

Alaska Universal Service Administrative Company

BOARD OF DIRECTORS

Meeting Agenda

Special Monthly Meeting – Tuesday February 6, 2024

810 N Street, Second Floor Conference Room

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. December 28, 2023
 - B. January 29, 2024
 - V. AUSF Remittance and Distribution: December 2023 – Approved January 29, 2024
 - A. Quarterly Report Filing – Period Ending December 31, 2023
 - B. Quarterly Review Analysis – Period Ending December 31, 2023
 - VI. Agent Report - None
 - VII. Unfinished Business
 - A. November 29, 2023 – Confirmation of Motions
 - B. AUSF Compliance Review of 2021 in 2023 – Status
 - C. Executive Session
 - 1. Company Specific Waiver of Late Fees/Penalties
 - VIII. New Business
 - A. Executive Session
 - 1. AUSF Compliance Review of 2022 in 2024 – EB Bid Proposal January 29, 2024 (Last Extension)
 - IX. Next Meeting/Adjournment

**ALASKA UNIVERSAL SERVICE
ADMINISTRATIVE COMPANY**

DRAFT

Board of Directors

Monthly Meeting

December 28, 2023

I. Roll Call

Board President Lisa Phillips called the meeting to order at approximately 9:30 a.m. Alaska time.

Keegan Bernier recognized Lisa Phillips' 14 years of service on the AUSAC Board. The Board thanked her for her service and congratulated her on her retirement.

She then asked Keegan Bernier to call roll:

Lisa Phillips, Board President – IXC
Steve Kramer, Board Vice President– ILEC
Juliana Wayman, Secretary/Treasurer – CLEC
David Collier- IXC w/Wholesale Tariff (virtual)
Laura Kompkoff – Other Telecom Provider (virtual)
Lisa Koker – ILEC (virtual)
Sarah Sandbak – Wireless (virtual)

Members present through proxy:

The members attending represented a quorum.

Members absent:

Others present:

Keegan Bernier, AUSAC Agent
Claire Knudsen Latta, Regulatory Commission of Alaska (virtual)
Eric Hoffman, ACS

II. Approval of Agenda

Motion by Dave Collier, seconded by Sarah Sandbak, that the Board approves the agenda.

Motion passed, unopposed.

IV.A.

III. Public Comments

There were no public comments.

IV. Approval of Prior Minutes

A. November 29, 2023 Monthly Meeting

Motion, by Steve Kramer, seconded by Dave Collier, that the minutes from the November 29, 2023 meeting be approved.

Motion passed, unopposed.

V. AUSF Remittance and Distribution Report

Board President Lisa Phillips asked Ms. Bernier to present the November 2023 AUSF Remittance and Distribution Report.

Ms. Bernier proceeded to lead a brief review of the current disbursements and the distribution shortage. She noted that AUSAC administrative fees were higher this month due to the progress billing for the compliance review. She continued to tell the Board that the business interest account was opened in November 2023 and began accruing interest.

Ms. Bernier noted that the trend report has a version error and will be corrected in a final version of the R&D report. The overall total revenues are correct however, the November 2023 revenues reflect prior period remittances that should be allocated to the actual period they apply to.

The support funds are scheduled to be distributed on December 29, 2023. A copy of the distribution report was included in the packet labeled V.

Motion, by Lisa Koker, seconded by Dave Collier, that the Board approves the November 2023 AUSF Remittance and Distribution Report and authorizes the distribution of funds on or about December 29, 2023 in the amount of \$1,048,468.17.

Motion passed, unopposed.

VI. Agent Report

Board President Lisa Phillips asked Ms. Bernier to present the monthly administrative report, along with the financial reports for November. Ms. Bernier provided a copy of the report with her presentation.

There were two items for the Board to consider, the invoice from AECA for November services and the invoice from Erickson & Brooks for the compliance review progress billing.

The Board reviewed the November 2023 financial report.

BOARD ACTION REQUEST #1:

Motion, by Laura Kompkoff, seconded by Sarah Sandbak that the Board approve payment for invoice number 342, from AECA, for November 2023 administrative services for a total of \$3,960.13.

Motion passed, unopposed

BOARD ACTION REQUEST #2:

Motion, by Dave Collier, seconded by Sarah Sandbak that the Board approve payment for the invoice from Erickson & Brooks, for the compliance review progress billing for a total of \$6,565.00.

Motion passed, unopposed

VII. Unfinished Business

There was no unfinished business.

VIII. New Business

A. Nominees: AUSAC Special Membership Groups Meeting

The AUSAC special membership groups for Wireless, Other, and IXC met on December 28, 2023 and nominated the following representatives for the AUSAC Board.

Wireless group nominee: Sarah Sandbak

Other group nominee: Laura Kompkoff

IXC group nominee: Erick Hoffman

VIII. New Business Cont.

B. Executive Session: Company Specific Waiver of Late Fees/Penalties

Motion, by Steve Kramer, seconded by Laura Kompkoff, that the AUSAC Board, go into executive session based on the fact that the Board will discuss the company specific request waiver of late fees/penalties. The exception to the Open Meetings Act allows discussion in executive session for matters that the immediate knowledge of which by law, are required to be kept confidential.

Motion passed, unopposed.

The Board went into executive session at 10:00 a.m. and exited at 10:17 a.m.

Motion, by Juliana Wayman, seconded by Lisa Koker, that the Board direct Ms. Bernier to respond to the company to discuss their current payment and that the Board will consider late fee waiver request after AUSAC receives payment of the outstanding remittances.

Motion passed, unopposed.

Additionally, the Board requested that a calculation of late fees be prepared based on the prior tariff rules relating to late fees.

IX. Next Meeting/Adjournment

Board President Lisa Phillips adjourned the meeting at approximately 10:25 a.m. The next Board meeting was scheduled for January 29, 2024 at 9:00 a.m. and will cover the December 2023 period R&D distribution and payable items. Another meeting will be scheduled to address the remainder AUSAC business at a later time. If you plan to call in to attend the meetings, the conference line is 1-877-561-6398.

**ALASKA UNIVERSAL SERVICE
ADMINISTRATIVE COMPANY**

DRAFT

Board of Directors

Monthly Meeting

January 29, 2024

I. Roll Call

Board Vice President Steve Kramer called the meeting to order at approximately 9:12 a.m. Alaska time. The meeting was held in person at the Kauai Beach Resort.

He then asked Keegan Bernier to call roll:

Steve Kramer, Board Vice President– ILEC

Laura Kompkoff – Other Telecom Provider

Lisa Koker – ILEC (virtual)

Sarah Sandbak – Wireless (virtual)

Members present through proxy:

David Collier- IXC w/Wholesale Tariff (proxy to Laura Kompkoff)

The members attending represented a quorum.

Members absent:

Juliana Wayman, Secretary/Treasurer – CLEC

Others present:

Keegan Bernier, AUSAC Agent

Eric Hoffman, ACS (virtual)

II. Approval of Agenda

Motion by Laura Kompkoff, seconded by Sarah Sandbak, that the Board approves the agenda.

Motion passed, unopposed.

III. Public Comments

There were no public comments.

IV. Approval of Prior Minutes

The prior meeting minutes will be reviewed at the next special meeting.

V. AUSF Remittance and Distribution Report

Board Vice President Steve Kramer asked Ms. Bernier to present the December 2023 AUSF Remittance and Distribution Report.

Ms. Bernier proceeded to lead a brief review of the current disbursements and the distribution shortage. She noted that 87.11% of the 2023 AUSAC budget has been spent while 27.43% of the ENS support was distributed. The remaining July through December 2023 support periods will be paid out over the next six months.

Ms. Bernier led a review of the trend report for the 2023 year and noted that the December 2023 period had nearly all remitting companies submit reports on time.

The support funds are scheduled to be distributed on January 30, 2024. A copy of the distribution report was included in the packet labeled V.

Motion, by Laura Kompkoff, seconded by Lisa Koker, that the Board approves the December 2023 AUSF Remittance and Distribution Report and authorizes the distribution of funds on or about January 30, 2024 in the amount of \$1,046,641.87.

Motion passed, unopposed.

VI. Agent Report

Board Vice President Steve Kramer asked Ms. Bernier to present the monthly administrative report, along with the financial reports for December. Ms. Bernier provided a copy of the report with her presentation.

There was one item for the Board to consider, the invoice from AECA for December services.

The Board reviewed the December 2023 financial report and discussed the 2023 budget and current year to date expenditures.

BOARD ACTION REQUEST #1:

Motion, by Sarah Sandbak, seconded by Laura Kompkoff that the Board approve payment for invoice number 343, from AECA, for December 2023 administrative services for a total of \$4,391.93.

Motion passed, unopposed

VII. Unfinished Business

There was no unfinished business.

VIII. New Business

A. Executive session: Financial Audit 2023 – Alban Bid Final Extension

Motion, by Laura Kompkoff, seconded by Lisa Koker, that the AUSAC Board, go into executive session based on the fact that the Board will discuss the Annual Financial Audit 2023. The exception to the Open Meetings Act allows discussion in executive session for matters that the immediate knowledge of which by law, would clearly have an adverse effect upon the finances of AUSAC. Additionally, the Board approves for Eric Hoffman to attend this executive session.

Motion passed, unopposed.

The Board went into executive session at 9:31 a.m. and exited at 9:34 a.m.

Motion, by Laura Kompkoff, seconded by Sarah Sandbak, that the Board approve the Alban final extension bid for the financial audit of 2023.

Motion passed, unopposed.

IX. Next Meeting/Adjournment

Board Vice President Steve Kramer adjourned the meeting at approximately 9:35 a.m. The next special Board meeting was scheduled for February 6, 2024 at 1:30 p.m. and will cover the remaining January 2024 meeting business. If you plan to call in to attend the meetings, the conference line is 1-877-561-6398.

Alaska Universal Service Administrative Company
Schedule I.A. Disbursement of Universal Service Funds
Period Ending December 31, 2023

Quarterly Report	Total YTD 2023	1st Qtr 2023 10%	2nd Qtr 2023 10%	3rd Qtr 2023 10%	4th Qtr 2023 10%
1 AUSAC ADMINISTRATION Distribution	104,438.20	25,821.82	34,098.73	20,149.63	24,368.02
2 ENS-Nonpooled Distribution	9,824,471.34	2,448,507.14	2,429,864.65	2,492,236.42	2,453,863.13
3 ENS-Pooled Distribution	2,667,626.54	664,297.09	659,239.26	677,259.02	666,831.17
4 TOTAL AUSF DISTRIBUTION	12,596,536.08	3,138,626.05	3,123,202.64	3,189,645.07	3,145,062.32

	YTD 2023
5 Distribution Shortage	\$ 7,197,394.15
6 Cash Working Capital Adjustment Factor	\$ 2,880,317.00
7 Total Estimated AUSF Support (Line 5+6+7)	\$ 22,674,247.23
8 Gross End User Revenues	\$125,586,113.70
9 Calculated AUSF Surcharge Factor (Line 8/9)	18.05%
10 2023 AUSF Surcharge Rate	10.00%
11 Variance	-8.05%

V.A.

Alaska Universal Service Administrative Company
Schedule I.B. Reported Intrastate End User Revenues
Period Ending December 31, 2023

2023 Reported Revenues	Total Reported Revenues	Local Revenue	Wireless Revenue	Interexchange Revenue	Payphone Revenue	Other Revenue	Uncollectible Revenues	VoIP Revenues
Total Revenues 1/1/2023-12/31/2023	\$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

Schedule I.C. Distribution Shortage

Period Ending December 31, 2023

Support Shortage Detail							
Distribution Priority	Support Period		AUSAC Admin Fee	ENS Nonpooling Support	ENS Pooling Support	Adjustments	Totals
Month 7 (Dropped from Shortage List)	May-23	Support Shortage		(687,472.61)	(186,818.97)	-	(874,291.58)
		Shortage Paid		-	-	-	-
		% Payment					
		Remaining Support Not Recoverable		(687,472.61)	(186,818.97)	-	(874,291.58)
Month 6 (Oldest)	June-23	Support Shortage		(1,502,568.17)	(408,319.15)	-	(1,910,887.32)
		Shortage Paid		818,487.23	222,421.86	-	1,040,909.09
		% Payment		54.47%	54.47%	54.47%	54.47%
		Remaining Support Shortage		(684,080.94)	(185,897.29)	-	(869,978.23)
Month 5	July-23	Support Shortage		(823,916.41)	(230,652.91)	-	(1,054,569.32)
		Shortage Paid		-	-	-	-
		% Payment		0.00%	0.00%	0.00%	0.00%
		Remaining Support Shortage		(823,916.41)	(230,652.91)	-	(1,054,569.32)
Month 4	August-23	Support Shortage		(823,916.41)	(230,652.91)	-	(1,054,569.32)
		Shortage Paid		-	-	-	-
		% Payment		0.00%	0.00%	0.00%	0.00%
		Remaining Support Shortage		(823,916.41)	(230,652.91)	-	(1,054,569.32)
Month 3	September-23	Support Shortage		(823,916.41)	(230,652.91)	-	(1,054,569.32)
		Shortage Paid		-	-	-	-
		% Payment		0.00%	0.00%	0.00%	0.00%
		Remaining Support Shortage		(823,916.41)	(230,652.91)	-	(1,054,569.32)
Month 2	October-23	Support Shortage		(823,916.41)	(230,652.91)	-	(1,054,569.32)
		Shortage Paid		-	-	-	-
		% Payment		0.00%	0.00%	0.00%	0.00%
		Remaining Support Shortage		(823,916.41)	(230,652.91)	-	(1,054,569.32)
Month 1 (Newest)	November-23	Support Shortage		(823,916.41)	(230,652.91)	-	(1,054,569.32)
		Shortage Paid		-	-	-	-
		% Payment		0.00%	0.00%	0.00%	0.00%
		Remaining Support Shortage		(823,916.41)	(230,652.91)	-	(1,054,569.32)
Current Period	December-23	Current Support Due	(5,732.78)	(823,916.41)	(230,652.91)	-	(1,060,302.10)
		Current Distribution Paid	5,732.78	-	-	-	5,732.78
		% Payment	100.00%	0.00%	0.00%	0.00%	0.00%
		Support Shortage	-	(823,916.41)	(230,652.91)	-	(1,054,569.32)
Total Distribution			5,732.78	818,487.23	222,421.86	-	1,046,641.87
Total Support Shortage			-	(5,627,579.40)	(1,569,814.75)	-	(7,197,394.15)
Total Support Exceeding 6 Month Accrual (Not Paid)			-	(687,472.61)	(186,818.97)	-	(874,291.58)

Alaska Universal Service Administrative Company

Schedule I.D. Notes to Disbursement of Universal Service Funds (Schedule 1.A.)

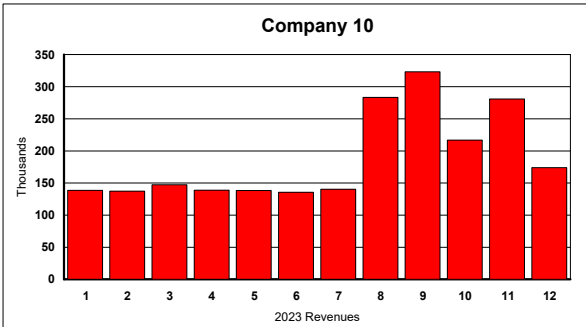
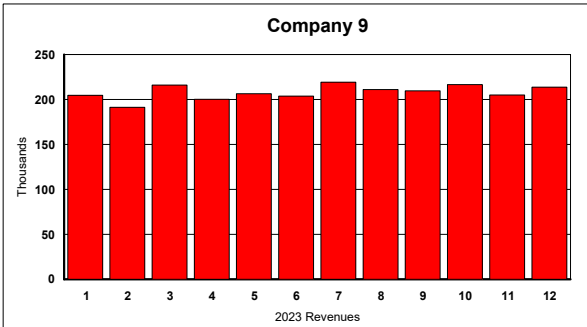
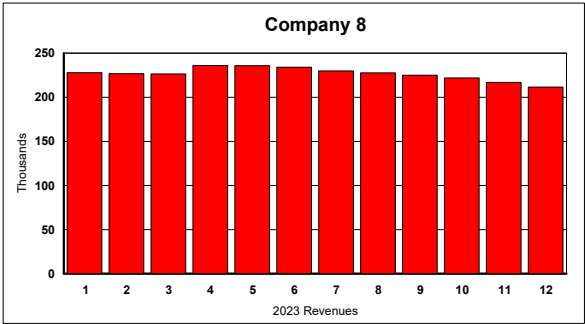
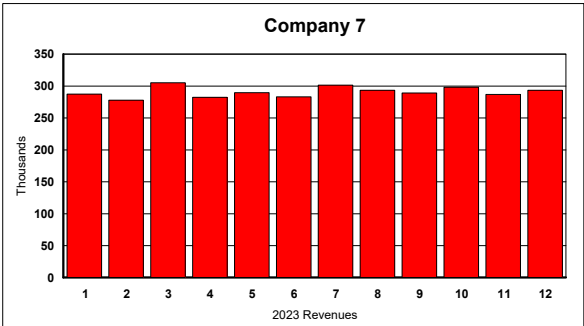
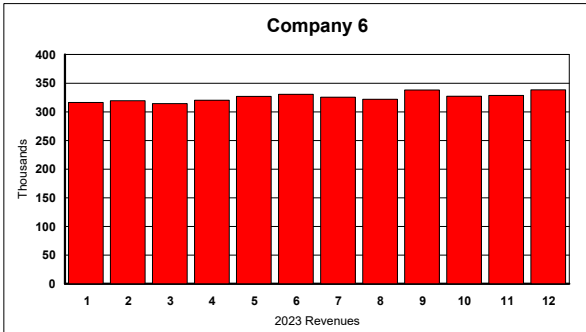
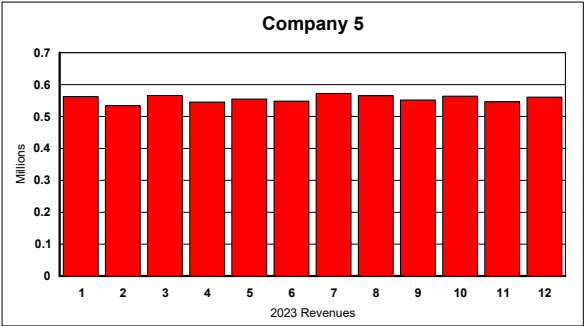
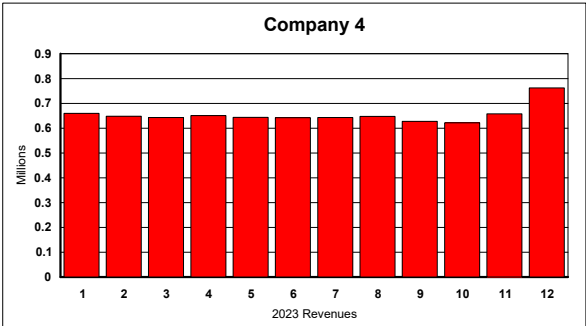
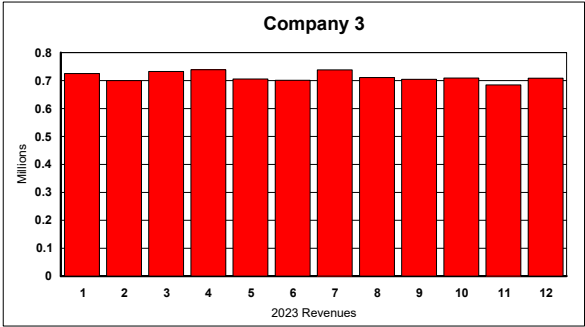
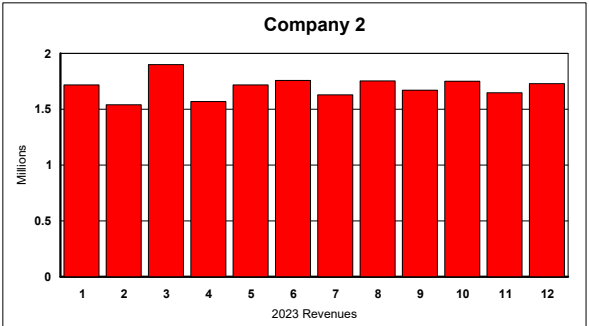
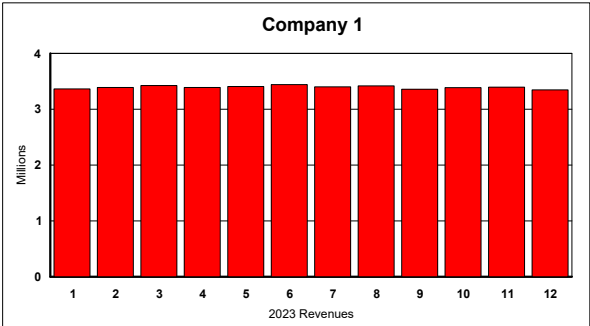
Period Ending December 31, 2023

General Notes

Schedule 1.A. Disbursement of Universal Service Funds shows the disbursements by quarter and by surcharge rate. The effective surcharge rate is 10% for 2023.

Row numbers have been added to the left of Schedule 1.A. for presentation purposes and are explained in the section below.

Row Number	Column	Explanation
4	Total YTD 2023	Actual funds distributed as of the period ending December 31, 2023. First and second quarter disbursements reflect payments of support for the 2022 support period shortages. The 2023 ENS support disbursement began in third quarter 2023.
5	YTD 2023	Distribution shortage of the fund as of the period ending December 31, 2023. See Schedule 1.C.
6	YTD 2023	Working Capital Allowance is from RCA Staff Recommendation, TA2-998, November 18, 1999, Page 5, 1.5 times AUSAC monthly expenses. This calculation is 1.5 times the estimated AUSAC monthly distribution, for the 12 months of the 2023 year. $1.5 \times (\text{approved annual ENS support and actual YTD AUSAC administration} / 12)$
7	YTD 2023	Lines 6+7 from the YTD 2023 column + line 5 from the Total YTD 2023 column.
8	YTD 2023	Gross End User Revenues for the January through December 2023 periods
9	YTD 2023	Calculated AUSF Surcharge Factor based on actual end user revenues, actual disbursements in the January through December 2023 periods, and the AUSF cash balance. This calculation looks back and assumes the calculated surcharge factor and AUSF cash balance would be applied to the January through December 2023 periods resulting in enough funds to cover the first through fourth quarter 2023 disbursements, the 2022 shortage and working capital.
10	YTD 2023	Surcharge rate effective 1/1/2020 (10%), TA28-998. No change to the surcharge rate in 2023.
11	YTD 2023	The approved 2023 surcharge rate for the January through December 2023 periods was 8.05% below the calculated surcharge required to meet the 2023 disbursement needs, 2022 support shortage and the working capital allowance.



**ALASKA UNIVERSAL SERVICE
ADMINISTRATIVE COMPANY**

APPROVED

Board of Directors

Monthly Meeting

November 29, 2023

I. Roll Call

Board President Lisa Phillips called the meeting to order at approximately 9:30 a.m. Alaska time. She then asked Keegan Bernier to call roll:

Lisa Phillips, Board President – IXC (virtual)
Steve Kramer, Board Vice President– ILEC (virtual)
Juliana Wayman, Secretary/Treasurer – CLEC (virtual)
David Collier- IXC w/Wholesale Tariff (virtual)
Laura Kompkoff – Other Telecom Provider (virtual)
Lisa Koker – ILEC (virtual)
Sarah Sandbak – Wireless (virtual)

Members present through proxy:

The members attending represented a quorum.

Members absent:

Others present:

Keegan Bernier, AUSAC Agent (virtual)
Claire Knudsen Latta, Regulatory Commission of Alaska (virtual, joined at 9:39 a.m.)

II. Approval of Agenda

Motion by Juliana Wayman, seconded by Dave Collier, that the Board approves the agenda.

Motion passed, unopposed.

III. Public Comments

There were no public comments.

IV. Approval of Prior Minutes

A. October 26, 2023 Monthly Meeting

Motion, by Lisa Koker, seconded by Juliana Wayman, that the minutes from the October 26, 2023 meeting be approved.

Motion passed, unopposed.

V. AUSF Remittance and Distribution Report

Board President Lisa Phillips asked Ms. Bernier to present the October 2023 AUSF Remittance and Distribution Report.

Ms. Bernier proceeded to lead a brief review of the current disbursements and the distribution shortage. She noted that late fee payments were higher than usual due the assessment of late fees to a company that submitted previously un-reported remittances for the 2023 year.

Ms. Bernier provided an update on the company that contacted AUSAC in August 2023 regarding the submission of reports for several prior years. The request to wave late fees will be discussed during the next AUSAC Board meeting.

The support funds are scheduled to be distributed on November 30, 2023. A copy of the distribution report was included in the packet labeled V.

Claire Knudsen Latta joined the meeting at 9:39 a.m.

Motion, by Laura Kompkoff, seconded by Sarah Sandbak, that the Board approves the October 2023 AUSF Remittance and Distribution Report and authorizes the distribution of funds on or about November 30, 2023 in the amount of \$1,049,952.28.

Motion passed, unopposed.

VI. Agent Report

Board President Lisa Phillips asked Ms. Bernier to present the monthly administrative report, along with the financial reports for October. Ms. Bernier provided a copy of the report with her presentation.

There was one item for the Board to consider, the invoice from AECA for October services and changes to the AUSAC banking.

BOARD ACTION REQUEST #1:

Motion, by Dave Collier, seconded by Juliana Wayman that the Board approve payment for invoice number 341, from AECA, for October 2023 administrative services for a total of \$5,171.29.

Motion passed, unopposed

VII. Unfinished Business

There was no unfinished business.

VIII. New Business

A. Schedule AUSAC Special Membership Groups Meeting

The AUSAC special membership group meeting was scheduled for December 28, 2023 at 9:00 a.m. The membership groups that will meet are Wireless, Other, and potentially one additional group.

IX. Next Meeting/Adjournment

Board President Lisa Phillips adjourned the meeting at approximately 9:49 a.m. The next Board meeting was scheduled to immediately follow the Special Member Group meeting on December 28, 2023 at 9:00 a.m. The regular Board meeting will be held in the RSD building 2nd floor conference room. If you plan to call in to attend the meetings, the conference line is 1-877-561-6398.

EXECUTIVE SESSION MOTION

I move that the AUSAC Board of Directors go into executive session based on the fact that the Board will discuss:

February 6, 2024 Agenda Item VII.C.1. Company Specific Waiver of Late Fees/Penalties and;

February 6, 2024 Agenda Item VIII.A.1 AUSF Compliance Review of 2022 in 2024 – EB Bid Proposal January 29, 2024.

The exception to the Open Meetings Act allows discussion in executive session for matters, that the immediate knowledge of which: (Choose one)

- 1) ___ would tend to prejudice the reputation and character of any person;
- 2) X would clearly have an adverse effect upon the finances of AUSAC;
- 3) ___ by law, are required to be kept confidential.

VII.C.1 Unfinished - Company Specific and
VIII.A.1 New Business - Compliance Review