



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Mike Dunleavy, Governor
Julie Sande, Commissioner
Keith Kurber II, Chairman

Regulatory Commission of Alaska

November 7, 2023

In reply refer to: Tariff Section
File: TA42-998
LO#: L2300369

Keegan Bernier
Agent
Alaska Universal Service Administrative Company
810 N Street, Suite 204
Anchorage, AK 99501

Dear Ms. Bernier:

On October 2, 2023, Alaska Universal Service Administrative Company (AUSAC) filed TA42-998, related to the Alaska Universal Service Fund (AUSF) surcharge factor and the AUSAC's 2024 operating budget. With TA42-998, AUSAC also proposed revisions to its tariff reflecting the phase-out of Dial Equipment Minute support and regulatory changes promulgated with Order No. R-21-001(10). On November 2, 2023, the Regulatory Commission of Alaska approved TA42-998, which retains the current 10 percent AUSF surcharge and approved AUSAC's 2024 budget for administering the AUSF.

The Commission further approved Tariff Sheet Nos. 4, 8, 9, 10, 12, 14, 15, 17, 23, 24, 25, 25.1, 26 and 29, filed October 2, 2023, with TA42-998. Please note that the margin notations have been updated in accordance with 3 AAC 48.360(g). The effective date of the tariff sheets is January 1, 2024, as requested by AUSAC.

Enclosed are validated copies of the approved tariff sheets.

BY DIRECTION OF THE COMMISSION

Sincerely,

REGULATORY COMMISSION OF ALASKA


David Parrish (Nov 7, 2023 10:06 AKST)

David Parrish
Common Carrier Section Manager

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ALASKA UNIVERSAL SERVICE ADMINISTRATIVE COMPANY

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EXPLANATION OF ABBREVIATIONS

AAC	Alaska Administrative Code
APUC	Alaska Public Utilities Commission
AUSAC	Alaska Universal Service Administrative Company
AUSF	Alaska Universal Service Fund
CCL	Carrier Common Line
CFR	Code of Federal Regulations
COLR	Carrier of Last Resort
DBS	Direct Broadcast Satellite

(D)

EFT	Electronic Funds Transfer
ENS	Essential Network Support
FCC	Federal Communications Commission
IXC	Interexchange Carrier
MTS	Message Telephone Service
OVS	Open Video Systems
PCS	Personal Communication Services
RCA	Regulatory Commission of Alaska
VoIP	Interconnected Voice over Internet Protocol
WATS	Wide Area Telephone Service

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DEFINITION OF TERMS

AUSAC: The Alaska Universal Service Administration Company.

AUSE: The Alaska Universal Service Fund.

Carrier Common Line: The access that provides for the use of Telephone Company Common Lines by customers for access to end users to furnish intrastate service. Previously designated to Essential Network Support. (T)

Carrier of Last Resort: A local exchange carrier so designated by the Commission to provide facilities based retail and carrier to carrier services in accordance with 3 AAC 53.265. A Carrier of Last Resort that is not a participant in the access charge pool is eligible to receive COLR support from the AUSF. Previously designated to Essential Network Support. (T)

Commission: The Regulatory Commission of Alaska (formerly known as Alaska Public Utilities Commission).

Concurring Carrier: Any intrastate telecommunications carrier who has elected to flow through AUSF surcharge amounts to end users. (D)

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|
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(D)

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DEFINITION OF TERMS

End User: Any customer of an intrastate telecommunications service who is not a carrier, except that a carrier shall be deemed to be an "end user" to the extent that such carrier uses a telecommunications service for administrative purposes, without making such service available to others, directly or indirectly.

End User Revenue: Amounts billed to End Users for purchase of intrastate telecommunications services.

Essential Network Support: Payments made from the Alaska Universal Service Fund to qualifying carriers for support previously classified as Carrier Common Line and Carrier of Last Resort in accordance with 3 AAC 53.346 that is in effect on September 15, 2023.

(T)

Incumbent Local Exchange Carrier: A Local Exchange Carrier certificated by the Commission and providing local exchange service as of February 8, 1996, or its successor.

Interconnected Voice over Internet Protocol (VoIP): A service that (1) enables real-time, two-way voice communications; (2) requires a broadband connection from the user's location; (3) requires Internet protocol-compatible customer premises equipment; and (4) permits users generally to receive calls that originate on the PSTN and to terminate calls to the PSTN. VoIP has the same meaning as set out in 47 C.F.R. § 9.3 that is effective on March 1, 2017.

Intrastate Telecommunications Carrier: Any provider of telecommunications service that originates and terminates within Alaska, for a fee directly to the public or to such classes of users as to be effectively available to the public.

Local Exchange Carrier: An Intrastate Telecommunications Carrier engaged in the business of providing telecommunications service to the public through one or more local telephone exchanges.

Non-Pooling Company: A company that is not a participant in the access charge pool established by the Alaska Intrastate Interexchange Access Charge Manual.

Pooling Company: A company that is a participant in the access charge pool established by the Alaska Intrastate Interexchange Access Charge Manual.

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GENERAL RULES AND REGULATIONS

B. Purpose of Alaska Universal Service Fund

The AUSF is funded by Intrastate Telecommunications Carriers. It is designed to provide support to Qualifying Carriers for:

1. Eligible support prior to July 1, 2026 to include, Essential Network Support (D) and; (D)(T)
2. Such other purposes as the RCA may designate from time to time by regulation.

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ALASKA UNIVERSAL SERVICE FUND SURCHARGE

A. General

Payments by Intrastate Telecommunication Carriers to the Alaska Universal Service Fund are collected in the form of a surcharge on intrastate End User Revenues of Subject Carriers. Carriers may recover the surcharge from ratepayers through a line item charge on their bills, identified as "Alaska Universal Service Fund Surcharge". The line item charge for concurring carriers shall be a percentage of End User Revenue billings, set at the same percentage rate that AUSAC charges to Subject Carriers.

Intrastate End User Revenues realized after June 30, 2026 are not subject to the surcharge. (N)

Intrastate End User Revenues realized before July 1, 2026 are subject to the surcharge. (N)

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ALASKA UNIVERSAL SERVICE FUND SURCHARGE

B. Carriers Subject to Payment of Surcharge

An Intrastate Telecommunications Carrier that provides 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 on End User Revenues realized before July 1, 2026. Telecommunications carriers (N) include carriers offering the following services:

1. Cellular telephone and paging services;
2. Mobile radio services;
3. Operator services;
4. Personal communications services (PCS);
5. Local exchange service;
6. Special access service;
7. Wide Area Telecommunications Service (WATS);
8. Toll-free service;
9. 900 service;
10. Message telephone service (MTS);
11. Private line service;
12. Telex;
13. Telegraph;
14. Video services;
15. Satellite service;
16. Resale of intrastate services;
17. Pay phone services;
18. Network Access Fee accessed on end users; and
19. Interconnected Voice over Internet Protocol (VoIP) (T)

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ALASKA UNIVERSAL SERVICE FUND SURCHARGE

E. Calculation and Approval of Annual Surcharge

On or before October 1 of each year, AUSAC shall calculate the estimated surcharge for the following calendar year and submit the requested amount of the surcharge and supporting calculations to the Commission for approval. The annual surcharge is capped at and may not exceed 10%. The annual surcharge calculation shall be made according to the following formula:

$$\frac{(ENS+O+B+A)}{GR} \quad (D)$$

ENS = Essential Network Support as set out in 3 AAC 53.346 and listed in Section C of Tariff Sheet No. 25 (D)

O = Other Universal Service Fund Distributions Authorized by the Commission by Regulation (T)

B = Estimated AUSAC Budget for Upcoming Calendar Year

A = Adjustment Factor for Overcollections or Undercollections for the Prior Year

GR = Gross Annual End User Operating Revenues Subject to the Surcharge of Subject Telecommunications Carriers for the One-Year Period Beginning July 1st of the Preceding Year and Ending June 30th of the Current Year.

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DISTRIBUTIONS FROM ALASKA UNIVERSAL SERVICE FUND

A. General

AUSAC shall distribute to Qualifying Carriers on a monthly basis, subject to the priority of distribution specified in Subsection D of this section, funds authorized by the Commission for:

- 1. Essential Network Support; and, (D)
- 2. Such other purposes as may be designated by the Commission by regulation. (T)

A carrier's eligibility to receive distributions from the AUSF shall be determined by the Commission.

Support claims accrued prior to July 1, 2026 shall be paid accordingly. (N)

No support claims shall be paid for periods after June 30, 2026. (N)

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DISTRIBUTIONS FROM ALASKA UNIVERSAL SERVICE FUND

B. Essential Network Support

- | | |
|---|---------|
| | (L) (D) |
| 1. Distribution from the AUSF for Essential Network Support (ENS) shall be made monthly by AUSAC to each Qualifying Carrier eligible to receive ENS by check or EFT, no later than the 30 th day of the month. | |
| 2. The AUSAC shall distribute monthly to a Qualifying Company one-twelfth of its annual ENS amount. | |
| 3. The ENS for each Qualifying Company shall be determined in accordance with 3 AAC 53.346 that is in effect on September 15, 2023. | (C) (L) |
| 4. Qualifying Company ENS support totals for the year ended December 31, 2022 are listed in Subsection C of this section. | (N) |
| 5. ENS shall not be paid on periods after June 30, 2026. | (N) (D) |

(L) Relocated from Tariff Sheet No. 25

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DISTRIBUTIONS FROM ALASKA UNIVERSAL SERVICE FUND (L)

C. Qualifying Company ENS support totals for the year ended December 31, 2022 (N)

Pooling Company	ENS Support Paid for 2022
Adak Eagle Enterprise, LLC (Adak Eagle Enterprises)	\$278,695
Alaska Telephone Company (ATC)	\$430,988
Bristol Bay Telephone Cooperative, Inc. (BBTC)	\$166,489
Bettles Telephone, Inc. (Bettles)	\$2,053
Bush Tell, Inc. (Bush-Tell)	\$128,201
Circle Telephone & Electric, LLC (Circle Telephone Co.)	\$13,740
North County Telephone, Inc. (North Country Telephone)	\$36,562
Nushagak Electric & Telephone Cooperative, Inc. (Nushagak)	\$209,977
OTZ Telephone Cooperative, Inc. (OTZ)	\$296,258
Summit Telephone & Telegraph Company of Alaska, Inc. (Summit)	\$123,320
United-KUC, Inc. (United KUC)	\$122,223
United Utilities, Inc. (United Utilities)	\$746,005
Yukon Telephone Company, Inc. (Yukon)	\$33,833
Total	\$2,538,043
Non-Pooling Company	ENS Support Paid for 2022
ACS of Fairbanks, LLC (ACS-Fairbanks)	\$753,631
ACS of Alaska, LLC/Greatland (ACSA-Ft. Wainwright)	\$109,354
ACS of Alaska, LLC/Juneau (ACSA-Juneau)	\$42,662
ACS of the Northland, LLC/Glacier State (ACSN – Glacier State)	\$1,560,510
ACS of the Northland, LLC/Sitka (ACSN – Sitka)	\$110,122
Arctic Slope Telephone Association Cooperative Inc. (ASTAC)	\$389,841
Cordova Telephone Cooperative, Inc. (Cordova)	\$285,762
Copper Valley Telephone Cooperative, Inc. (CVTC)	\$1,279,083
GCI Communication Corp. (GCI)	\$1,112,276
Interior Telephone Company, Inc. (Interior)	\$620,930
City of Ketchikan (KPU)	\$524,077
Matanuska Telecom Association, Inc. (MTA)	\$2,907,864
Mukluk Telephone Company, Inc. (Mukluk)	\$190,885
Total	\$9,886,996

(L)Text relocated to Tariff Sheet No. 24

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DISTRIBUTIONS FROM ALASKA UNIVERSAL SERVICE FUND

D. Allocation Methodology in the Event of Fund Shortage

In the case of a fund shortage in any particular month, the administrator will distribute funds in the following priority:

1. Administrative costs;
2. Other universal service support programs listed in Section B of Tariff Sheet No. 12, oldest claims first, prorated among claimants within a monthly accounting period based on total unpaid claims for that period; and
3. Valid claims accrued prior to July 1, 2026 may be paid. (N)
4. AUSAC may not pay any support claims for periods after June 30, 2026. (N)
5. AUSAC may not pay any claim that remains unpaid more than six months after accrual. (D) (T)

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RATES AND CHARGES

A. Amount of Surcharge

Surcharge Percentage 10.0%

The surcharge is assessed on End User Revenues of Intrastate Telecommunications Carriers providing the services listed on Tariff Sheet No. 15 of this tariff, except for carriers exempted. More detailed descriptions and examples of End User Revenues and exclusions are contained in the instructions for the monthly Carrier Remittance Worksheet in Appendix I to this tariff.

The surcharge is assessed on End User Revenues prior to July 1, 2026. (N)

B. Collection from End Users

Concurring Carriers are authorized by the Commission to bill and collect from End Users the percentage surcharge in effect on the date bills are rendered to End Users.

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APPENDIX I

This Appendix contains samples of current Forms and Reports for the administration of the AUSF that have been approved by the Commission. The Forms and Reports are not numbered as tariff sheets. These Forms and Reports are applicable to periods prior to July 1, 2026. Forms and Reports included in Appendix I are: (N)

<u>Name of Form</u>	<u>Effective Date</u>	<u>No. of Pages</u>
Monthly Carrier Remittance Worksheet	January 1, 2019	1
Monthly Carrier Remittance Worksheet Instructions	October 14, 2022	11

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