a.m.)

Lisa Koker – ILEC (virtual, joined at 8:59 a.m.)

Members present through proxy:

The members attending represented a quorum.

Members absent:

Sarah Sandbak – Wireless

Others present:

Steve Kramer, Emeritus Board Member– ILEC (virtual)

Jake Petersen, AUSAC Staff (virtual, joined at 9:05 a.m.)

Wendi Gratrix, AUSAC Staff (virtual, joined at 9:05 a.m.)

II. Approval of Agenda

Motion by Laura Kompkoff, seconded by Dave Collier, that the Board approves the agenda.

Motion passed, unopposed.

IV.A.

III. Public Comments

Emeritus Board Member Steve Kramer thanked Jana Grenn and Juliana Wayman for recognizing and thanking him on public records at the recent Regulatory Commission of Alaska public meeting.

IV. Approval of Prior Minutes

A. January 28, 2025 Meeting

Motion, by Laura Kompkoff, seconded by Eric Hoffman, that the minutes from the January 28, 2025 meeting be approved.

Motion passed, unopposed.

V. AUSF Remittance and Distribution Report

Board President Juliana Wayman asked Ms. Bernier to present the January 2025 AUSF Remittance and Distribution Report.

Ms. Bernier proceeded to lead a brief review of the current disbursements and the distribution shortage. She noted that the prior month was a low remittance month due to several companies not remitting on time. The current distribution is higher due to the receipt of the late remittances.

Ms. Bernier then provided a brief review of the Quarterly Review Analysis, which was previously held due to the several companies not submitting remittances on time.

The support funds are scheduled to be distributed on February 28, 2025. A copy of the distribution report was included in the packet labeled V.

Motion, by Eric Hoffman, seconded by Dave Collier, that the Board approves the January 2025 AUSF Remittance and Distribution Report and authorizes the distribution of funds on or about February 28, 2025 in the amount of \$1,214,934.62.

Motion passed, unopposed.

VI. Agent Report

Board President Juliana Wayman asked Ms. Bernier to present the monthly administrative report, along with the financial reports for January and is included in these minutes.

There was one item for the Board to consider, the invoice from AECA for January 2025 services. The check issued in October 2024 to Queryon was returned and a new check was reissued in January.

BOARD ACTION REQUEST #1:

Motion, by Eric Hoffman, seconded by Laura Kompkoff that the Board approve payment for invoice number 356, from AECA, for January 2025 administrative services for a total of \$2,847.04.

Motion passed, unopposed.

VII. Unfinished Business

A. R-24-001(2) Reconsideration of Revisions to the Alaska Administrative Code

Ms. Bernier notified the Board that there has been no action by the Regulatory Commission at this time. Access charges were mentioned at the most recent Regulatory Commission public meeting during the discussion of R-25-002. It appears that access charge reform maybe taken up with the AUSF review.

B. R-25-002 AUSF Sunset – Status

Ms. Bernier presented a brief recap of the R-25-002 petition from MTA that was taken up at the recent Regulatory Commission public meeting. The Commission denied the petition based on a procedural basis due to a similar petition filed by AC that has not been reviewed by the Commission. A possible outcome is that the Commission would deny the AC petition and would then open a rulemaking docket on their own at the next public meeting.

Lisa Koker joined the meeting at 8:59 a.m.

C. Special Membership Group- Board Seats Nomination Status

Ms. Bernier presented that the nomination filing has been accepted by the Commission. Dave Collier and Juliana Wayman have been reappointed, and the new nomination of Jana Grenn was accepted.

VIII. New Business

The officer elections will be taken up at the next Board meeting.

Several Board members paid tribute to Steve Kramer and thanked him for his time and dedication to the AUSAC Board. Ms. Bernier played a personalized song to honor Steve Kramer's legacy on the AUSAC Board.

IX. Next Meeting/Adjournment

Board President Juliana Wayman adjourned the meeting at approximately 9:11 a.m. The next Board meeting was scheduled for March 26, 2025 at 2:00 p.m. If you plan to call in to attend the meetings, the conference line is 1-877-561-6398.

AUSAC

Board of Directors

Juhana Wayman
President
CLEC
jwayman@gci.com

Vacant
Vice President

Eric Hoffman
Secretary/Treasurer
IXC
eric.hoffman@acsalaska.com

David Collier
Facility-based IXC with
Wholesale Tariff
David.collier@att.com

Jana Grenn
ILEC
Jana.G@aptalaska.com

Lisa Koker
ILEC
lisa@ctcak.net

Laura Kompkoff
Other Telecom Providers
lkompkoff@cvtc.org

Sarah Sandbak
Wireless Telecom Provider
sarah@astac.net

Alaska Universal Service Administrative Company

P. O. Box 241281

Anchorage, Alaska 99524

To: Board of Directors
From: Keegan Bernier, Agent
Subject: Remittance and Distribution Report
Date: March 26, 2025

The AUSF Remittance and Distribution Report for February 2025 reflects the following:

\$2,000.00	previous AUSF balance
\$743.27	interest on investments
\$2,701.04	late fees
<u>\$999,538.49</u>	remittances received in current period
<u>\$1,004,982.80</u>	total balance
(\$5,685.61)	current February period support disbursements
(\$0.00)	current year (2025) prior period shortage disbursements
<u>(\$997,297.19)</u>	prior year (2024) prior period shortage disbursements
(\$1,002,982.80)	total support disbursements
\$2,000.00	ending AUSF balance
<u>(\$2,000.00)</u>	LESS: accrual for operating expenses
<u>\$0.00</u>	Available Balance

The distribution of funds is scheduled for March 28, 2025.

The February distribution report reflects the approved 2025 support amounts from TA 42-998 (effective January 1, 2024).

AUSAC has distributed **0.08%** of the total AUSF support estimate for the rate year 2025, page 4.

Distribution Percentage of each Support Element:

AUSAC 2025 Rate Year (Jan-Dec), page 4
8.23% of AUSAC's operating budget
0.00% of the support requirement for Nonpooled ENS
0.00% of the support requirement for Pooled ENS

The February 2025 period distribution experienced a shortage of 100% after admin fees, see page 6.

This month, 100% of the August and 9.53% of the September 2024 period will be disbursed, see page 15.

This concludes the report for the March 2025 period.

*Remittance and Distribution
Report*

Alaska Universal Service Administrative Company
 Intrastate End User Revenues

Monthly AUSF Remittance

February-25

	Number of Companies	Local Exchange Revenues	Mobile Revenues	Interexchange Revenues	Pay Telephone Revenues	Other Revenues	Uncollectible Revenues	VoIP Revenues	Total Reported Revenues	Amount Remitted
Total	117	4,817,491.58	3,991,576.81	855,325.76	1,383.00	20,391.24	(15,340.86)	324,587.59	9,995,415.12	999,538.49

Adjustments are reflected in the month they are made, not in the month they apply to.

Alaska Universal Service Administrative Company

AUSF Distribution

February-25

Total Distribution	Current Distribution	Current Year Support Shortage Dist.	Prior Year Support Shortage Dist.	Total Distribution
AECA: Pooling Co. CCL	0.00	0.00	217,619.37	217,619.37
ACSA - Ft. Wainwright	0.00	0.00	8,623.54	8,623.54
ACS - Fairbanks	0.00	0.00	59,430.51	59,430.51
ACSA - Juneau	0.00	0.00	3,364.29	3,364.29
ACSN - Glacier State	0.00	0.00	123,060.12	123,060.12
ACSN - Sitka	0.00	0.00	8,684.10	8,684.10
ASTAC	0.00	0.00	30,742.44	30,742.44
CORDOVA	0.00	0.00	22,534.88	22,534.88
CVTC	0.00	0.00	100,867.09	100,867.09
GCI	0.00	0.00	87,712.88	87,712.88
INTERIOR	0.00	0.00	48,965.86	48,965.86
KPU	0.00	0.00	41,328.14	41,328.14
MTA	0.00	0.00	229,310.99	229,310.99
MUKLUK	0.00	0.00	15,052.98	15,052.98
Subtotal	0.00	0.00	997,297.19	997,297.19
AUSAC	5,685.61	0.00	0.00	5,685.61
Total Distribution	\$5,685.61	\$0.00	\$997,297.19	\$1,002,982.80

Alaska Universal Service Administrative Company

AUSF Distribution

February-25

Distribution This Month	February-25
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Total Remittance	\$999,538.49
Previous Month AUSF Balance	\$2,000.00
Interest on Investments	\$743.27
Late Fees Received/Misc	\$2,701.04
Total Funds Collected	<u>\$1,004,982.80</u>
LESS: Accrual for Operating Expenses*	(\$2,000.00)
Total Available to Distribute	<u>\$1,002,982.80</u>

Less:	Current Period	Current Year	Prior Year Support	Total Distribution
		Support Shortage Dist.	Shortage Dist.	
AUSAC Administrative Sweep	\$5,685.61	\$0.00	\$0.00	\$5,685.61
ENS Nonpooling Co. Support	\$0.00	\$0.00	\$779,677.82	\$779,677.82
ENS Pooling Co. Support	\$0.00	\$0.00	\$217,619.37	\$217,619.37
Distribution This Month	<u>\$5,685.61</u>	<u>\$0.00</u>	<u>\$997,297.19</u>	<u>\$1,002,982.80</u>

Total AUSF Balance \$2,000.00
AUSF End of Period Available Balance \$0.00**

*Accrual for Operating Expenses is an accrual to maintain \$2000 in bank.

**The accrual for operating expenses is removed from the total balance to calculate the available balance.

Alaska Universal Service Administrative Company

AUSF Distribution

February-25

2025 Year-To-Date Summary for rate in effect Jan 2025

Total

AUSF FUNDS

Prior Year Balance	\$2,000.00
YTD Remittance	\$2,213,787.42
YTD Interest on Investments and misc items	\$4,130.00
YTD Prior Year Distribution	\$2,208,198.33
YTD Current Year Distribution	\$9,719.09
AUSF Balance	\$2,000.00
	\$0.00

AUSAC ADMINISTRATION

Proposed Budget	\$118,116.00
YTD Distribution	\$9,719.09
% Distributed	8.23%

Essential Network Support - Nonpooling Companies

Annual Support	\$9,886,996.00
YTD Distribution	\$0.00
% Distributed	0.00%

Essential Network Support - Pooling Companies

Annual Support	\$2,759,605.00
YTD Distribution	\$0.00
% Distributed	0.00%

TOTAL

Total Support Estimate	\$12,764,717.00
YTD Distribution	\$9,719.09
% Distributed	0.08%

GROSS ANNUAL END USER REVENUES

Filed Annual End User Revenues	\$120,752,706
YTD End User Revenues (YTD Feb 25)	\$19,953,531
% Reported	16.52%

Alaska Universal Service Administrative Company

AUSF Distribution

February-25

	F=A+B-C	A	B	C
AUSF History	Balance	Remittance	Investment Interest and Late Fees	Distribution
1999 Total	286,071.09	3,738,651.25		3,452,580.16
2000 Total	391,714.75	4,009,706.32		3,617,991.57
2001 Total	(341,527.65)	1,234,183.32	27,963.38	1,603,674.35
2002 Total	(99,223.12)	1,768,702.77	7,454.15	1,875,380.04
2003 Total	(5,655.00)	2,170,950.12	2,504.32	2,179,109.44
2004 Total	55,383.76	3,075,113.32	1,654.81	3,021,384.37
2005 Total	32,434.40	3,361,183.54	7,512.14	3,336,261.28
2006 Total	475,993.97	4,288,029.01	24,212.01	3,836,247.05
2007 Total	956,193.52	4,719,544.95	43,790.66	3,807,142.09
2008 Total	(1,095,207.89)	3,040,932.59	23,530.75	4,159,671.23
2009 Total	(434,340.88)	3,923,388.25	8,761.29	4,366,490.42
2010 Total	472,419.01	5,037,854.71	1,494.26	4,566,929.96
2011 Total	1,448,846.05	16,584,300.28	2,079.79	15,137,534.02
2012 Total	415,458.70	30,631,836.49	4,800.55	30,221,178.34
2013 Total	274,031.14	29,505,235.91	5,480.99	29,236,685.76
2014 Total	(1,300,851.43)	27,053,757.73	4,810.31	28,359,419.47
2015 Total	(925,825.50)	26,689,956.54	3,918.53	27,619,700.57
2016 Total	(600,027.42)	26,898,008.03	1,318.29	27,499,353.74
2017 Total	(4,887.50)	27,788,850.61	3,532.67	27,797,270.78
2018 Total	6,847,260.61	36,178,403.61	119,501.14	29,450,644.14
2019 Total	(6,847,260.61)	15,858,521.14	95,582.97	22,801,364.72
2020 Total	0.00	14,424,848.97	4,362.87	14,429,211.84
2021 Total	0.00	13,522,151.30	4,090.65	13,526,241.95
2022 Total	0.00	13,149,188.57	123,414.48	13,272,603.05
2023 Total	(0.00)	12,590,317.92	6,218.16	12,596,536.08
2024 Total	1,000.00	12,113,111.77	26,786.75	12,138,898.52
Year End 2024 AUSF	\$2,000.00	\$343,356,729.02	\$554,775.92	\$343,909,504.94
2025				
January	0.00	1,214,248.93	685.69	1,214,934.62
February	0.00	999,538.49	3,444.31	1,002,982.80
March	0.00			
April	0.00			
May	0.00			
June	0.00			
July	0.00			
August	0.00			
September	0.00			
October	0.00			
November	0.00			
December	0.00			
2025 AUSF Subtotal	\$0.00	\$2,213,787.42	\$4,130.00	\$2,217,917.42
Total AUSF to Date	\$2,000.00	\$345,570,516.44	\$558,905.92	\$346,127,422.36

Alaska Universal Service Administrative Company

AUSF Distribution

February-25

Support Shortage Detail							
Distribution Priority	Support Period		AUSAC Admin Fee	ENS Nonpooling Support	ENS Pooling Support	Adjustments	Totals
Month 7 (Dropped from Shortage List)	See Prior Year Shortage Section July-24	Support Shortage		-	-	-	-
		Shortage Paid		-	-	-	-
		% Payment					
		Remaining Support Not Recoverable		-	-	-	-
Month 6 (Oldest)	See Prior Year Shortage Section August-24	Support Shortage		-	-	-	-
		Shortage Paid		-	-	-	-
		% Payment		0.00%	0.00%	0.00%	0.00%
		Remaining Support Shortage		-	-	-	-
Month 5	See Prior Year Shortage Section September-24	Support Shortage		-	-	-	-
		Shortage Paid		-	-	-	-
		% Payment		0.00%	0.00%	0.00%	0.00%
		Remaining Support Shortage		-	-	-	-
Month 4	See Prior Year Shortage Section October-24	Support Shortage		-	-	-	-
		Shortage Paid		-	-	-	-
		% Payment		0.00%	0.00%	0.00%	0.00%
		Remaining Support Shortage		-	-	-	-
Month 3	See Prior Year Shortage Section November-24	Support Shortage		-	-	-	-
		Shortage Paid		-	-	-	-
		% Payment		0.00%	0.00%	0.00%	0.00%
		Remaining Support Shortage		-	-	-	-
Month 2	See Prior Year Shortage Section December-24	Support Shortage		-	-	-	-
		Shortage Paid		-	-	-	-
		% Payment		0.00%	0.00%	0.00%	0.00%
		Remaining Support Shortage		-	-	-	-
Month 1 (Newest)	January-25	Support Shortage		(823,916.41)	(229,967.00)	-	(1,053,883.41)
		Shortage Paid		-	-	-	-
		% Payment		0.00%	0.00%	0.00%	0.00%
		Remaining Support Shortage		(823,916.41)	(229,967.00)	-	(1,053,883.41)
Current Period	February-25	Current Support Due	(5,685.61)	(823,916.41)	(229,967.00)	-	(1,059,569.02)
		Current Distribution Paid	5,685.61	-	-	-	5,685.61
		% Payment	100.00%	0.00%	0.00%	0.00%	0.00%
		Support Shortage	-	(823,916.41)	(229,967.00)	-	(1,053,883.41)
Total Distribution		5,685.61	-	-	-	5,685.61	
Total Support Shortage		-	(1,647,832.82)	(459,934.00)	-	(2,107,766.82)	

Alaska Universal Service Administrative Company

AUSF Distribution

February-25

Current Distribution by Company	ENS					
	Current Support Due	Current Support Distribution	Current Month Support Shortage	Current Year Support Shortage Dist	Prior Year Support Shortage Dist & Adjustments	Total Distribution
AECA: Pooling Co. ENS	229,967.00	0.00	(229,967.00)	0.00	217,619.37	217,619.37
ACSA - Ft. Wainwright	9,112.83	0.00	(9,112.83)	0.00	8,623.54	8,623.54
ACS - Fairbanks	62,802.58	0.00	(62,802.58)	0.00	59,430.51	59,430.51
ACSA - Juneau	3,555.17	0.00	(3,555.17)	0.00	3,364.29	3,364.29
ACSN - Glacier State	130,042.50	0.00	(130,042.50)	0.00	123,060.12	123,060.12
ACSN - Sitka	9,176.83	0.00	(9,176.83)	0.00	8,684.10	8,684.10
ASTAC	32,486.75	0.00	(32,486.75)	0.00	30,742.44	30,742.44
CORDOVA	23,813.50	0.00	(23,813.50)	0.00	22,534.88	22,534.88
CVTC	106,590.25	0.00	(106,590.25)	0.00	100,867.09	100,867.09
INTERIOR	51,744.17	0.00	(51,744.17)	0.00	48,965.86	48,965.86
KPU	43,673.08	0.00	(43,673.08)	0.00	41,328.14	41,328.14
MTA	242,322.00	0.00	(242,322.00)	0.00	229,310.99	229,310.99
MUKLUK	15,907.08	0.00	(15,907.08)	0.00	15,052.98	15,052.98
GCI	92,689.67	0.00	(92,689.67)	0.00	87,712.88	87,712.88
Total Current Distribution	\$1,053,883.41	\$0.00	(\$1,053,883.41)	\$0.00	\$997,297.19	\$997,297.19

Alaska Universal Service Administrative Company

AUSF Distribution

February-25

Current Distribution by Company	Distribution Breakdown									
	Monthly Support	Percent of Support	Support Distribution Made on March 28, 2025							
			See Prior Year Shortage Section August-24 Period	See Prior Year Shortage Section September-24 Period	See Prior Year Shortage Section October-24 Period	See Prior Year Shortage Section November-24 Period	See Prior Year Shortage Section December-24 Period	Jan 2025 Period	Total Shortage Distribution	Current Period
			Pool ENS Dist	NP ENS Dist						
ENS										
Pooled										
AECA: Pooling Co. ENS	\$229,967.00	100.00%	-	-	-	-	-	-	-	-
Pooled Subtotal	\$ 229,967.00	100.00%	-	-	-	-	-	-	-	-
NonPooled										
ACSA - Ft. Wainwright	\$ 9,112.83	1.11%	-	-	-	-	-	-	-	-
ACS - Fairbanks	62,802.58	7.62%	-	-	-	-	-	-	-	-
ACSA - Juneau	3,555.17	0.43%	-	-	-	-	-	-	-	-
ACSN - Glacier State	130,042.50	15.78%	-	-	-	-	-	-	-	-
ACSN - Sitka	9,176.83	1.11%	-	-	-	-	-	-	-	-
ASTAC	32,486.75	3.94%	-	-	-	-	-	-	-	-
CORDOVA	23,813.50	2.89%	-	-	-	-	-	-	-	-
CVTC	106,590.25	12.94%	-	-	-	-	-	-	-	-
INTERIOR	51,744.17	6.28%	-	-	-	-	-	-	-	-
KPU	43,673.08	5.30%	-	-	-	-	-	-	-	-
MTA	242,322.00	29.41%	-	-	-	-	-	-	-	-
MUKLUK	15,907.08	1.93%	-	-	-	-	-	-	-	-
GCI	92,689.67	11.25%	-	-	-	-	-	-	-	-
NonPooled Subtotal	\$ 823,916.41	100.00%	-	-	-	-	-	-	-	-
ENS Distribution Total	\$ 1,053,883.41		-	-	-	-	-	-	-	-

Alaska Universal Service Administrative Company

AUSF Distribution

February-25

Nonpooling Companies - ENS Company	ENS Support			Jan-25		Feb-25			YTD ENS Support	YTD ENS Shortage Drop Off (Not Paid)
	Annual 2025*	1/12 Annual	Percent of Support	Distribution Total	Remaining Shortage	Original Distribution	Distribution Total	Remaining Shortage		
NonPooling Company ENS Distribution				0.00		0.00	0.00			
ACS-FTW	109,354	9,112.83	1.11%	0.00	(9,112.83)	0.00	0.00	(9,112.83)	0.00	0.00
ACS-Fairbanks	753,631	62,802.58	7.62%	0.00	(62,802.58)	0.00	0.00	(62,802.58)	0.00	0.00
ACS-Juneau	42,662	3,555.17	0.43%	0.00	(3,555.17)	0.00	0.00	(3,555.17)	0.00	0.00
ACS-GST	1,560,510	130,042.50	15.78%	0.00	(130,042.50)	0.00	0.00	(130,042.50)	0.00	0.00
ACS-Sitka	110,122	9,176.83	1.11%	0.00	(9,176.83)	0.00	0.00	(9,176.83)	0.00	0.00
ASTAC	389,841	32,486.75	3.94%	0.00	(32,486.75)	0.00	0.00	(32,486.75)	0.00	0.00
Cordova	285,762	23,813.50	2.89%	0.00	(23,813.50)	0.00	0.00	(23,813.50)	0.00	0.00
CVTC	1,279,083	106,590.25	12.94%	0.00	(106,590.25)	0.00	0.00	(106,590.25)	0.00	0.00
Interior	620,930	51,744.17	6.28%	0.00	(51,744.17)	0.00	0.00	(51,744.17)	0.00	0.00
KPU	524,077	43,673.08	5.30%	0.00	(43,673.08)	0.00	0.00	(43,673.08)	0.00	0.00
MTA	2,907,864	242,322.00	29.41%	0.00	(242,322.00)	0.00	0.00	(242,322.00)	0.00	0.00
Mukluk	190,885	15,907.08	1.93%	0.00	(15,907.08)	0.00	0.00	(15,907.08)	0.00	0.00
GCI	1,112,276	92,689.67	11.25%	0.00	(92,689.67)	0.00	0.00	(92,689.67)	0.00	0.00
Total	\$ 9,886,997.00	\$ 823,916.41	100.00%	\$0.00	(\$823,916.41)	\$0.00	\$0.00	(\$823,916.41)	\$0.00	\$0.00

* From TA44-998 filed 10/01/2024 - effective January 1, 2025.

Alaska Universal Service Administrative Company

AUSF Distribution

February-25

POOLING Companies - ENS 1st & 2nd Qtr	ENS Support		Percent of Support	Jan-25		Feb-25			YTD ENS Support	YTD ENS Shortage Drop Off (Not Paid)
	Annual 2025**	1/12 Annual		Distribution Total	Remaining Shortage	Original Distribution	Distribution Total	Remaining Shortage		
Company	Annual 2025**	1/12 Annual		Distribution Total	Remaining Shortage	Original Distribution	Distribution Total	Remaining Shortage		
Pooling Company ENS Distributions				0.00		0.00	0.00			
Adak Eagle Enterprises	278,695.00	23,224.58	10.10%	0.00	(23,224.58)	0.00	0.00	(23,224.58)	0.00	0.00
ATC	430,988.00	35,915.67	15.62%	0.00	(35,915.67)	0.00	0.00	(35,915.67)	0.00	0.00
BBTC	166,489.00	13,874.08	6.03%	0.00	(13,874.08)	0.00	0.00	(13,874.08)	0.00	0.00
Bettles	2,053.00	171.08	0.07%	0.00	(171.08)	0.00	0.00	(171.08)	0.00	0.00
Bush-Tell	128,201.00	10,683.42	4.65%	0.00	(10,683.42)	0.00	0.00	(10,683.42)	0.00	0.00
Nushagak	209,977.00	17,498.08	7.61%	0.00	(17,498.08)	0.00	0.00	(17,498.08)	0.00	0.00
OTZ	296,258.00	24,688.17	10.74%	0.00	(24,688.17)	0.00	0.00	(24,688.17)	0.00	0.00
Summit	123,320.00	10,276.67	4.47%	0.00	(10,276.67)	0.00	0.00	(10,276.67)	0.00	0.00
United KUC	122,223.00	10,185.25	4.43%	0.00	(10,185.25)	0.00	0.00	(10,185.25)	0.00	0.00
United Utilities	746,005.00	62,167.08	27.03%	0.00	(62,167.08)	0.00	0.00	(62,167.08)	0.00	0.00
Yukon	33,833.00	2,819.42	1.23%	0.00	(2,819.42)	0.00	0.00	(2,819.42)	0.00	0.00
Subtotal	\$ 2,538,042.00	\$ 211,503.50	91.97%	0.00	(211,503.50)	0.00	0.00	(211,503.50)	0.00	0.00
Average Schedule Companies										
Circle Telephone Co.	13,740.00	1,145.00	0.50%	0.00	(1,145.00)	0.00	0.00	(1,145.00)	0.00	0.00
North Country Telephone	36,562.00	3,046.83	1.32%	0.00	(3,046.83)	0.00	0.00	(3,046.83)	0.00	0.00
Subtotal	50,302.00	4,191.83	1.82%	0.00	(4,191.83)	0.00	0.00	(4,191.83)	0.00	0.00
Company subtotal	2,588,344.00	215,695.33		0.00		0.00	0.00		0.00	
AECA ENS Admin fee	171,260.00	14,271.67	6.21%	0.00	(14,271.67)	0.00	0.00	(14,271.67)	0.00	0.00
Total	\$2,759,604.00	\$229,967.00	100.00%	\$0.00	(\$229,967.00)	\$0.00	\$0.00	(\$229,967.00)	\$0.00	\$0.00

**From TA44-998 filed 10/01/2024 - effective January 1, 2025, AECA Admin fee from U-23-001 filed 4/04/2024

Total ENS including Nonpooling and Pooling

\$0.00

\$0.00

\$0.00

Alaska Universal Service Administrative Company

Intrastate End User Revenues - Trends

AUSF Distribution

February-25

Date	# of Cos.	Local	Wireless	IXC	Payphone	Other	Uncollectible	VOIP	Total Revenue
Jan-24	128	4,996,716	4,181,909	830,524	1,554	4,092	(19,439)	318,046	10,313,403
Feb-24	126	4,900,336	3,823,487	891,374	1,554	6,968	(15,034)	337,484	9,946,169
Mar-24	125	5,022,057	4,079,122	773,084	1,554	7,763	(15,472)	345,400	10,213,507
Apr-24	126	5,015,020	3,969,309	911,766	1,554	7,329	(15,497)	333,908	10,223,388
May-24	128	5,023,650	4,053,077	830,049	1,554	7,033	(15,929)	365,561	10,264,995
Jun-24	126	4,991,161	3,961,934	918,998	1,554	8,349	(15,173)	322,872	10,189,696
Jul-24	121	5,024,154	4,097,365	924,608	1,554	8,424	(16,297)	335,994	10,375,802
Aug-24	122	4,964,168	4,061,569	951,736	1,554	10,057	(15,381)	323,481	10,297,185
Sep-24	123	4,898,070	4,082,460	893,902	1,554	11,018	41,627	284,044	10,212,675
Oct-24	122	4,894,401	4,053,561	896,088	1,554	13,772	(15,248)	277,486	10,121,614
Nov-24	126	4,720,611	4,029,068	892,284	1,345	13,249	(10,772)	287,902	9,933,686
Dec-24	124	4,958,513	4,189,126	844,989	1,364	12,352	(11,525)	293,970	10,288,789
YTD Total 2024		\$ 59,408,856	\$ 48,581,986	\$ 10,559,401	\$ 18,249	\$ 110,407	\$ (124,139)	\$ 3,826,148	\$ 122,380,909

Adjustments to prior periods are reflected in the period they apply to, not the period in which they were made.

Date	# of Cos.	Local	Wireless	IXC	Payphone	Other	Uncollectible	VOIP	Total Revenue
Jan-25	122	4,770,789	4,133,989	834,267	916	16,346	(11,274)	281,256	10,026,290
Feb-25	114	4,817,408	3,971,016	852,906	1,383	16,341	(11,291)	279,479	9,927,242
Mar-25									
Apr-25									
May-25									
Jun-25									
Jul-25									
Aug-25									
Sep-25									
Oct-25									
Nov-25									
Dec-25									
YTD Total 2025		\$ 9,588,197	\$ 8,105,005	\$ 1,687,173	\$ 2,299	\$ 32,688	\$ (22,565)	\$ 560,734	\$ 19,953,531

Adjustments to prior periods are reflected in the period they apply to, not the period in which they were made.

Alaska Universal Service Administrative Company

Intrastate End User Revenues - Variance Analysis

AUSF Distribution

February-25

2025 Month over Month - Variances	# of Cos.	Local	Wireless	IXC	Payphone	Other	Uncollectible	VOIP	Total Revenue
Jan	-2%	-4%	-1%	-1%	-33%	32%	-2%	-4%	-3%
Feb	-7%	1%	-4%	2%	51%	0%	0%	-1%	-1%
Mar									
Apr									
May									
Jun									
Jul									
Aug									
Sep									
Oct									
Nov									
Dec									

2025 Year over Year - Variances	# of Cos.	Local	Wireless	IXC	Payphone	Other	Uncollectible	VOIP	Total Revenue
Jan	-5%	-5%	-1%	0%	-41%	299%	-42%	-12%	-3%
Feb	-10%	-2%	4%	-4%	-11%	135%	-25%	-17%	0%
Mar									
Apr									
May									
Jun									
Jul									
Aug									
Sep									
Oct									
Nov									
Dec									
YTD Total*		-3%	1%	-2%	-26%	196%	-35%	-14%	-2%

* YTD February

Prior Year Support Detail
2024

Alaska Universal Service Administrative Company

AUSF Distribution

February-25

Current Distribution by Company	ENS					Total Distribution
	Current Support Due	Current Support Distribution	Current Month Support Shortage	Current Year Support Shortage Dist	Prior Year Support Shortage Dist & Adjustments	
AECA: Pooling Co. ENS	0.00	0.00	0.00	217,619.37	0.00	217,619.37
ACSA - Ft. Wainwright	0.00	0.00	0.00	8,623.54	0.00	8,623.54
ACS - Fairbanks	0.00	0.00	0.00	59,430.51	0.00	59,430.51
ACSA - Juneau	0.00	0.00	0.00	3,364.29	0.00	3,364.29
ACSN - Glacier State	0.00	0.00	0.00	123,060.12	0.00	123,060.12
ACSN - Sitka	0.00	0.00	0.00	8,684.10	0.00	8,684.10
ASTAC	0.00	0.00	0.00	30,742.44	0.00	30,742.44
CORDOVA	0.00	0.00	0.00	22,534.88	0.00	22,534.88
CVTC	0.00	0.00	0.00	100,867.09	0.00	100,867.09
INTERIOR	0.00	0.00	0.00	48,965.86	0.00	48,965.86
KPU	0.00	0.00	0.00	41,328.14	0.00	41,328.14
MTA	0.00	0.00	0.00	229,310.99	0.00	229,310.99
MUKLUK	0.00	0.00	0.00	15,052.98	0.00	15,052.98
GCI	0.00	0.00	0.00	87,712.88	0.00	87,712.88
Total Current Distribution	\$0.00	\$0.00	\$0.00	\$997,297.19	\$0.00	\$997,297.19

Alaska Universal Service Administrative Company

AUSF Distribution

February-25

2024 Year-To-Date Summary for rate in effect Jan 2024

	Total	YE 2024	2024 Paid in 2025
AUSF FUNDS			
Prior Year Balance	\$0.00		
YTD Remittance	\$12,113,111.77	\$12,113,111.77	\$0.00
YTD Interest on Investments and misc items	\$26,786.75	\$26,786.75	\$0.00
YTD Prior Year Distribution	\$6,094,317.86	\$6,094,317.86	\$0.00
YTD Current Year Distribution	\$8,252,778.99	\$6,044,580.66	\$2,208,198.33
AUSF Balance (Current yr. shortage paid in following yr.)	(\$2,207,198.33)		
	(\$2,207,198.33)		
AUSAC ADMINISTRATION			
Proposed Budget	\$120,560.00		
YTD Distribution	\$97,130.99	\$97,130.99	\$0.00
% Distributed	80.57%		
Essential Network Support - Nonpooling Companies			
Annual Support	\$9,886,996.00		
YTD Distribution	\$6,372,986.80	\$4,646,637.54	\$1,726,349.26
% Distributed	64.46%		
Essential Network Support - Pooling Companies			
Annual Support	\$2,767,836.00		
YTD Distribution	\$1,782,661.20	\$1,300,812.13	\$481,849.07
% Distributed	64.41%		
TOTAL			
Total Support Estimate	\$12,775,392.00		
YTD Distribution	\$8,252,778.99		
% Distributed	64.60%		
GROSS ANNUAL END USER REVENUES			
Filed Annual End User Revenues	\$122,057,838		
YTD End User Revenues (YTD Dec 24)	\$120,197,707		
% Reported	98.48%		

Alaska Universal Service Administrative Company

AUSF Distribution

February-25

Support Shortage Detail							
Distribution Priority	Support Period		AUSAC Admin Fee	ENS Nonpooling Support	ENS Pooling Support	Totals	
Month 7 (Dropped from Shortage List)	July-24	Support Shortage		-	-	-	
		Shortage Paid		-	-	-	
		% Payment					
		Remaining Support Not Recoverable		-	-	-	-
Month 6 (Oldest)	August-24	Support Shortage		(701,161.38)	(195,704.30)	(896,865.68)	
		Shortage Paid		701,161.38	195,704.30	896,865.68	
		% Payment		100.00%	100.00%	100.00%	0.00%
		Remaining Support Shortage		-	-	-	-
Month 5	September-24	Support Shortage		(823,916.41)	(229,967.00)	(1,053,883.41)	
		Shortage Paid		78,516.44	21,915.07	100,431.51	
		% Payment		9.53%	9.53%	9.53%	0.00%
		Remaining Support Shortage		(745,399.97)	(208,051.93)	-	(953,451.90)
Month 4	October-24	Support Shortage		(823,916.41)	(229,967.00)	(1,053,883.41)	
		Shortage Paid		-	-	-	
		% Payment		0.00%	0.00%	0.00%	0.00%
		Remaining Support Shortage		(823,916.41)	(229,967.00)	-	(1,053,883.41)
Month 3	November-24	Support Shortage		(823,916.41)	(229,967.00)	(1,053,883.41)	
		Shortage Paid		-	-	-	
		% Payment		0.00%	0.00%	0.00%	0.00%
		Remaining Support Shortage		(823,916.41)	(229,967.00)	-	(1,053,883.41)
Month 2	December-24	Support Shortage		(823,916.41)	(229,967.00)	(1,053,883.41)	
		Shortage Paid		-	-	-	
		% Payment		0.00%	0.00%	0.00%	0.00%
		Remaining Support Shortage		(823,916.41)	(229,967.00)	-	(1,053,883.41)
Month 1 (Newest)	N/A	Support Shortage		-	-	-	
		Shortage Paid		-	-	-	
		% Payment		0.00%	0.00%	0.00%	0.00%
		Remaining Support Shortage		-	-	-	-
Current Period	N/A	Current Support Due		-	-	-	
		Current Distribution Paid		-	-	-	
		% Payment		0.00%	0.00%	0.00%	0.00%
		Support Shortage		-	-	-	-
Total Distribution				779,677.82	217,619.37	997,297.19	
Total Support Shortage				(3,217,149.20)	(897,952.93)	(4,115,102.13)	

Alaska Universal Service Administrative Company

AUSF Distribution

February-25

Current Distribution by Company	Distribution Breakdown										
	Monthly Support	Percent of Support	Support Distribution Made on March 28, 2025							Total Shortage Distribution	Current Period
			Aug 2024 Period	Sep 2024 Period	Oct 2024 Period	Nov 2024 Period	Dec 2024 Period	N/A Period			
			Pool ENS Dist	NP ENS Dist							
			\$ 195,704.30	\$ 21,915.07	\$ -	\$ -	\$ -	\$ -	\$ 217,619.37	\$ -	
			\$ 701,161.38	\$ 78,516.44	\$ -	\$ -	\$ -	\$ -	\$ 779,677.82	\$ -	
ENS											
Pooled											
AECA: Pooling Co. ENS	\$229,967.00	100.00%	195,704.30	21,915.07	-	-	-	-	217,619.37	-	
Pooled Subtotal	\$ 229,967.00	100.00%	195,704.30	21,915.07	-	-	-	-	217,619.37	-	
NonPooled											
ACSA - Ft. Wainwright	\$ 9,112.83	1.11%	7,755.12	868.42	-	-	-	-	8,623.54	-	
ACS - Fairbanks	62,802.58	7.62%	53,445.64	5,984.87	-	-	-	-	59,430.51	-	
ACSA - Juneau	3,555.17	0.43%	3,025.49	338.80	-	-	-	-	3,364.29	-	
ACSN - Glacier State	130,042.50	15.78%	110,667.51	12,392.61	-	-	-	-	123,060.12	-	
ACSN - Sitka	9,176.83	1.11%	7,809.58	874.52	-	-	-	-	8,684.10	-	
ASTAC	32,486.75	3.94%	27,646.56	3,095.88	-	-	-	-	30,742.44	-	
CORDOVA	23,813.50	2.89%	20,265.53	2,269.35	-	-	-	-	22,534.88	-	
CVTC	106,590.25	12.94%	90,709.40	10,157.69	-	-	-	-	100,867.09	-	
INTERIOR	51,744.17	6.28%	44,034.82	4,931.04	-	-	-	-	48,965.86	-	
KPU	43,673.08	5.30%	37,166.24	4,161.90	-	-	-	-	41,328.14	-	
MTA	242,322.00	29.41%	206,218.53	23,092.46	-	-	-	-	229,310.99	-	
MUKLUK	15,907.08	1.93%	13,537.09	1,515.89	-	-	-	-	15,052.98	-	
GCI	92,689.67	11.25%	78,879.87	8,833.01	-	-	-	-	87,712.88	-	
NonPooled Subtotal	\$ 823,916.41	100.00%	701,161.38	78,516.44	-	-	-	-	779,677.82	-	
ENS Distribution Total	\$ 1,053,883.41		896,865.68	100,431.51	-	-	-	-	997,297.19	-	

Alaska Universal Service Administrative Company

AUSF Distribution

February-25

Nonpooling Companies - ENS	ENS Support			FIRST QTR		SECOND QTR		YTD ENS Support
	Company	Annual 2024*	1/12 Annual	Percent of Support	Distribution Total	Remaining Shortage	Current Distribution	
NonPooling Company ENS Distribution								
ACS-FTW	109,354	9,112.83	1.11%	26,288.06	(1,050.43)	25,105.53	(2,232.96)	51,393.59
ACS-Fairbanks	753,631	62,802.58	7.62%	181,168.53	(7,239.21)	173,018.90	(15,388.84)	354,187.43
ACS-Juneau	42,662	3,555.17	0.43%	10,255.70	(409.81)	9,794.37	(871.14)	20,050.07
ACS-GST	1,560,510	130,042.50	15.78%	375,137.59	(14,989.91)	358,262.50	(31,865.00)	733,400.09
ACS-Sitka	110,122	9,176.83	1.11%	26,472.68	(1,057.81)	25,281.85	(2,248.64)	51,754.53
ASTAC	389,841	32,486.75	3.94%	93,715.53	(3,744.72)	89,499.85	(7,960.40)	183,215.38
Cordova	285,762	23,813.50	2.89%	68,695.53	(2,744.97)	65,605.35	(5,835.15)	134,300.88
CVTC	1,279,083	106,590.25	12.94%	307,484.16	(12,286.59)	293,652.38	(26,118.37)	601,136.54
Interior	620,930	51,744.17	6.28%	149,267.98	(5,964.53)	142,553.36	(12,679.15)	291,821.34
KPU	524,077	43,673.08	5.30%	125,985.07	(5,034.17)	120,317.79	(10,701.45)	246,302.86
MTA	2,907,864	242,322.00	29.41%	699,033.70	(27,932.30)	667,588.56	(59,377.44)	1,366,622.26
Mukluk	190,885	15,907.08	1.93%	45,887.64	(1,833.60)	43,823.44	(3,897.80)	89,711.08
GCI	1,112,276	92,689.67	11.25%	267,384.73	(10,684.28)	255,356.76	(22,712.25)	522,741.49
Total	\$ 9,886,997.00	\$ 823,916.41	100.00%	\$2,376,776.90	(\$9,972.33)	\$2,269,860.64	(\$201,888.59)	\$4,646,637.54

* From TA42-998 filed 10/02/2023 - effective January 1, 2024.

Alaska Universal Service Administrative Company

AUSF Distribution

February-25

Nonpooling Companies - ENS	ENS Support			Jul-24		Aug-24				Sep-24			
	Company	Annual 2024*	1/12 Annual	Percent of Support	Distribution Total	Remaining Shortage	Shortage Dist 02/28/2025	Shortage Dist 03/28/2025	Distribution Total	Remaining Shortage	Shortage Dist 03/28/2025	Distribution Total	Remaining Shortage
NonPooling Company ENS Distribution					823,916.41		122,755.03	701,161.38	823,916.41		78,516.44	78,516.44	
ACS-FTW	109,354	9,112.83	1.11%	9,112.83	0.00	1,357.71	7,755.12	9,112.83	0.00	868.42	868.42	(8,244.41)	
ACS-Fairbanks	753,631	62,802.58	7.62%	62,802.58	0.00	9,356.94	53,445.64	62,802.58	0.00	5,984.87	5,984.87	(56,817.71)	
ACS-Juneau	42,662	3,555.17	0.43%	3,555.17	0.00	529.68	3,025.49	3,555.17	0.00	338.80	338.80	(3,216.37)	
ACS-GST	1,560,510	130,042.50	15.78%	130,042.50	0.00	19,374.99	110,667.51	130,042.50	0.00	12,392.61	12,392.61	(117,649.89)	
ACS-Sitka	110,122	9,176.83	1.11%	9,176.83	0.00	1,367.25	7,809.58	9,176.83	0.00	874.52	874.52	(8,302.31)	
ASTAC	389,841	32,486.75	3.94%	32,486.75	0.00	4,840.19	27,646.56	32,486.75	0.00	3,095.88	3,095.88	(29,390.87)	
Cordova	285,762	23,813.50	2.89%	23,813.50	0.00	3,547.97	20,265.53	23,813.50	0.00	2,269.35	2,269.35	(21,544.15)	
CVTC	1,279,083	106,590.25	12.94%	106,590.25	0.00	15,880.85	90,709.40	106,590.25	0.00	10,157.69	10,157.69	(96,432.56)	
Interior	620,930	51,744.17	6.28%	51,744.17	0.00	7,709.35	44,034.82	51,744.17	0.00	4,931.04	4,931.04	(46,813.13)	
KPU	524,077	43,673.08	5.30%	43,673.08	0.00	6,506.84	37,166.24	43,673.08	0.00	4,161.90	4,161.90	(39,511.18)	
MTA	2,907,864	242,322.00	29.41%	242,322.00	0.00	36,103.47	206,218.53	242,322.00	0.00	23,092.46	23,092.46	(219,229.54)	
Mukluk	190,885	15,907.08	1.93%	15,907.08	0.00	2,369.99	13,537.09	15,907.08	0.00	1,515.89	1,515.89	(14,391.19)	
GCI	1,112,276	92,689.67	11.25%	92,689.67	0.00	13,809.80	78,879.87	92,689.67	0.00	8,833.01	8,833.01	(83,856.66)	
Total	\$ 9,886,997.00	\$ 823,916.41	100.00%	\$823,916.41	\$0.00	\$122,755.03	\$701,161.38	\$823,916.41	\$0.00	\$78,516.44	\$78,516.44	(\$745,399.97)	

* From TA42-998 filed 10/02/2023 - effective January 1, 2024.

Alaska Universal Service Administrative Company

AUSF Distribution

February-25

Nonpooling Companies - ENS	ENS Support			FOURTH QTR		YTD ENS Support	YTD ENS Shortage Drop Off (Not Paid)
	Company	Annual 2024*	1/12 Annual	Percent of Support	Current Distribution		
NonPooling Company ENS Distribution							
ACS-FTW	109,354	9,112.83	1.11%	0.00	(27,338.49)	70,487.67	(3,283.39)
ACS-Fairbanks	753,631	62,802.58	7.62%	0.00	(188,407.74)	485,777.46	(22,628.05)
ACS-Juneau	42,662	3,555.17	0.43%	0.00	(10,665.51)	27,499.21	(1,280.95)
ACS-GST	1,560,510	130,042.50	15.78%	0.00	(390,127.50)	1,005,877.70	(46,854.91)
ACS-Sitka	110,122	9,176.83	1.11%	0.00	(27,530.49)	70,982.71	(3,306.45)
ASTAC	389,841	32,486.75	3.94%	0.00	(97,460.25)	251,284.76	(11,705.12)
Cordova	285,762	23,813.50	2.89%	0.00	(71,440.50)	184,197.23	(8,580.12)
CVTC	1,279,083	106,590.25	12.94%	0.00	(319,770.75)	824,474.73	(38,404.96)
Interior	620,930	51,744.17	6.28%	0.00	(155,232.51)	400,240.72	(18,643.68)
KPU	524,077	43,673.08	5.30%	0.00	(131,019.24)	337,810.92	(15,735.62)
MTA	2,907,864	242,322.00	29.41%	0.00	(726,966.00)	1,874,358.72	(87,309.74)
Mukluk	190,885	15,907.08	1.93%	0.00	(47,721.24)	123,041.13	(5,731.40)
GCI	1,112,276	92,689.67	11.25%	0.00	(278,069.01)	716,953.84	(33,396.53)
Total	\$ 9,886,997.00	\$ 823,916.41	100.00%	\$0.00	(\$2,471,749.23)	\$6,372,986.80	(\$296,860.92)

* From TA42-998 filed 10/02/2023 - effective January 1, 2024.

Alaska Universal Service Administrative Company

AUSF Distribution

February-25

POOLING Companies - ENS 1st & 2nd Qtr	ENS Support		Percent of Support	FIRST QTR		SECOND QTR		YTD ENS Support
	Annual 2024**	1/12 Annual		Distribution Total	Remaining Shortage	Current Distribution	Remaining Shortage	
Company								
Pooling Company ENS Distributions								
Adak Eagle Enterprises	278,695.00	23,224.58	10.07%	66,996.66	(2,677.08)	63,982.89	(5,690.85)	179,641.94
ATC	430,988.00	35,915.67	15.57%	103,607.04	(4,139.97)	98,946.41	(8,800.60)	277,807.44
BBTC	166,489.00	13,874.08	6.02%	40,022.99	(1,599.25)	38,222.60	(3,399.64)	107,315.90
Bettles	2,053.00	171.08	0.07%	493.51	(19.73)	471.32	(41.92)	1,323.29
Bush-Tell	128,201.00	10,683.42	4.63%	30,818.78	(1,231.48)	29,432.44	(2,617.82)	82,636.15
Nushagak	209,977.00	17,498.08	7.59%	50,477.25	(2,016.99)	48,206.59	(4,287.65)	135,347.51
OTZ	296,258.00	24,688.17	10.70%	71,218.72	(2,845.79)	68,015.04	(6,049.47)	190,962.80
Summit	123,320.00	10,276.67	4.46%	29,645.43	(1,184.58)	28,311.85	(2,518.16)	79,489.95
United KUC	122,223.00	10,185.25	4.42%	29,381.70	(1,174.05)	28,060.01	(2,495.74)	78,782.83
United Utilities	746,005.00	62,167.08	26.95%	179,335.27	(7,165.97)	171,268.11	(15,233.13)	480,861.85
Yukon	33,833.00	2,819.42	1.22%	8,133.27	(324.99)	7,767.40	(690.86)	21,808.19
Subtotal	\$ 2,538,042.00	\$ 211,503.50	91.70%	610,130.62	(24,379.88)	582,684.66	(51,825.84)	1,635,977.85
Average Schedule Companies								
Circle Telephone Co.	13,740.00	1,145.00	0.50%	3,303.02	(131.98)	3,154.44	(280.56)	8,856.57
North Country Telephone	36,562.00	3,046.83	1.32%	8,789.28	(351.21)	8,393.91	(746.58)	23,567.20
Subtotal	50,302.00	4,191.83	1.82%	12,092.30	(483.19)	11,548.35	(1,027.14)	32,423.77
Company subtotal	2,588,344.00	215,695.33		622,222.92	(24,863.07)	594,233.01	(52,852.98)	1,668,401.62
AECA ENS Admin fee	179,491.00	14,957.58	6.48%	43,148.59	(1,724.15)	41,207.61	(3,665.13)	114,259.58
Total	\$2,767,835.00	\$230,652.91	100.00%	\$665,371.51	(\$26,587.22)	\$635,440.62	(\$56,518.11)	\$1,782,661.20

**From TA41-998 filed 08/01/2023 - effective July 1, 2023, AECA Admin fee from U-21-008 filed 1/04/2023

Total ENS including Nonpooling and Pooling

\$3,042,148.41

\$2,905,301.26

\$8,155,648.00

Alaska Universal Service Administrative Company

AUSF Distribution

February-25

POOLING Companies - ENS 3rd & 4th Qtr	ENS Support		Percent of Support	Jul-24		Aug-24				Sep-24		
	Annual 2024**	1/12 Annual		Distribution Total	Remaining Shortage	Shortage Dist 02/28/2025	Shortage Dist 03/28/2025	Distribution Total	Remaining Shortage	Shortage Dist 03/28/2025	Distribution Total	Remaining Shortage
Pooling Company ENS Distributions				229,967.00		34,262.70	195,704.30	229,967.00		21,915.07	21,915.07	
Adak Eagle Enterprises	278,695.00	23,224.58	10.10%	23,224.58	0.00	3,460.23	19,764.35	23,224.58	0.00	2,213.23	2,213.23	(21,011.35)
ATC	430,988.00	35,915.67	15.62%	35,915.67	0.00	5,351.06	30,564.61	35,915.67	0.00	3,422.65	3,422.65	(32,493.02)
BBTC	166,489.00	13,874.08	6.03%	13,874.08	0.00	2,067.09	11,806.99	13,874.08	0.00	1,322.15	1,322.15	(12,551.93)
Bettles	2,053.00	171.08	0.07%	171.08	0.00	25.49	145.59	171.08	0.00	16.30	16.30	(154.78)
Bush-Tell	128,201.00	10,683.42	4.65%	10,683.42	0.00	1,591.72	9,091.70	10,683.42	0.00	1,018.09	1,018.09	(9,665.33)
Nushagak	209,977.00	17,498.08	7.61%	17,498.08	0.00	2,607.03	14,891.05	17,498.08	0.00	1,667.51	1,667.51	(15,830.57)
OTZ	296,258.00	24,688.17	10.74%	24,688.17	0.00	3,678.28	21,009.89	24,688.17	0.00	2,352.70	2,352.70	(22,335.47)
Summit	123,320.00	10,276.67	4.47%	10,276.67	0.00	1,531.12	8,745.55	10,276.67	0.00	979.33	979.33	(9,297.34)
United KUC	122,223.00	10,185.25	4.43%	10,185.25	0.00	1,517.50	8,667.75	10,185.25	0.00	970.62	970.62	(9,214.63)
United Utilities	746,005.00	62,167.08	27.03%	62,167.08	0.00	9,262.25	52,904.83	62,167.08	0.00	5,924.31	5,924.31	(56,242.77)
Yukon	33,833.00	2,819.42	1.23%	2,819.42	0.00	420.06	2,399.36	2,819.42	0.00	268.68	268.68	(2,550.74)
Subtotal	\$ 2,538,042.00	\$ 211,503.50	91.97%	211,503.50	0.00	31,511.83	179,991.67	211,503.50	0.00	20,155.57	20,155.57	(191,347.93)
Average Schedule Companies												
Circle Telephone Co.	13,740.00	1,145.00	0.50%	1,145.00	0.00	170.59	974.41	1,145.00	0.00	109.11	109.11	(1,035.89)
North Country Telephone	36,562.00	3,046.83	1.32%	3,046.83	0.00	453.95	2,592.88	3,046.83	0.00	290.35	290.35	(2,756.48)
Subtotal	50,302.00	4,191.83	1.82%	4,191.83	0.00	624.54	3,567.29	4,191.83	0.00	399.46	399.46	(3,792.37)
Company subtotal	2,588,344.00	215,695.33		215,695.33		32,136.37	183,558.96	215,695.33		20,555.03	20,555.03	
AECA ENS Admin fee	171,260.00	14,271.67	6.21%	14,271.67	0.00	2,126.33	12,145.34	14,271.67	0.00	1,360.04	1,360.04	(12,911.63)
Total	\$2,759,604.00	\$229,967.00	100.00%	\$229,967.00	\$0.00	\$34,262.70	\$195,704.30	\$229,967.00	\$0.00	\$21,915.07	\$21,915.07	(\$208,051.93)

**From TA41-998 filed 08/01/2023 - effective July 1, 2023, AECA Admin fee from U-23-001 filed 10/13/2023

Total ENS including Nonpooling and Pooling

\$1,053,883.41

\$157,017.73

\$896,865.68

\$1,053,883.41

\$100,431.51

\$100,431.51

Alaska Universal Service Administrative Company

AUSF Distribution

February-25

POOLING Companies - ENS 3rd & 4th Qtr	ENS Support		FOURTH QTR		YTD ENS Support	YTD ENS Shortage Drop Off (Not Paid)
	Annual 2024**	1/12 Annual	Current Distribution	Remaining Shortage		
Company						
Pooling Company ENS Distributions						
Adak Eagle Enterprises	278,695.00	23,224.58	0.00	(69,673.74)	179,641.94	(8,367.93)
ATC	430,988.00	35,915.67	0.00	(107,747.01)	277,807.44	(12,940.57)
BBTC	166,489.00	13,874.08	0.00	(41,622.24)	107,315.90	(4,998.89)
Bettles	2,053.00	171.08	0.00	(513.24)	1,323.29	(61.65)
Bush-Tell	128,201.00	10,683.42	0.00	(32,050.26)	82,636.15	(3,849.30)
Nushagak	209,977.00	17,498.08	0.00	(52,494.24)	135,347.51	(6,304.64)
OTZ	296,258.00	24,688.17	0.00	(74,064.51)	190,962.80	(8,895.26)
Summit	123,320.00	10,276.67	0.00	(30,830.01)	79,489.95	(3,702.74)
United KUC	122,223.00	10,185.25	0.00	(30,555.75)	78,782.83	(3,669.79)
United Utilities	746,005.00	62,167.08	0.00	(186,501.24)	480,861.85	(22,399.10)
Yukon	33,833.00	2,819.42	0.00	(8,458.26)	21,808.19	(1,015.85)
Subtotal	\$2,538,042.00	\$ 211,503.50	0.00	(634,510.50)	1,635,977.85	(76,205.72)
Average Schedule Companies						
Circle Telephone Co.	13,740.00	1,145.00	0.00	(3,435.00)	8,856.57	(412.54)
North Country Telephone	36,562.00	3,046.83	0.00	(9,140.49)	23,567.20	(1,097.79)
Subtotal	50,302.00	4,191.83	0.00	(12,575.49)	32,423.77	(1,510.33)
Company subtotal	2,588,344.00	215,695.33	0.00	(647,085.99)	1,668,401.62	
AECA ENS Admin fee	171,260.00	14,271.67	0.00	(28,543.34)	114,259.58	(5,389.28)
Total	\$2,759,604.00	\$229,967.00	\$0.00	(\$675,629.33)	\$1,782,661.20	(\$83,105.33)

**From TA41-998 filed 08/01/2023 - effective July 1, 2023, AECA Admin fee from U-23-001 filed 10/13/2023

Total ENS including Nonpooling and Pooling

\$0.00

ALASKA UNIVERSAL SERVICE ADMINISTRATIVE COMPANY

**AGENT'S REPORT
BOARD OF DIRECTORS MEETING**

March 26, 2025

Since our last regular meeting, Staff have attended a RCA public meeting regarding an AUSF sunset petition and are preparing for the 2024 financial audit that will begin in April. Staff have assisted companies with outstanding remittances and corrections.

A copy of the February 2025 financial report is included this month, labelled VI.A. This month the Board has one item to consider, the approval of the invoice for administrative services from AECA for the month of February 2025.

BOARD ACTION REQUEST #1:

Recommend the Board approve the payment for invoice number 357 from AECA, for February 2025 administrative services for a total of \$3,809.99.

All bills received by AUSAC have been paid. This concludes the Agent's report.

3/25/2025

Variance: Actual Higher
(Lower) than Budget

AUSAC FINANCIAL STATEMENT
CASH BASIS

ACCOUNT	February-25						3/28/2025 Proj. Exp. & Cash Draw
	Current Month			YTD			
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	
EXPENDITURES							
GEN/ADM:							
Administration Support	\$ 2,837	\$ 4,917	\$ (2,080)	\$ 2,837	\$ 9,830	\$ (6,993)	\$ 3,810
Administration Support: 2024 Pd in 2025	-	-	-	2,475	-	2,475	-
Miscellaneous	5	-	5	10	-	10	5
Misc. Exp. 2024 Pd in 2025	-	-	-	-	-	-	-
Postage & Courier	4	9	(5)	4	18	(14)	-
Postage & Courier Exp.2024 Paid in 2025	-	-	-	-	-	-	-
Insurance	886	886	(1)	1,771	1,772	(1)	886
Legal	-	955	(955)	-	1,910	(1,910)	645
Legal Exp. 2024 Pd in 2025	-	-	-	-	-	-	-
Database Project	6	15	(9)	6	30	(24)	-
Database Project Exp.2024 Paid in 2025	-	-	-	-	-	-	-
Audit	-	-	-	-	-	-	-
Audit Exp. 2024 Pd in 2025	-	-	-	-	-	-	-
Agreed Upon Procedures/Compliance Review	-	-	-	-	-	-	-
Comp. Rev. Exp.2024 Paid in 2025	-	-	-	-	-	-	-
Bank Fees	254	608	(354)	523	1,216	(693)	298
Notices/Adv	42	191	(149)	42	382	(340)	42
Notices/Adv. Exp. 2024 Pd in 2025	-	-	-	95	-	95	-
SUBTOTAL	4,033	7,581	(3,548)	7,763	15,158	(7,396)	5,686
OTHER							
Directors Expense	-	-	-	-	-	-	-
SUBTOTAL	-	-	-	-	-	-	-
TOTAL EXPENDITURES	4,033	7,581	(\$3,548)	\$7,763	\$15,158	(\$7,396)	5,686
Total Expenditures for 2024 Paid in 2025	-	-	-	2,569	-	-	-
INCOME:							
Tariff Remittance Funds (from the sweep account)	3,904	-	3,904	12,319	-	12,319	5,686
Interest	743	517	226	1,394	1,034	360	-
Interest from CD Investments	-	-	-	-	-	-	-
Other (late fees)	-	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Deposit In Transit (Sweep)	-	-	-	-	-	-	-
TOTAL INCOME	\$ 4,647	\$ 517	\$ 4,130	\$ 13,713	\$ 1,034	\$ 12,679	\$ 5,686
NET VARIANCE	\$613	(\$7,064)	\$7,677	\$5,950	(\$14,124)	\$20,074	\$0
CASH							
Beginning Cash	\$0			\$0			\$0
Cash On Hand				\$0			

VI.A.

Alaska Universal Service Administrative Company
 AUSF Cash Balances in Banks
 March 25, 2025

Bank	Type	Next Mature Date	Avg Rate	3/21/2025
Edward Jones CD		Closed		\$0.00
	Interest Earned		0.00%	\$0.00
	Fees			\$0.00
	<u>Total</u>			\$0.00
Funds transferred to FNBA				\$0.00
Remaining Balance				\$0.00
First National Bank Alaska	R&D Acct/RP	Daily	Varies	\$1,024,430.09
FNBA	<u>Total</u>			\$1,024,430.09
Total AUSF Cash Balances in Banks				\$1,024,430.09
Out of Period Adjustments				(\$19,447.29)
Total Available Balance				<u>\$1,004,982.80</u>

AUSAC Financial Statement

Notes to Financial Statement

March 25, 2025

1. Cash Balance at February 28, 2025 is \$0 in the general operating account. This account sweeps to the BISA account at FNBA as the checks clear.
2. \$4,033 was posted to the statement for services and bank fees.
3. Administrative support expense of \$2,733 applicable to January 2025 was posted to this report.
4. Miscellaneous expense was \$5 in February for web hosting.
5. Postage expense was \$4 applicable which was included in the January 2025 AECA invoice.
6. Insurance expense was \$886 in February for the installment payment.
7. Database Project expense was \$6 in February which was included in the January 2025 AECA invoice.
8. Bank fee expense was \$254 in February.
9. Notices expense was \$42 in February.
10. Interest income was \$743 in February.
11. The cash sweep in February was \$3,904. The estimated sweep for expenditures in March 2025 is \$5,686.

Alaska Exchange Carriers Association

Invoice

P O Box 241281
Anchorage, AK 99524

Date	Invoice #
2/28/2025	357

Bill To
AUSAC PO Box 241281 Anchorage, AK 99524

Quantity	Item Code	Description	Price Each	Amount
1	Mail	(610-26) Open mail, download and print files.	36.86	36.86
2	Bill & Coll.	(610-10) Reconcile Bank report to remittances, to data entry, audit reports and analyze reports .	36.86	73.72
0.5	Mail	(610-26) Open mail, download and print files.	36.86	18.43
3.5	Rev Val	(625-65) Rev Val Prep and Issuance	36.86	129.01
0.5	Bill & Coll.	(610-10) Reconcile Bank report to remittances, to data entry, audit reports and analyze reports .	36.86	18.43
1	Compliance Audit	(625-60) Compliance Audit per U-98-168.	36.86	36.86
1	Mail	(610-26) Open mail, download and print files.	36.86	36.86
1	Post Remit.	(610-40) Post remittance forms and prepare monthly reports.	36.86	36.86
0.5	Agenda_Notice	(625-70) Prepare agenda, Notice meetings, Call attendees	36.86	18.43
0.5	Mail	(610-26) Open mail, download and print files.	36.86	18.43
2	Agenda_Notice	(625-70) Prepare agenda, Notice meetings, Call attendees	36.86	73.72
0.5	Collections	(610-50) Collection and compliance issues. Company notices.	36.86	18.43
1	Gen. Admin.	(625-05) Administrative work on AUSAC contract	36.86	36.86
2	Rev Val	(625-65) Rev Val Prep and Issuance	36.86	73.72
2	Rev Val	(625-65) Rev Val Prep and Issuance	36.86	73.72
0.5	Mail	(610-26) Open mail, download and print files.	36.86	18.43
0.5	Collections	(610-50) Collection and compliance issues. Company notices.	36.86	18.43
2.5	Post Remit.	(610-40) Post remittance forms and prepare monthly reports.	36.86	92.15
0.5	Dist. of Funds	(610-25) Distribution of Funds	36.86	18.43
1.5	Rev Val	(625-65) Rev Val Prep and Issuance	36.86	55.29
0.5	Dist. of Funds	ENS (610-25) Distribution of Funds	36.86	18.43
1.5	Gen. Admin.	(625-05) Administrative work on AUSAC contract	36.86	55.29
0.5	Gen. Admin.	(625-05) Administrative work on AUSAC contract	36.86	18.43
0.5	Post Remit.	(610-40) Post remittance forms and prepare monthly reports.	36.86	18.43
1.5	Gen. Admin.	(625-05) Administrative work on AUSAC contract	36.86	55.29
0.5	Late Fee Invoice	(610-52) Preparation and Issuance of Late Fee Invoice	36.86	18.43
1	Late Fee Analysis	(610-51) Preparation and Review of monthly Late Fee Analysis	36.86	36.86
0.5	Post Remit.	(610-40) Post remittance forms and prepare monthly reports.	36.86	18.43
2	Gen. Admin.	(625-05) Administrative work on AUSAC contract office mtg, financials, RCA mtg, procedures, ENS	89.92	179.84
1.25	R&D Report Prep	(610-70) Prepare Remittance & Distribution Report review	89.92	112.40
0.75	MTG Minutes	(605-10) Draft, Review, Revise & Finalize Minutes	89.92	67.44
0.5	Gen. Admin.	(625-05) Administrative work on AUSAC contract office mtg, financials, RCA mtg, procedures, ENS	89.92	44.96
			Total	

Alaska Exchange Carriers Association

Invoice

P O Box 241281
Anchorage, AK 99524

Date	Invoice #
2/28/2025	357

Bill To
AUSAC PO Box 241281 Anchorage, AK 99524

Quantity	Item Code	Description	Price Each	Amount
0.5	Late Fee Invoice	(610-52) Preparation and Issuance of Late Fee Invoice	89.92	44.96
0.25	Gen. Admin.	(625-05) Administrative work on AUSAC contract financials	89.92	22.48
0.5	Nomination work	(625-12) Work associated with the AUSAC Board nominations.	89.92	44.96
0.25	MonitorRpt	(620-01) Preparation of Monitoring Reports - Quarterly Report	89.92	22.48
1	Compliance Audit	(625-60) Compliance Audit per U-98-168.	89.92	89.92
0.5	Gen. Admin.	(625-05) Administrative work on AUSAC contract payables, financials, general questions	89.92	44.96
0.5	Nomination work	(625-12) Work associated with the AUSAC Board nominations.	89.92	44.96
1	Board Meeting	(605-05) Prepare for and attend Board of Directors meetings. prep/mtg	89.92	89.92
0.25	Gen. Admin.	(625-05) Administrative work on AUSAC contract payables, financials, general questions	89.92	22.48
3	R&D Report Prep	(610-70) Prepare Remittance & Distribution Report review	89.92	269.76
0.25	Board Meeting	(605-05) Prepare for and attend Board of Directors meetings. prep/mtg	89.92	22.48
0.25	Dist. of Funds	(610-25) Distribution of Funds	89.92	22.48
1.5	Gen. Admin.	(625-05) Administrative work on AUSAC contract office mtg, financials, RCA mtg, procedures, ENS	89.92	134.88
0.5	Gen. Admin.	(625-05) Administrative work on AUSAC contract payables, financials, general questions	89.92	44.96
0.25	Dist. of Funds	(610-25) Distribution of Funds	89.92	22.48
2.5	Gen. Admin.	(625-05) Administrative work on AUSAC contract office mtg, financials, RCA mtg, procedures, ENS	89.92	224.80
8	R&D Report Prep	(610-70) Prepare Remittance & Distribution Report Preparing R&D report	42.04	336.32
1	R&D Report Prep	(610-70) Prepare Remittance & Distribution Report Preparing R&D report	42.04	42.04
6.5	R&D Report Prep	(610-70) Prepare Remittance & Distribution Report Preparing R&D report	42.04	273.26
1.5	Gen. Admin.	(625-05) Administrative work on AUSAC contract Updating AUSAC procedures manual	42.04	63.06
0.5	Gen. Admin.	(625-05) Administrative work on AUSAC contract Updating AUSAC procedures manual	42.04	21.02
7.5	R&D Report Prep	(610-70) Prepare Remittance & Distribution Report Preparing R&D report	42.04	315.30
	Reimb Group			
			Total	

Alaska Exchange Carriers Association

P O Box 241281
Anchorage, AK 99524

Invoice

Date	Invoice #
2/28/2025	357

Bill To
AUSAC PO Box 241281 Anchorage, AK 99524

Quantity	Item Code	Description	Price Each	Amount
		AUSAC travel for public meeting and parking	21.23	21.23
		AUSAC postal trip/check signing	0.00	0.00
		Azure AUSAC suscription, Dec 24 & Jan 25	21.50	21.50
		Rackspace AUSAC	0.00	0.00
		Total Reimbursable Expenses		42.73
			Total	\$3,809.99

MEMORANDUM

TO: Commissioners: DATE: March 12, 2025
John M. Espindola, Chair
Steve DeVries
Mark Johnston
Robert M. Pickett
John C. Springsteen

FROM: Laura Barson
John Paul Manaois

SUBJECT: Docket R-25-003 (In the Matter of the Petition Filed by Alaska Communications System for the adoption of regulations related to the Alaska Universal Service Fund)

Summary

This memorandum discusses the Alaska Universal Service Fund (AUSF) and the petition filed by Alaska Communications (AC)¹ to institute a rule-making docket addressing the AUSF.

Alaska Universal Service Fund

AS 42.05.840. Universal service fund. The commission *may establish* a universal service fund or other mechanism to be used to ensure the provision of long distance telephone service at *reasonable rates* throughout the state and to otherwise preserve universal service.²

Under the permissive statutory authority cited above, the AUSF is a fund established by the Commission via regulation at 3 AAC 53.300 – 3 AAC 53.399. The AUSF, as it exists today, is funded by customer contributions submitted by telecommunications services providers.³ These contributions are based on a surcharge applied to certain types of end-user revenues.⁴ The

¹ Alaska Communications includes ACS of Alaska, LLC; ACS of Anchorage, LLC; ACS of Fairbanks, LLC; ACS Long Distance, LLC; and ACS of the Northland.

² (emphasis added).

³ The Alaska Intrastate Interexchange Access Charge Manual Section 005(a). Customers to be Assessed. reads:

Charges shall be computed and assessed upon any individual, partnership, association, joint-stock company, trust, corporation, governmental entity, or other entity that orders the services offered under the Association's access tariff or a nonpooling company tariff, including Local Exchange Carrier(s), Interexchange Carrier(s), entities acting as the functional equivalent of either Local Exchange Carrier(s) or Interexchange Carrier(s), whether certificated or otherwise, and End-User(s).

⁴ 3 AAC 53.340(a) identifies end-user revenues derived from the following intrastate services: cellular telephone and paging services, mobile radio services, operator services, personal

surcharge is calculated on an annual basis by the administrator of the AUSF and is subject to a 10% cap.⁵ The surcharge has been set at 10% for the past 5 years.⁶ Telecommunications services providers who are subject to the universal service surcharge submit monthly universal service surcharge payments to the administrator of the AUSF. The administrator of the AUSF then makes monthly disbursements from the AUSF to qualifying local exchange telephone companies.⁷

The administrator of the AUSF publishes an annual summary documenting historical disbursements to qualifying local exchange telephone companies. Historical disbursements for the calendar year ending December 31, 2023, are summarized in Exhibit 1 to this memorandum. These disbursements totaled \$13,633,995 in 2023 and the four largest disbursements were made to the following qualifying local exchange telephone companies: Matanuska Telephone Association,⁸ ACS of the Northland – Glacier State,⁹ Cooper Valley Telephone Cooperative,¹⁰ and GCI.¹¹

communications services, special access service, wide area telecommunications service, toll-free service, 900 service, message telephone service, private line service, telex, telegraph, video services, satellite service, resale of intrastate services, pay phone services, local exchange services, any network access fee assessed on end users, and interconnected Voice over Internet Protocol.

⁵ 3 AAC 53.340(d). The surcharge is calculated for each calendar year but may be subject to a quarterly amendment on an as needed basis.

⁶ See <https://www.ausac.org/>.

⁷ 3 AAC 53.340(e); 3 AAC 53.350.

⁸ MTA holds Certificate of Public Convenience and Necessity (Certificate) No. 19, which authorizes the provision of local exchange carrier services. MTA's authorized service area includes portions of the Denali Borough, the Matanuska-Susitna Borough, the Municipality of Anchorage, and the Kenai Peninsula Borough. Order U-22-028(2), *Order Granting Application to Amend Certificate of Public Convenience and Necessity to Reflect Name Change, Granting Request to Amend Eligible Carrier Designation to Reflect Name Change, and Requiring Filing*, dated September 30, 2022, at 1-2.

⁹ ACS of the Northland holds Certificate No. 359, which authorizes the provision of local exchange carrier services. Its authorized service area includes the Sitka Study Area, including Sitka and the Bush areas and the Glacier State Study area, which includes Kenai, Soldotna, Kodiak, and areas near Fairbanks including Nenana, North Pole, and Delta Junction. Order U-21-003(2), *Order Granting Application to Acquire an Indirect Controlling Interest, Requiring Filing, and Closing Docket*, dated July 19, 2021 at 2.

¹⁰ Copper Valley Telephone Cooperative holds Certificate No. 11 which authorizes the provision of local exchange carrier services. Its authorized service area includes the Copper River drainage. Order U-21-074(2), *Order Granting Waiver and Closing Docket*, dated May 4, 2022, at 1 & n.1.

¹¹ GCI holds Certificate No. 489, which authorizes the provision of local exchange carrier services. Its authorized service area is Anchorage, Fairbanks, Juneau, Kenai Peninsula, North Pole, Delta, and other areas. *Application for Acquisition of Controlling Interest in Certificates of Public Convenience and Necessity Held by GCI Communication Corp.*, filed December 31, 2024, in Docket U-24-045 at 1-2.

A summary of the four largest disbursements is provided below:

Qualifying Local Exchange Telephone Company	Total Cash Distribution Period Ending December 31, 2023
Matanuska Telephone Association	\$3,129,496
ACS of the Northland – Glacier State	\$1,679,449
Copper Valley Telephone Cooperative	\$1,376,572
GCI	\$1,197,052

The AUSF, as established by regulation at 3 AAC 53.300 – 3 AAC 53.399, includes a sunset provision with a June 30, 2026, sunset date.¹²

Access Charges and the AUSF

AS 42.05.830. Exchange access charges. In providing for competition under AS 42.05.800 – 42.05.890, the commission shall establish a system of access charges to be paid by long distance carriers to compensate local exchange carriers for the cost of originating and terminating long distance services.

Access charges

Access charges are charges assessed by local exchange carriers, for access to the local exchange carriers' local network for interexchange calling.¹³ To provide long distance service, an interexchange carrier connects to its end users over the local networks of the local exchange carriers. The call is initiated from the customer designated premises over the local exchange carrier's subscriber line (local loop) to a central office switching facility where routing of the call is determined and then switched (local switching) to transport trunks dedicated (dedicated transport) to a particular interexchange carrier. More complex networks, wherein the long distance call may pass through more than one central office switch, include a trunk (common transport) that connects the central office switches before reaching the interexchange carriers. Historically, the main access charge rate elements for switched service are carrier common line, local switching, common transport, and dedicated transport, with the carrier common line as the largest category of local network cost. Local exchange carriers recover these costs entirely from interexchange carriers.

¹² 3 AAC 53.300(d) ("The provisions of 3 AAC 53.300 – 3 AAC 53.399 do not apply after June 30, 2026.").

¹³ 3 AAC 48.440 addresses rates for interexchange access and reads:

Access charges shall be assessed for use of local exchange telephone utility facilities by the providers of intrastate interexchange telecommunications services. Those charges must be determined, assessed, and collected, and revenues from those charges must be distributed, in accordance with the commission's rules as set out in the *Alaska Intrastate Interexchange Access Charge Manual*, dated August 9, 2018, and adopted by reference. That manual is available at the offices of the Regulatory Commission of Alaska as specified in 3 AAC 48.010(a).

Docket R-01-001

The Commission restructured the intrastate access charge mechanism by implementing the network access fee that would be paid by local exchange carrier customers. The network access fee was intended to reduce the interexchange carriers' carrier common line access charge cost and lead to reduced intrastate long distance rates and improve long distance infrastructure investments.¹⁴ The initial network access fee charge was \$1.50 per line per month and increased to \$3 per line per month after two years.¹⁵

Docket R-08-003

The Commission implemented further modifications to the Alaska's access charge and universal service policies. The Commission adopted regulations that relieved the intrastate interexchange carriers from paying the carrier common line access charges. Rather, the carrier common line access charge rate element previously paid by the intrastate interexchange carriers would be paid through a new AUSF program (known as CCL Support) and through a phased-in increase to the network access fee. The Commission adopted revisions in the Alaska Intrastate Interexchange Access Charge Manual that would annually increase the network access fee from \$3.00 per month to a maximum of \$5.75 per month over the next four years.¹⁶ In exchange for the elimination of payment of carrier common line access charges, the intrastate interexchange carriers were required to reduce their intrastate long distance rates, with the goal of reaching parity with interstate long distance rates. The Commission also added another new AUSF program, carrier of last resort¹⁷ support, to pay for the difference between a designated local exchange carrier of last resort's revenue requirement and its carrier common line revenues.¹⁸

Docket R-18-001

The Commission adopted revisions of the AUSF regulations, including recasting the carrier common line support and carrier of last resort support as Essential Network Support (ENS) that

¹⁴ Order R-01-001(13), *Order Adopting Regulations*, dated September 28, 2004 (Order R-01-001(13)), at 5-7.

¹⁵ Order R-01-001(13) at 8.

¹⁶ Order R-08-003(8)/R-09-003(4), *Order Adopting Regulations and Requiring Report*, dated August 18, 2010 (Order R-08-003(8)/R-09-003(4)), at 7-8. The Commission subsequently readopted the regulations to incorporate edits from the Alaska Department of Law. See Order R-08-003(9)/R-09-003(5), *Order Readopting Regulations and Amendments to Alaska Intrastate Interexchange Access Charge Manual and Scheduling a Workshop*, dated May 19, 2011.

¹⁷ The Commission stated that a local exchange carrier of last resort, in simple and general terms, provides necessary facilities and public utility services to all customers upon reasonable request. (Order R-08-003(8)/R-09-003(4) at 21).

¹⁸ Order R-08-003(8)/R-09-003(4) at 13.

would be capped at the local exchange carriers' 2016 carrier common line and carrier of last resort support levels.¹⁹

Docket R-21-001

The Commission performed a sunset review of the AUSF, adopting regulations that continued ENS at the level received for the year ended December 31, 2022, through June 30, 2026.²⁰

AC Petition

On February 19, 2025, AC filed a petition requesting that the Commission open a rule-making docket to address multiple aspects of the AUSF.²¹ AC specifically requests that the Commission:

1. Repeal the June 30, 2026, sunset of the AUSF;
2. Adopt a voice connection-based contribution method for the AUSF effective January 1, 2027; and
3. Consider changes to the distribution method and size of the AUSF to allocate more support to rural and remote areas effective January 1, 2028.²²

In support of the requested action items identified above, AC discusses the MTA Petition, filed February 7, 2025.²³ AC states:

MTA focused on AS 42.05.830, the Commission's obligation to establish an access charge system. MTA said that the Commission has used the AUSF as the vehicle

¹⁹ Order R-18-001(5), *Order Adopting Regulations*, dated October 24, 2018. The Alaska Intrastate Interexchange Access Charge Manual Section 004. Charges to be Filed. Reads:

(a) The carrier's carrier charges for access service filed with the Commission shall include charges for each of the following elements: (1) Essential Network Support; (2) Local Switching; (3) Common Transport; (4) Dedicated Transport; (5) Special Access; (6) Equal Access; and (7) Network Access Fee.

(b) The carrier's carrier charges for access service filed with the Commission shall also include a charge for the White Pages Information subelement of Information services for pooling [local exchange carriers] only.

²⁰ Order R-21-001(10), *Order Adopting Permanent Regulations*, dated August 14, 2023.

²¹ *Alaska Communications' Petition for Rulemaking*, filed February 19, 2025, in Docket R-25-003 (AC Petition).

²² AC Petition at 1.

²³ *Matanuska Telecom Association, Inc.'s Petition for Rulemaking*, filed February 7, 2025, in Docket R-25-002 (MTA Petition). To prevent the Commission from potentially addressing the AUSF in separate, concurrent rule-making dockets, the MTA Petition was denied. Order R-25-002(1), *Order Denying Petition and Closing Docket*, dated March 7, 2025.

for compensating [local exchange carriers] for access costs in the past, and it should continue the AUSF until it adopts another mechanism for access cost recovery.²⁴

AC confirms agreement with the position taken by MTA stating that “recovery of the costs traditionally associated with access is important.”²⁵ AC then cites to the Commission’s findings in Docket R-21-001, when the Commission found that the June 30, 2023, sunset of the AUSF represented a threat to the preservation of public peace, health, safety, or general welfare. The Commission’s finding of emergency is attached to this memorandum as Exhibit 2.

AC concludes:

As the [Commission’s] rules stand now, the AUSF program will terminate by operation of law on June 30, 2026 unless the [Commission] takes action to lift the sunset. The [Commission] should not let the [AUSF] expire without a finding, based on evidence, that the [AUSF] is no longer needed to preserve universal service under AS 42.05.840. By opening the rulemaking docket, the [Commission] will be able to build on its R-21-001 record on need, develop updated evidence, and not let the [AUSF] expire automatically without due consideration of potential impacts.²⁶

To facilitate the continuation of the AUSF and the additional changes to the AUSF identified by AC, it proposes amendment, repeal, and readoption as follows:

- First, AC seeks repeal of 3 AAC 53.300(d). This repeal would eliminate the sunset provision and extend the AUSF indefinitely.
- Second, AC seeks amendment to 3 AAC 53.340(a). The proposed amendment would modify the contributions made to the fund, with an effective date of January 1, 2027. Currently there is a surcharge applied to revenues associated with specified types of end-user services. The proposed amendment would largely eliminate the surcharge and replace the surcharge with a flat fee assessed on certain customer accounts (on a per voice connection basis).²⁷ The customer accounts would include intrastate wireline, interconnected Voice over Internet protocol, and wireless.
- Third, AC seeks amendment to 3 AAC 53.340(c). This amendment corresponds to the changes in contribution from a percentage of end-user revenues to a surcharge assessed on a voice connection basis. Instead of reporting intrastate annual gross revenues from end-user services to the administrator of the AUSF, telecommunications

²⁴ AC Petition at 2.

²⁵ *Id.*

²⁶ AC Petition at 9.

²⁷ Instead of a surcharge assessed per voice connection, a 10% surcharge would apply to services received by inmates in the custody of the Department of Corrections.

services providers would report the number and type of voice connections provided to end users.

- Fourth, AC seeks repeal and re adoption of 3 AAC 53.340(d). The proposed actions correspond to the proposed changes in contribution to the AUSF. By November 1 of each year, and beginning November 1, 2026, the administrator of the AUSF would be required to calculate the estimated total amount of payments required in the next calendar year to satisfy administrative costs and AUSF disbursements.
- Fifth, AC seeks amendment to 3 AAC 53.346(a) and (b). The proposed amendment would set administrator recovery for AUSF administrative costs at “the level included for recovery in essential network support as of December 31, 2025,” for a period of two years. The proposed amendment would set also disbursements to local exchange carriers at the levels received for the year ended December 31, 2025, for a period of two years.
- Sixth, AC seeks repeal of 3 AAC 53.350(a) – (c). The proposed repeal would eliminate prioritization of AUSF disbursements and automatic termination of claims after six months.²⁸

Exhibit 3 to this memorandum is a table summarizing the current AUSF regulations, the repeal proposed by MTA in its petition, and the amendment and repeal proposed by AUSF in its petition.

Comments

The Commission received comments in response to the AC Petition from the Alaska Remote Carrier Coalition,²⁹ Arctic Slope Telephone Association Cooperative, Inc.,³⁰ Alaska Power & Telephone Company,³¹ and Copper Valley Telephone Cooperative, Inc.³² While the specifics

²⁸ AC Petition, Exhibit A.

²⁹ Comments of J. Smith on behalf of Alaska Remote Carrier Coalition, filed March 6, 2025. According to the presentation made during the Commission’s public meeting held January 22, 2025, active members of the Alaska Remote Carrier Coalition include Alaska Power & Telephone Company, Arctic Slope Telephone Association Cooperative, Inc., Bristol Bay Telephone Cooperative, Bush-Tell, Inc., Copper Valley Telephone Cooperative, Inc., Cordova Telephone Cooperative, Inc., Nushagak Electric & Telephone Cooperative, Inc., and OTZ Telephone Cooperative, Inc.

³⁰ Comments of J. Laipenieks on behalf of Arctic Slope Telephone Association Cooperative, Inc., filed March 7, 2025.

³¹ Comments of J. Grenn on behalf of Alaska Power & Telephone Company, filed March 7, 2025. Alaska Power & Telephone Company’s subsidiaries providing telecommunications services include Alaska Telephone Company, Bettles Telephone, Inc. and North Country Telephone, Inc.

³² Comments of J. Beug on behalf of Copper Valley Telephone Cooperative, Inc., filed March 7, 2025.

of each commenters' position differed, the commenters unanimously supported a decision to either grant the AC Petition *or* open a rule-making docket on the Commission's own motion.

Applicable Statutes

AS 44.62.220. Right to Petition. Unless the right to petition for adoption of a regulation is restricted by statute to a designated group or the procedure for the petition is prescribed by statute, an interested person may petition an agency for the adoption or repeal of a regulation as provided in AS 44.62.180 — 44.62.290. The petition must state clearly and concisely (1) the substance or nature of the regulation, amendment, or repeal requested; (2) the reasons for the request; (3) reference to the authority of the agency to take the action requested.

AS 44.62.230. Procedure on Petition. Upon receipt of a petition requesting the adoption, amendment, or repeal of a regulation under AS 44.62.180 — 44.62.290, a state agency shall, within 30 days, deny the petition in writing or schedule the matter for public hearing under AS 44.62.190 — 44.62.215. However, if the petition is for an emergency regulation, and the agency finds that an emergency exists, the requirements of AS 44.62.040(c) and 44.62.190 — 44.62.215 do not apply, and the agency may submit the regulation to the lieutenant governor immediately after making the finding of emergency and putting the regulation into proper form.

Docket Timeline

AS 44.62.230 reads, in part:

[A] state agency shall, within 30 days, deny the petition in writing or schedule the matter for public hearing under AS 44.62.190 — 44.62.215.

AS 42.05.175(e) reads:

The commission shall issue a final order in a rule-making proceeding not later than 730 days after a complete petition for adoption, amendment, or repeal of a regulation under AS 44.62.180 — 44.62.290 is filed or, when the commission initiates a rule-making docket, not later than 730 days after the order initiating the proceeding is issued.

If the Commission votes to deny ACS's petition, the associated statutory timeline for the Commission's written decision is March 21, 2025. If the Commission votes to grant MTA's petition and open a rule-making docket, the associated statutory timeline for the Commission's final order is February 19, 2027.

Discussion

Review of AC's petition demonstrates that AC has satisfied the requirements for a complete petition established in AS 44.62.220. AC requests that the Commission open a rule-making docket and adopt regulations to continue the AUSF, modify the contribution base, and evaluate the size and distribution of the AUSF. AC supports this request with draft regulations reflecting

a portion of these changes. ACS further clarifies the reasons for its request and provides specific reference to the various statutes providing the Commission with authority to establish the AUSF and adopt regulations.

Recommendation

It is recommended that the Commission deny *Alaska Communications' Petition for Rulemaking*, filed February 19, 2025. The scope of the rule-making docket proposed by AC would reform many aspects of the AUSF as it exists today. This type of evaluation of the AUSF has historically been conducted in conjunction with a review and evaluation of access charges.³³ To perform a comprehensive review of both the AUSF and access charges, it is anticipated that the duration of that rule-making proceeding would exceed the current duration of the AUSF.

Based on the statements made in the AC Petition and MTA Petition and the comments filed by interested persons, it is recommended that the Commission specifically open a rule-making docket on its own motion to consider the AUSF sunset provision found in 3 AAC 53.300(d). Continuation of the AUSF for a period of time would provide ongoing financial support to local exchange carriers, while providing the Commission with sufficient time to evaluate and consider substantive reform to access charges and the AUSF in a separate docket to be opened at a later date.

Exhibit 4 to this memorandum contains three possible options for the Commission's consideration. Option 1 would eliminate the sunset provision in its entirety, extending the AUSF indefinitely. Option 2 would amend the sunset provision to effectively continue the AUSF for a period of one year through June 30, 2027. Option 3 would amend the sunset provision to effectively continue the AUSF for a period of two years through June 30, 2028. It is recommended that the Commission pursue amendment of 3 AAC 53.300(d) through Option 1 or Option 3.

To take the action identified above, the following motions are recommended:

1. Motion to deny the *Alaska Communications' Petition for Rulemaking*, filed February 19, 2025.
2. Motion to open a rule-making proceeding to address the June 30, 2026, sunset of the Alaska Universal Service Fund and issue draft regulations for a notice period consistent with the Administrative Procedure Act following review and approval by the Department of Law.

³³ See e.g., Dockets R-97-005, *In the Matter of the Consideration of Reform of Intrastate Interexchange Access Charge Rules* and R-97-006, *In the Matter of the Consideration of Intrastate Universal Service*; Dockets R-08-003, *In the Matter of the Consideration of Modifying Alaska Access Charge Policies and the Use of the Alaska Universal Service Fund to Promote Universal Service in Alaska* and R-09-003, *In the Matter of the Petition of the Alaska Exchange Carriers Association, Inc. for Amendments to the Alaska Intrastate Interexchange Access Charge Manual and Application for Temporary Waiver of Manual Provisions Pending Conclusion of the Proceeding*.

Alaska Universal Service Administrative Company

AUSF Annual Summary

Period Ending December 31, 2023

AUSF Balance	Balance	Remittance	Interest Income	Distribution
Year end 2022 AUSF	\$1,000.00	\$318,653,299.33	\$521,771.01	\$319,174,070.34
2023 AUSF Subtotal	(\$0.00)	\$12,590,317.92	\$6,218.16	\$12,596,536.08
Total AUSF at YE 2023	\$1,000.00	\$331,243,617.25	\$527,989.17	\$331,770,606.42

Note:

Interest income is shown by year for this schedule.

Alaska Universal Service Administrative Company

AUSF Annual Summary

Period Ending December 31, 2023

2023 Reported Revenues	Total Reported Revenues	Local Revenue	Wireless Revenue	Interexchange Revenue	Payphone Revenue	Other Revenue	Uncollectible Revenues	VOIP Revenue
Total Revenues by Service	\$125,586,113.70	\$61,580,540.85	\$49,402,395.53	\$10,397,960.14	\$18,357.00	\$159,494.47	(\$259,104.30)	\$4,286,470.01

Alaska Universal Service Administrative Company

AUSF Annual Summary

Period Ending December 31, 2023

2023 Cash Distributions	Total	2023 Period ENS Support Paid in 2023	2022 Period ENS Support Paid in 2023	AUSF Administration
Alaska Universal Service Administrative Company	104,438.20			104,438.20
ACS of Alaska - Ft. Wainwright	117,688.30	54,705.57	62,982.73	
ACS of Alaska - Juneau	811,071.62	377,013.94	434,057.68	
ACS Fairbanks	45,913.46	21,342.15	24,571.31	
ACS of the Northland - Glacier State	1,679,448.62	780,665.40	898,783.22	
ACS of the Northland - Sitka	118,515.64	55,090.14	63,425.50	
Adak	300,163.35	139,647.38	160,515.97	
AECA ENS Admin Fee	101,267.09	47,134.38	54,132.71	
Alaska Telephone Company	464,186.81	215,957.32	248,229.49	
Arctic Slope Telephone Association Cooperative	419,553.81	195,023.01	224,530.80	
Bristol Bay Telephone Cooperative	179,314.07	83,423.71	95,890.36	
Bettles Telephone Company	2,211.67	1,028.96	1,182.71	
Bush-Tell	138,076.41	64,238.39	73,838.02	
Circle Telephone Company	14,798.08	6,884.63	7,913.45	
Cordova Telephone Cooperative	307,542.04	142,956.09	164,585.95	
Copper Valley Telephone Cooperative	1,376,572.15	639,878.01	736,694.14	
GCI	1,197,051.59	556,430.69	640,620.90	
Interior Telephone Company	668,256.09	310,628.38	357,627.71	
Ketchikan Public Utilities	564,021.10	262,176.38	301,844.72	
Matanuska Telephone Association	3,129,495.73	1,454,697.10	1,674,798.63	
Mukluk Telephone Company	205,433.82	95,492.69	109,941.13	
North Country Telephone Company	39,377.98	18,320.13	21,057.85	
Nushagak Electric & Telephone Cooperative	226,151.57	105,214.29	120,937.28	
OTZ Telephone Cooperative	319,078.94	148,447.63	170,631.31	
Summit Telephone Company	132,819.70	61,792.76	71,026.94	
United KUC	131,637.96	61,242.97	70,394.99	
United Utilities	803,470.02	373,804.74	429,665.28	
Yukon Telephone Company	36,439.21	16,952.90	19,486.31	
Total	13,633,995.03	6,290,189.74	7,239,367.09	104,438.20

FINDING OF EMERGENCY

The Regulatory Commission of Alaska finds that an emergency exists and that the attached regulations are necessary for the immediate preservation of the public peace, health, safety, or general welfare. The facts constituting the emergency include the following:

Affordable and reliable telecommunications services are essential to the public peace, health, safety, and general welfare of the people of Alaska. Consumers, particularly those living in rural Alaska, are highly dependent on telecommunications services to maintain family connections and access to emergency services, medical specialists, state and federal government, educational and business opportunities, and a variety of other critical needs. Local telephone networks maintained and operated by local exchange carriers are a crucial part of telecommunications service. They provide infrastructure for delivery of local, long distance, and wireless telephone calls.

The Alaska Universal Service Fund (AUSF) was established in 1999 under the authority of AS 42.05.840.¹ Since inception, the AUSF has been providing financial support of various kinds to local exchange carriers operating local telephone networks in Alaska. For the calendar year ended December 31, 2022, the AUSF disbursed \$13,186,512.19 in financial support to a total of 27 eligible local exchange carriers which provide telephone service to Alaska communities off the road system and to less populated areas of Alaska on the road system.²

The Alaska Universal Service Fund is subject to expiration on June 30, 2023.³ Eligible local exchange carriers who received disbursements of the AUSF in 2022, have made the following statements that speak to the impact of the June 30, 2023, expiration:

- Alaska Communications⁴ states that it received support from the AUSF and that its remote customers have an ongoing need for AUSF support for local rates to ensure that local service will remain affordable.⁵

¹3 AAC 53.300 – 3 AAC 53.399.

²<http://www.ausac.org/public.htm> (last visited May 31, 2023) (2022 AUSAC Annual Summary, 2022 Period ENS Support Paid in 2022 and 2021 Period Annual ENS Support Paid in 2022). Eligible local exchange carriers identified by the administrator of the AUSF included: ACS of Alaska – Ft. Wainwright, ACS of Alaska – Juneau, ACS Fairbanks, ACS of the Northland – Glacier State, ACS of the Northland – Sitka, Adak, AECA ENS Admin Fee, Alaska Telephone Company, Arctic Slope Telephone Association Cooperative, Bristol Bay Telephone Cooperative, Bettles Telephone Company, Bush-Tell, Circle Telephone Company, Cordova Telephone Cooperative, Copper Valley Telephone Cooperative, GCI, Interior Telephone Company, Ketchikan Public Utilities, Matanuska Telephone Association, Mukluk Telephone Company, North Country Telephone Company, Nushagak Electric & Telephone Cooperative, OTZ Telephone Cooperative, Summit Telephone Company, United KUC, United Utilities, Yukon Telephone Company.

³3 AAC 53.300(d).

⁴Alaska Communications or ACS is an eligible local exchange carrier receiving AUSF distributions and is identified by the administrator of the AUSF as ACS of Alaska – Ft. Wainwright, ACS of Alaska – Juneau, ACS Fairbanks, ACS of the Northland – Glacier State, and ACS of the Northland – Sitka.

⁵*Alaska Telecom Association Comments Regarding Proposed Repeal of the Alaska Universal Service Fund Program*, filed May 5, 2023, Exhibit A (ATA, Ex. A) at 17-21

- Alaska Telephone Company, Bettles Telephone Company, and North Country Telephone Company state they were authorized to receive \$856,410 from the AUSF for the period ended December 31, 2022, and that the loss of that support would have a material impact on financial operations forcing a possible increase in local phone rates by 53.5%.⁶
- Arctic Slope Telephone Association Cooperative states that it received \$452,667 from the AUSF for the period ended December 31, 2022, and that the loss of that support would have a material impact on financial operations forcing a possible increase to local phone rates by \$12-\$13 per line per month.⁷
- Bristol Bay Telephone Cooperative states it received \$181,520.76 for the period ended December 31, 2022, which represented 6.4% of its total revenue, and loss of that support would have a material impact on financial operations forcing a possible increase in local phone rates by 43%.⁸
- Copper Valley Telephone Cooperative states it received \$1.3 million for the period ended December 31, 2022, which represented 7% of its total revenue, and loss of that support would have a material impact on financial operations forcing a possible increase in local phone rates by 100%. Copper Valley Telephone Cooperative also states that it would be unable to raise local telephone rates by more than 50% due to benchmarks established by the Federal Communications Commission.⁹
- Interior Telephone Company states that it received \$660,000 from the AUSF for the period ended December 31, 2022, which represented 7% of its total revenue, and the loss of that support would have a material impact on financial operations forcing a significant raise in local phone rates.¹⁰
- Ketchikan Public Utilities states that it received \$556,662 from the AUSF for the period ended December 31, 2022, which represented 26% of its total local network revenues, and the loss of that support would have a material impact on operations forcing the implementation of cost cutting measures that would negatively affect service quality and response times for outages.¹¹
- Matanuska Telephone Association states that it received \$3,050,791 from the AUSF for the period ended December 31, 2022, which represented 36% of its total voice plan revenue, and the loss of that support would have a material impact on financial operations forcing a possible increase to local phone rates by 56%.¹²

⁶ATA, Ex. A at 1

⁷ATA, Ex. A at 6-8.

⁸ATA, Ex. A 24-27.

⁹ATA, Ex. A at 9-10.

¹⁰ATA, Ex. A at 13-14.

¹¹Comment of D. Lindgren on behalf of the City of Ketchikan d/b/a Ketchikan Public Utilities, Telecommunications Division, filed May 5, 2023.

¹²Matanuska Telecom Association's Comments in Response to Notice of Proposed Repeal of the Alaska Universal Service Fund Program, Exhibit A, filed May 5, 2023.

- Mukluk Telephone Company states that it received \$203,000 from the AUSF for the period ended December 31, 2022, which represented 4% of its total revenue, and the loss of that support would have a material impact on financial operations forcing a significant raise in local phone rates.¹³
- Nushagak Electric & Telephone Cooperative states it received \$234,745.36 from the AUSF for the period ended December 31, 2022, which represented 9% of its total revenue, and loss of that support would have a material impact on financial operations forcing a possible increase in local phone rates of \$207.92.¹⁴
- Summit Telephone Company states it received \$139,822 from the AUSF for the period ended December 31, 2022, which represented 8% of its total revenue and loss of that support would have a material impact on financial operations forcing an increase in local phone rates by \$67.35 per line per month. Summit Telephone Company also stated that it would be unable to raise local phone rates by \$67.35 due to benchmarks established by the Federal Communications Commission.¹⁵

These representations demonstrate that the imminent expiration of the AUSF may result in increased rates to consumers making telecommunications services unaffordable. These representations further demonstrate that the imminent expiration of the AUSF may have a material impact on financial operations causing decreased investment in local exchange network facilities which would negatively impact service quality and response to services outages. We therefore find that the impending expiration of the AUSF constitutes an emergency as it impacts consumer access to affordable and reliable telecommunications services.

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¹³ATA, Ex. A at 15-16.

¹⁴ATA, Ex. A at 28-30.

¹⁵ATA, Ex. A at 2-3.

ORDER CERTIFYING ADOPTION

I certify that the Regulatory Commission of Alaska under the authority of AS 42.05.840, adopted at its June 7, 2023, meeting the attached 12 pages of regulation changes as an emergency regulation to take effect July 1, 2023, as provided in AS 44.62.180(3).

This action is not expected to require an increased appropriation.

Date: June 14, 2023

Keith Kurber II Digitally signed by Keith Kurber II
Date: 2023.06.14 10:17:28 -08'00'

Keith Kurber II, Chairman

April Simpson for

FILING CERTIFICATION

I, Nancy Dahlstrom, Lieutenant Governor for the State of Alaska, certify that on June
15, 2023, at 12:47 p.m., I filed the attached regulation according to the provisions of
AS 44.62.

for April Simpson
Nancy Dahlstrom, Lieutenant Governor

Effective: July 1, 2023
Register: 247, October 2023.

Expires October 28, 2023
unless made "permanent"
by the adopting agency

FOR DELEGATION OF THE LIEUTENANT GOVERNOR'S AUTHORITY

I, NANCY DAHLSTROM, LIEUTENANT GOVERNOR OF THE STATE OF ALASKA, designate the following state employees to perform the Administrative Procedures Act filing functions of the Office of the Lieutenant Governor:

April Simpson, Regulations and Initiatives Specialist

IN TESTIMONY WHEREOF, I have signed and affixed the Seal of the State of Alaska, in Juneau, on May 15th, 2023.



Nancy Dahlstrom

**NANCY DAHLSTROM
LIEUTENANT GOVERNOR**

	Current Regulation	MTA Proposal	ACS Proposal
Applicability, finding, purpose, and waiver.			
53.300(a)	The provisions of 3 AAC 53.300 – 3 AAC 53.399 apply to all public utilities that provide intrastate telecommunications service in this state.		
53.300(b)	The purpose of 3 AAC 53.300 – 3 AAC 53.399 is to promote the efficiency, availability, and affordability of universal telephone service in this state through the establishment of the Alaska Universal Service Fund (AUSF); and not to raise revenue for the maintenance of government service offered to the general public.		
53.300(c)	Repealed in entirety.		
53.300(d)	The provisions of 3 AAC 53.300 -- 3 AAC 53.399 do not apply after June 30, 2026.	Repeal in entirety.	Repeal in entirety.
Approval of administrator; withdrawal of approval; bonding.			
53.310(a)	To serve as an administrator of the AUSF, the applicant must be approved by the commission. The commission will approve the selection of an administrator of the AUSF, if the applicant meets the requirements of this section.		
53.310(b)	To be approved under this section, an applicant for the administrator must (1) be able to operate the AUSF in a neutral and impartial manner; (2) have the skills to bill, collect, and distribute large financial sums on a monthly basis; and (3) provide documentation of the ability to obtain and maintain a bond in the amount ordered by the commission in an amount equal to three months of estimated payments into the AUSF.		
53.310(c)	If more than one applicant applies under (a) of this section, the commission may approve the applicant who meets the qualifications of (b) of this section and is best able to administer the AUSF.		
53.310(d)	The commission may withdraw its approval of the administrator if good cause is shown or the commission determines that the approval is no longer in the best interests of the AUSF.		
53.310(e)	If approved, the administrator must immediately provide to the commission documentation of obtaining the bond described in (b) of this section. The administrator must immediately notify the commission if the bond is no longer (1) sufficient to meet the requirements of this section; or (2) effective.		
Budget approval; administrative costs.			
53.320(a)	In order to meet the requirements of AS 42.05.820 - AS 42.05.890, the budget for administrative costs, including compensation of the administrator, must be approved by the commission.		

	Current Regulation	MTA Proposal	ACS Proposal
53.320(b)	Not later than October 1 of each year, the administrator shall submit the proposed budget described in (a) of this section to the commission for approval for the following year.		
53.320(c)	The commission will only approve the proposed budget described in (a) of this section, if the commission finds that the proposed budget is reasonable and in the public interest.		
53.320(d)	To maintain approval of the budget by the commission, payment for the administrator's compensation may not exceed the amount specified in the budget approved by the commission.		
53.320(e)	The administrative costs approved by the commission shall be included, along with the estimated amount of universal service support disbursement from the AUSF, in the calculation of the universal service surcharge factor described in 3 AAC 53.340.		
Reports, audits, and separation of money.			
53.330(a)	To maintain approval under 3 AAC 53.310, (1) the administrator shall keep the amount allocated for universal service support in the AUSF in an account separate from other money under the control of the administrator; (2) the AUSF and the accounting practices of the administrator are subject to a yearly audit by an independent accounting firm; the AUSF and the accounting practices of the administrator are subject to a close-out audit at the end of the administrator's term; (3) the administrator shall provide the commission full access to the data collected under or prepared through the administration of the AUSF; (4) the administrator shall report quarterly to the commission on the disbursement of money from the AUSF along with any recommended changes to the universal service surcharge factor; and (5) at the request of the commission, the administrator may audit one or more public utilities required to pay the universal service surcharge and one or more public utilities that have received disbursements from the AUSF; the administrator shall establish procedures to verify universal service surcharge payments in to the AUSF and universal service support disbursed from the AUSF; the administrator may suspend or delay disbursements for universal service support to a public utility if that utility fails to adequately verify the amount of universal service support claimed.		
53.330(b)	The commission will provide to the public a monitoring report at least once a year on the administrator's reports under this section.		
53.330(c)	Repealed in entirety.		

	Current Regulation	MTA Proposal	ACS Proposal
Universal service surcharge.			
53.340(a)	A public utility that provides intrastate telecommunications service to the public, or to those classes of users as to be effectively available to the public for a fee, shall pay a universal service surcharge to the AUSF. The public utility must pay the surcharge on its annual gross revenues that are generated from end users on the following intrastate telecommunications services and charges: (1) cellular telephone and paging services; (2) mobile radio services; (3) operator services; (4) personal communications services (PCS); (5) special access service; (6) wide area telecommunications service (WATS); (7) toll-free service; (8) 900 service; (9) message telephone service (MTS); (10) private line service; (11) telex; (12) telegraph; (13) video services; (14) satellite service; (15) resale of intrastate services; (16) pay phone services; (17) local exchange services; (18) any network access fee assessed on end users; (19) interconnected Voice over Internet Protocol (VoIP).		Effective January 1, 2027, a public utility that provides intrastate telecommunications service other than service to inmates in the custody of the Department of Corrections must pay a per-voice connection surcharge on its number of voice connections to end users of intrastate wireline, interconnected Voice over Internet Protocol (VoIP), and wireless telecommunications services. A public utility that provides service to inmates in the custody of the Department of Corrections must pay a 10 percent surcharge on its annual gross revenues that are generated from end users on intrastate telecommunications services.
53.340(b)	Notwithstanding (a) of this section, a public utility providing intrastate telecommunications services in the form of open video systems (OVS), cable leased access, or direct broadcast satellite (DBS) services is not required to pay the universal service surcharge.		

	Current Regulation	MTA Proposal	ACS Proposal
53.340(c)	<p>A public utility providing a service for which a universal service surcharge payment is due shall provide to the administrator a verified accounting of its annual gross revenues from intrastate end users. If a public utility's payments to the AUSF in a calendar year are less than \$100, that public utility is not required to submit a payment or the AUSF worksheets for that calendar year, unless the public utility received universal service support from the AUSF in that calendar year.</p>		<p>A public utility providing a service for which a universal service surcharge payment is due shall provide to the administrator a verified accounting of its number of voice connections provided to end users of intrastate wireline, interconnected Voice over Internet Protocol (VoIP), and wireless telecommunications services, excluding any connections for service to inmates in the custody of the Department of Corrections. The accounting must include the number and type of voice connections provided to end users, consistent with the biannual reporting required by the FCC's Broadband Data Collection filings," defined in 47 C.F.R. 1.7004(a). A public utility providing a service to inmates in the custody of the Department of Corrections for which a universal service surcharge payment is due shall also provide to the administrator a verified accounting of its annual gross revenues from intrastate end users. If a public utility's payments to the AUSF in a calendar year are less than \$100, that public utility is not required to submit a payment or the AUSF worksheets for that calendar year, unless the public utility has received universal service support from the AUSF in that calendar year.</p>

	Current Regulation	MTA Proposal	ACS Proposal
53.340(d)	<p>By October 1 of each year, the administrator shall calculate a proposed budget for the estimated total amount of the universal service support payment that will be needed from the AUSF for the following calendar year and for administrative costs. The administrator shall recommend the annual universal service surcharge factor for the following year to cover the proposed budget. The universal service surcharge factor is calculated based on the ratio of the total estimated amount of disbursements for the AUSF to the total annual gross revenues from intrastate end users subject to the universal service surcharge. The administrator shall recommend to the commission adjustments to the universal service surcharge factor on a quarterly basis, as necessary, as described in 3 AAC 53.330. The universal service surcharge factor is capped at and may not exceed 10 percent.</p>		<p>Beginning November 1, 2026, and by November 1 each subsequent year, the administrator shall calculate a proposed budget for the estimated total amount of the universal service support payment that will be needed from the AUSF for the following year and for the administrative costs anticipated to be approved by the commission. The administrator shall recommend the monthly per-voice connection surcharge for services other than those provided to inmates in the custody of the Department of Corrections for the following year to cover the proposed budget. The monthly per-voice connection universal service surcharge for end users of intrastate wireline, interconnected Voice over Internet Protocol (VoIP), and wireless telecommunications services, other than for services provided to inmates in the custody of the Department of Corrections, is calculated based on the ratio of the total estimated amount of disbursements for the AUSF, less the portion of the total estimated amount of AUSF disbursements to be recovered by the percent-of-revenue surcharge, to the total number of voice connections as of June 30 of that calendar year, provided to end users of intrastate wireline, interconnected Voice over Internet Protocol (VoIP), and wireless telecommunications services, divided by twelve. Effective January 1, 2027, the percent-of-revenue universal service surcharge for services provided to inmates in the custody of the Department of Corrections is frozen at 10 percent. The administrator shall recommend to the commission adjustments to the universal service surcharges on a quarterly basis, as necessary, as described in 3 AAC 53.330. The recommended universal service surcharges and adjustments must be approved by the commission before implementation by the administrator.</p>
53.340(e)	<p>A public utility subject to the universal service surcharge under this section shall remit its monthly universal service surcharge payment to the administrator of the AUSF not later than 15 days after the end of each calendar month.</p>		

	Current Regulation	MTA Proposal	ACS Proposal
53.340(f)	The administrator must hold universal service surcharge payments required from the AUSF in excess of disbursements for a current month in a low-risk interest bearing account and use the excess for disbursements under 3 AAC 53.300 - 3 AAC 53.399 in a following month.		
Essential network support for local exchange carriers.			
53.346	A local exchange carrier that previously received essential network support shall receive, on a monthly basis, essential network support in an amount equal to one-twelfth the amount of essential network support received for the year ended December 31, 2022. Essential network support is frozen at that level and is subject to reduction under the 10 percent rate cap provided for under 3 AAC 53.340(d).		<p>(a) Effective January 1, 2027, a local exchange carrier that previously received essential network support shall receive, on a monthly basis, essential network support in an amount equal to one-twelfth the amount of essential network support received for the year ended December 31, 2025. Essential network support is frozen at that level until the commission establishes a new essential network support level and distribution mechanism, effective January 1, 2028.</p> <p>(b) Effective January 1, 2027, the administrator's budget shall be frozen at the level included for recovery in essential network support as of December 31, 2025. The administrator's budget shall remain frozen at that level until the commission approves a new budget for recovery in the distribution mechanism, effective January 1, 2028.</p>
Disbursements of the AUSF			
53.350	<p>(a) Monthly, subject to the availability of funds, the administrator shall disburse from the AUSF its approved administrative costs and essential network support.</p> <p>(b) The administrator shall disburse the AUSF in the following order of priority: (1) administrative costs; (2) essential network support, oldest claims first, pro-rated among claimants within a monthly accounting period based on the total unpaid claims for that period.</p> <p>(c) The administrator may not pay any claim that remains unpaid more than six months after accrual.</p>		Repealed in entirety.

	Current Regulation	MTA Proposal	ACS Proposal
Definitions			
53.399	<p>In 3 AAC 53.300 - 3 AAC 53.399, (1) "administrator" means the applicant approved by the commission under 3 AAC 53.310 to serve as administrator of AUSF; (2) "AUSF" means the Alaska Universal Service Fund; (3) "universal service surcharge" or "surcharge" means a rate paid by a public utility for the use of the public telecommunications network; (4) "exchange" or "local exchange" means an operating unit established by a utility for communication service within a specific geographic area; the unit usually embraces a city, town, village or community and its environs, and usually consists of one or more central offices together with the associated plant used in furnishing telephone communication service to the general public within that area; (5) "local exchange carrier" has the meaning given in AS 42.05.890; (6) "interconnected Voice over Internet Protocol" has the same meaning as set out in 47 C.F.R. 9.3.</p>		

Chapter 53. Telecommunications.

OPTION 1:

3 AAC 53.300(d) is repealed:

(d) Repealed ____ / ____ / _____. (Eff. 1/10/99, Register 149; am 12/20/2018, Register 228; am 7/1/2023, Register 247; am ____ / ____ / _____, Register _____)

Authority: AS 42.05.141 AS 42.05.151 AS 42.05.840

OPTION 2:

3 AAC 53.300(d) is amended to read:

(d) The provisions of 3 AAC 53.300 – 3 AAC 53.399 do not apply after **June 30, 2027**. (Eff. 1/10/99, Register 149; am 12/20/2018, Register 228; am 7/1/2023, Register 247; am ____ / ____ / _____, Register _____)

Authority: AS 42.05.141 AS 42.05.151 AS 42.05.840

OPTION 3:

3 AAC 53.300(d) is amended to read:

(d) The provisions of 3 AAC 53.300 – 3 AAC 53.399 do not apply after **June 30, 2028**. (Eff. 1/10/99, Register 149; am 12/20/2018, Register 228; am 7/1/2023, Register 247; am ____ / ____ / _____, Register _____)

Authority: AS 42.05.141 AS 42.05.151 AS 42.05.840

**ALASKA UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
BOARD OF DIRECTORS
ELECTION OF OFFICERS
OFFICIAL BALLOT**

March 26, 2025

PRESIDENT

Juliana Wayman

VICE PRESIDENT

____ Vacant

SECRETARY/TREASURER

Eric Hoffman
