

R-17-001, Alaska Universal Service Fund Review
Decisional Matrix Following Order R-17-001(2) Comments
Prepared for the October 11, 2017 Public Meeting

Decisional Matrix Following Order R-17-001(2)

3 AAC 53.340 Universal service surcharge.

| Option 1 Current Regulations | Option 2 Order R-17-001(2) Proposal | Option 3 GCI | Option 4 AT&T | Option 5 Staff Proposal |
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| (c) 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. The accounting shall be submitted on a form designated by order of the commission as the AUSF Worksheet. The public utility shall submit the completed AUSF Worksheet to the administrator twice a year. The first AUSF Worksheet is due March 31 of each year, containing data for the prior calendar year. The second AUSF Worksheet is due September 1, of each year, containing data for the six-month period from January 1 through June 30 for | (c) 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. The accounting shall be submitted on a form designated by order of the commission as the AUSF Worksheet. The public utility shall submit the completed AUSF Worksheet to the administrator twice a year. The first AUSF Worksheet is due March 31 of each year, containing data for the prior calendar year. <u>The public utility shall include a reconciliation of the annual gross revenue amount with the amounts previously provided to the administrator for the twelve monthly remittance reports.</u> The second AUSF Worksheet is due September 1, of each year, containing data for the six-month period from | (c) 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. The accounting shall be submitted on a form designated by order of the commission as the AUSF Worksheet. The public utility shall submit the completed AUSF Worksheet to the administrator twice a year. The first AUSF Worksheet is due March 31 of each year, containing data for the prior calendar year. <u>The public utility shall include a reconciliation of the annual gross revenue amount with the amounts previously provided to the administrator for the twelve monthly remittance reports.</u> The second AUSF Worksheet is due September 1, of each year, containing data for the six-month period from | (c) [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. THE ACCOUNTING SHALL BE SUBMITTED ON A FORM DESIGNATED BY ORDER OF THE COMMISSION AS THE AUSF WORKSHEET. THE PUBLIC UTILITY SHALL SUBMIT THE COMPLETED AUSF WORKSHEET TO THE ADMINISTRATOR TWICE A YEAR. THE FIRST AUSF WORKSHEET IS DUE] <u>On</u> March 31 of each year[, CONTAINING DATA FOR THE PRIOR CALENDAR YEAR.] <u>the public utility shall include a reconciliation of the annual gross</u> | (c) [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. THE ACCOUNTING SHALL BE SUBMITTED ON A FORM DESIGNATED BY ORDER OF THE COMMISSION AS THE AUSF WORKSHEET. THE PUBLIC UTILITY SHALL SUBMIT THE COMPLETED AUSF WORKSHEET TO THE ADMINISTRATOR TWICE A YEAR. THE FIRST AUSF WORKSHEET IS DUE] <u>On</u> March 31 of each year[, CONTAINING DATA FOR THE PRIOR CALENDAR YEAR.] <u>the public utility shall include a reconciliation of the annual gross revenue amount for the previous calendar year, less uncollectible revenue, with the</u> |

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| <p>the current calendar year. If a public utility's payments to the AUSF in a calendar year would be 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> <p>***</p> | <p>January 1 through June 30 for the current calendar year. If a public utility's payments to the AUSF in a calendar year would be 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> <p>***</p> | <p>January 1 through June 30 for the current calendar year. If a public utility's payments to the AUSF in a calendar year would be 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> <p>***</p> | <p><u>revenue amount for the previous calendar year, less uncollectible revenue, with the amounts previously provided to the administrator for the corresponding twelve monthly remittance reports.</u> [THE SECOND AUSF WORKSHEET IS DUE SEPTEMBER 1, OF EACH YEAR, CONTAINING DATA FOR THE SIX-MONTH PERIOD FROM JANUARY 1 THROUGH JUNE 30 FOR THE CURRENT CALENDAR YEAR.] If a public utility's remittances [PAYMENTS] to the AUSF in a calendar year would be 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> <p>***</p> | <p><u>amounts previously provided to the administrator for the corresponding twelve monthly remittance reports.</u> [THE SECOND AUSF WORKSHEET IS DUE SEPTEMBER 1, OF EACH YEAR, CONTAINING DATA FOR THE SIX-MONTH PERIOD FROM JANUARY 1 THROUGH JUNE 30 FOR THE CURRENT CALENDAR YEAR.] If a public utility's remittances [PAYMENTS] to the AUSF in a calendar year would be 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> <p>***</p> |

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| (e) 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 within 15 days after the end of each calendar month. | (e) 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 within 15 days after the end of each calendar month. <u>Revisions to data shall not be accepted later than six months after the data month for which the revision applies. Any requests for prior-period remittance adjustments of five percent or more must be fully explained, including the reasons for the adjustment, what caused the need for the adjustment, what periods are affected, how the adjustment will be made, the accounting treatment of the adjustment, and the legal basis for the adjustment. The public utility must also detail the process how it will pass the remittance adjustment to the end user. Any cumulative adjustment to any carrier in an amount greater than \$25,000 in any reporting year must be approved by the commission before it can be processed by the administrator.</u> | (e) 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 within 15 days after the end of each calendar month. <u>Revisions that seek to lower remittances for a prior period shall not be accepted later than six months after the data month for which the revision applies. Any requests for prior-period remittance adjustments of five percent or more must be fully explained, including the reasons for the adjustment, what caused the need for the adjustment, what periods are affected, how the adjustment will be made, the accounting treatment of the adjustment, and the legal basis for the adjustment. The public utility must also detail the process how it will pass the remittance adjustment to the end user. Each adjustment to any carrier in a cumulative amount greater than \$25,000 in any reporting year must be approved by the commission before it can be processed by the administrator.</u> | (e) [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 WITHIN 15 DAYS AFTER THE END OF EACH CALENDAR MONTH.] <u>Revisions to monthly remittances shall not be accepted later than twelve months after the month for which the revision applies. Any cumulative requests for prior-period remittance adjustments in a calendar year that total five percent or more include the reason for the adjustment, what periods are affected, how the adjustment will be made, the legal basis for the adjustment, and whether any adjustment to previous amounts collected from the end user is required. These prior period adjustments must be approved by the commission before being processed by the administrator.</u> | (e) 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 within [15] 20 days after the end of each calendar month. <u>Revisions that seek to lower remittances for a prior period shall not be accepted later than six months after the data month for which the revision applies, and each such revision by a carrier that, in the aggregate, exceeds \$25,000 in any reporting year must be approved by the commission before a refund is processed by the administrator. Cumulative revisions that lower remittances in excess of \$25,000 in any reporting year and any other requests for prior-period remittance adjustments in a calendar year that total five percent or more must include the reason for the adjustment, what periods are affected, how the adjustment will be made, the legal basis for the adjustment, and whether any adjustment to previous amounts collected from the end user is required.</u> |

3 AAC 53.350. Disbursements of the AUSF.

| Option 1 Current Regulations | Option 2 Order R-17-001(2) Proposal | Option 3 GCI | Option 4 AT&T | Option 5 Staff Proposal |
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| <p>(d) The administrator shall provide support for the lifeline program in an amount sufficient to maximize the federal contribution for the lifeline program. The administrator shall disburse each month to each eligible telecommunications carrier an amount equal to the necessary state contribution per line times the monthly number of qualifying local customers in the lifeline program.</p> <p>***</p> | <p>(d) The administrator shall provide support for the lifeline program in an amount <u>established by the commission</u> [SUFFICIENT TO MAXIMIZE THE FEDERAL CONTRIBUTION FOR THE LIFELINE PROGRAM]. <u>The amount of lifeline support provided shall be the eligible lifeline service discount remaining, if any, after maximizing the federal and tribal lands support contributions under 47 C.F.R. 54.403. The eligible telecommunications carrier shall report monthly to the administrator the dollar amount of lifeline support requested, in addition to the total number of customers eligible for lifeline support, even if no state lifeline support is provided to the customer.</u> The administrator shall disburse each month to each eligible telecommunications carrier</p> | <p>(d) The administrator shall provide support for the lifeline program in an amount <u>established by the commission</u> [SUFFICIENT TO MAXIMIZE THE FEDERAL CONTRIBUTION FOR THE LIFELINE PROGRAM]. <u>The amount of lifeline support provided shall be the eligible lifeline service discount remaining, if any, after maximizing the federal and tribal lands support contributions under 47 C.F.R. 54.403. The eligible telecommunications carrier shall report monthly to the administrator the dollar amount of lifeline support requested, in addition to the total number of customers eligible for lifeline support, even if no state lifeline support is provided to the customer.</u> The administrator shall disburse each month to each eligible telecommunications carrier an amount equal to the [NECESSARY STATE CONTRIBUTION] <u>support requested in the monthly report</u> [PER LINE TIMES THE MONTHLY</p> | <p>(d) The administrator shall provide [SUPPORT FOR THE] lifeline <u>support</u> [PROGRAM] <u>for eligible customers</u> in an amount <u>established by the commission</u> [SUFFICIENT TO MAXIMIZE THE FEDERAL CONTRIBUTION FOR THE LIFELINE PROGRAM]. <u>For an eligible telecommunications carrier to seek lifeline disbursements from the Alaska Universal Service Fund, the provider shall first seek to maximize the federal and tribal lands support under 47 C.F.R. 54.403. The eligible telecommunications carrier shall report monthly to the administrator the number of lifeline customers that received state lifeline discount in the previous calendar month and the dollar amount of lifeline support requested, up to the maximum amount per customer established by the commission.</u> The administrator shall disburse each month to each eligible telecommunications carrier an amount equal to the [NECESSARY STATE CONTRIBUTION] <u>support requested in the monthly report</u> [PER LINE TIMES THE MONTHLY NUMBER OF QUALIFYING LOCAL CUSTOMERS IN THE LIFELINE</p> | <p>d) The administrator shall provide [SUPPORT FOR THE] lifeline <u>support</u> [PROGRAM] <u>for eligible customers</u> in an amount <u>established by the commission</u> [SUFFICIENT TO MAXIMIZE THE FEDERAL CONTRIBUTION FOR THE LIFELINE PROGRAM]. <u>For an eligible telecommunications carrier to seek lifeline disbursements from the Alaska Universal Service Fund, the provider shall first seek to maximize the federal and tribal lands support under 47 C.F.R. 54.403. The eligible telecommunications carrier shall report monthly to the administrator the number of lifeline customers that received state lifeline discount in the previous calendar month, the value of discounted service customers received, and the dollar amount of lifeline support requested, up to the maximum amount per customer established by the commission.</u> The administrator shall disburse each month to each eligible telecommunications carrier an amount equal to the [NECESSARY STATE CONTRIBUTION] <u>support requested in the monthly report</u> [PER LINE TIMES THE MONTHLY NUMBER OF QUALIFYING LOCAL CUSTOMERS IN THE LIFELINE</p> |

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| | <p>an amount equal to the [NECESSARY STATE CONTRIBUTION] <u>support requested in the monthly report</u> [PER LINE TIMES THE MONTHLY NUMBER OF QUALIFYING LOCAL CUSTOMERS IN THE LIFELINE PROGRAM]. <u>In no instance shall the administrator disburse more support for the lifeline program than the discount provided to the lifeline customer.</u></p> <p>***</p> | <p>NUMBER OF QUALIFYING LOCAL CUSTOMERS IN THE LIFELINE PROGRAM]. <u>In no instance shall the administrator disburse more support for the lifeline program than the discount provided to the lifeline customer.</u></p> <p>***</p> | <p><u>telecommunications carrier than the discount provided to the lifeline customer.</u></p> <p>***</p> | <p>PROGRAM]. <u>In no instance shall the administrator disburse more support to an eligible telecommunications carrier than the discount provided to the lifeline customer.</u></p> <p>***</p> |

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| <p>(e) In the case of a shortage in the AUSF in a particular month, the administrator shall disburse the AUSF in the following order of priority:</p> <p>(1) administrative costs;</p> <p>(2) universal service support eligible in a prior month but not paid in that month;</p> <p>(3) universal service support eligible in a current month for the lifeline program;</p> <p>(4) universal service support eligible in a current month for local exchange carrier of last resort support;</p> <p>(5) universal service support eligible in a current month to reduce the carrier common line rate element paid by interexchange carriers;</p> | <p>(e) In the case of a shortage in the AUSF in a particular month, the administrator shall disburse the AUSF in the following order of priority:</p> <p>(1) administrative costs;</p> <p>(2) <u>repealed</u>;</p> <p>(3) universal service support eligible in a current month for the lifeline program;</p> <p>(4) <u>repealed</u>;</p> <p>(5) <u>repealed</u>;</p> <p>(6) <u>repealed</u>;</p> <p>(7) <u>repealed</u>:[.]</p> <p><u>(8) any remaining funds available for disbursement for the other universal service support programs shall be allocated based on the</u></p> | <p>(e) In the case of a shortage in the AUSF in a particular month, the administrator shall disburse the AUSF in the following order of priority:</p> <p>(1) administrative costs;</p> <p>(2) <u>repealed</u>;</p> <p>(3) universal service support eligible in a current month for the lifeline program;</p> <p>(4) <u>repealed</u>;</p> <p>(5) <u>repealed</u>;</p> <p>(6) <u>repealed</u>;</p> <p>(7) <u>repealed</u>:[.]</p> <p><u>(8) any remaining funds available for disbursement for the other universal service support programs shall be allocated based on the recipients</u></p> | <p>(e) In the case of a shortage in the AUSF in a particular month, the administrator shall disburse the AUSF in the following order of priority:</p> <p>(1) administrative costs;</p> <p>(2) <u>repealed</u>;</p> <p>(3) universal service support eligible in a current month for the lifeline program;</p> <p>(4) <u>repealed</u>;</p> <p>(5) <u>repealed</u>;</p> <p>(6) <u>repealed</u>;</p> <p>(7) <u>repealed</u>:[.]</p> <p><u>(8) any remaining funds available for disbursement for the other universal service support programs shall be allocated based on the recipients aggregated claim of eligible support for the month on a pro rata basis¹</u>;</p> | |

¹ RC would install a leveling mechanism by which the total support for each carrier would be prorated, presumably with state Lifeline support earmarked for that purpose and the carrier's remaining share of prorated AUSF support for any other purpose concomitantly reduced. Staff opted not to include a separate column for this, but the Commission should consider the relative merits of installing a total support leveling provision.

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| <p>(6) universal service support eligible in a current month for public interest pay telephones designated under 3 AAC 53.740 - 3 AAC 53.799;</p> <p>(7) universal service support eligible in a current month for dial equipment minute (DEM) weighting.</p> <p>***</p> | <p><u>recipients aggregated claim of eligible support for the month on a pro rata basis;</u></p> <p><u>(9) any eligible universal service support eligible for the current month but not paid in the month is deferred for a period up to six months;</u></p> <p>***</p> | <p><u>aggregated claim of eligible support for the month on a pro rata basis;</u></p> <p><u>(9) any eligible universal service support eligible for the current month but not paid in the month is deferred for a period up to six months;</u></p> <p>***</p> | <p><u>(9) any eligible universal service support eligible for the current month but not paid in the month is deferred for a period up to six months;</u></p> <p>***</p> | <p><u>(9) any eligible universal service support eligible for the current month but not paid in the month is deferred for a period up to six months;²</u></p> <p>***</p> |

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| | <p><u>(g) In the case of a surplus in the AUSF in a particular month, after administrative costs and the eligible support for the current month is paid, the administrator shall disburse the eligible support that has been deferred from prior months, oldest claims first. Any claim to eligible universal service support that</u></p> | <p><u>(g) In the case of a surplus in the AUSF in a particular month, after administrative costs and the eligible support for the current month is paid, the administrator shall disburse the eligible support that has been deferred from prior months, oldest claims first. Any claim to eligible universal service support that has been deferred</u></p> | <p><u>(g) In the case of a surplus in the AUSF in a particular month, after administrative costs and the eligible support for the current month is paid, the administrator shall disburse the eligible support that has been deferred from prior months, oldest claims first. Any claim to eligible universal service support that has been deferred but not paid after six months is vacated.</u></p> | <p><u>(g) In the case of a surplus in the AUSF in a particular month, after administrative costs and the eligible support for the current month is paid, the administrator shall disburse the eligible support that has been deferred from prior months, oldest claims first, and if necessary, on a pro rata basis. Any claim to eligible universal</u></p> |

² RC would replace six months with 12 months. Staff opted not to include a separate column for this isolated edit, but the Commission should consider the relative merits of extending the deferral period an additional 6 months. Staff opted not to include a separate column for this, but the Commission should consider the relative merits of extending the deferral period an additional 6 months.

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| | <u>has been deferred but not paid after six months is vacated.</u> | <u>but not paid after six months is vacated.</u> *** | | <u>service support that has been deferred but not paid after six months³ is vacated.</u> *** |

³ RC would replace six months with 12 months. Staff opted not to include a separate column for this isolated edit, but the Commission should consider the relative merits of extending the deferral period an additional 6 months.

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| | | <u>(h) a carrier seeking to increase the amount of any universal service support payment previously received must file a well supported request with the administrator within six months of the time when that claim accrued. A request for an increase of greater than 5% of the applicable eligible support payment for any month must be approved by the commission before being processed by the administrator.</u> | | <u>(h) a carrier seeking to increase the amount of any universal service support payment previously received must file a well supported request with the administrator within six months of the time when that claim accrued. A request for an increase of greater than 5% of the applicable eligible support payment for any month must be approved by the commission before being processed by the administrator.</u> |