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

R-17-001, Decisional Matrix and Staff Recommendation October 11, 2017 Public Meeting Page 1 of 9

Option 1	Option 2	Option 3	Option 4	Option 5
Current Regulations	Order R-17-001(2) Proposal	GCI	AT&T	Staff Proposal
the current calendar year. If a	January 1 through June 30 for the	January 1 through June 30 for the	revenue amount for the previous	amounts previously provided to the
public utility's payments to the	current calendar year. If a public	current calendar year. If a public	<u>calendar year. less uncollectible</u>	administrator for the corresponding
AUSF in a calendar year would	utility's payments to the AUSF in a	utility's payments to the AUSF in a	<u>revenue, with the amounts</u>	twelve monthly remittance reports.
be less than \$100, that public	calendar year would be less than \$100,	calendar year would be less than \$100,	previously provided to the	[THE SECOND AUSF WORKSHEET IS
utility is not required to submit	that public utility is not required to	that public utility is not required to	<u>administrator for the</u>	DUE SEPTEMBER 1, OF EACH YEAR,
a payment or the AUSF	submit a payment or the AUSF	submit a payment or the AUSF	corresponding twelve monthly	CONTAINING DATA FOR THE SIX-
Worksheets for that calendar	Worksheets for that calendar year,	Worksheets for that calendar year,	remittance reports. [THE SECOND	MONTH PERIOD FROM JANUARY 1
year, unless the public utility	unless the public utility has received	unless the public utility has received	AUSF WORKSHEET IS DUE	THROUGH JUNE 30 FOR THE CURRENT
has received universal service	universal service support from the	universal service support from the	SEPTEMBER 1, OF EACH YEAR,	CALENDAR YEAR.] If a public utility's
support from the AUSF in that	AUSF in that calendar year.	AUSF in that calendar year.	CONTAINING DATA FOR THE SIX-	remittances [PAYMENTS] to the AUSF
calendar year.			MONTH PERIOD FROM JANUARY	in a calendar year would be less than
	***	***	1 THROUGH JUNE 30 FOR THE	\$100, that public utility is not required
***			CURRENT CALENDAR YEAR.] If a	to submit a payment or the AUSF
			public utility's <u>remittances</u>	Worksheets for that calendar year,
			[PAYMENTS] to the AUSF in a	unless the public utility has received
			calendar year would be less than	universal service support from the
			\$100, that public utility is not	AUSF in that calendar year.
			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.	

Option 1 Current Regulations	Option 2 Order R-17-001(2) Proposal	Option 3 GCI	Option 4 AT&T	Option 5 Staff Proposal
(e) A public utility subject to the	(e) A public utility subject to the	(e) A public utility subject to the	(e) [A PUBLIC UTILITY SUBJECT TO	(e) A public utility subject to the
universal service surcharge	universal service surcharge under this	universal service surcharge under this	THE UNIVERSAL SERVICE	universal service surcharge under this
under this section shall remit its	0	section shall remit its monthly	SURCHARGE UNDER THIS	section shall remit its monthly
monthly universal service	universal service surcharge payment to	universal service surcharge payment to	SECTION SHALL REMIT ITS	universal service surcharge payment
surcharge payment to the	the administrator of the AUSF within	the administrator of the AUSF within	MONTHLY UNIVERSAL SERVICE	to the administrator of the AUSF
administrator of the AUSF	15 days after the end of each calendar	15 days after the end of each calendar	SURCHARGE PAYMENT TO THE	within [15] 20 days after the end of
within 15 days after the end of	month. <u>Revisions to data shall not be</u>	month. <u>Revisions that seek to lower</u>	ADMINISTRATOR OF THE AUSF	each calendar month. <u>Revisions that</u>
each calendar month.		remittances for a prior period shall not	WITHIN 15 DAYS AFTER THE END	seek to lower remittances for a prior
	accepted later than six months after the data month for which the revision			period shall not be accepted later
		be accepted later than six months		
	applies. Any requests for prior-period	after the data month for which the	MONTH.] <u>Revisions to monthly</u>	than six months after the data month
	remittance adjustments of five	revision applies. Any requests for	remittances shall not be	for which the revision applies, and
	percent or more must be fully	prior-period remittance adjustments	accepted later than twelve	each such revision by a carrier that, in
	explained, including the reasons for	of five percent or more must be fully	months after the month for	the aggregate, exceeds \$25,000 in
	the adjustment, what caused the need	explained, including the reasons for	which the revision applies. Any	any reporting year must be approved
	for the adjustment, what periods are	the adjustment, what caused the need	cumulative requests for prior-	by the commission before a refund is
	affected, how the adjustment will be	for the adjustment, what periods are	period remittance adjustments in	processed by the administrator.
	made, the accounting treatment of	affected, how the adjustment will be	a calendar year that total five	<u>Cumulative revisions that lower</u>
	the adjustment, and the legal basis for	made, the accounting treatment of	percent or more include the	remittances in excess of \$25,000 in
	the adjustment. The public utility	the adjustment, and the legal basis for	reason for the adjustment, what	any reporting year and any other
	must also detail the process how it will	the adjustment. The public utility	periods are affected, how the	requests for prior-period remittance
	pass the remittance adjustment to the	must also detail the process how it will	adjustment will be made, the	adjustments in a calendar year that
	end user. Any cumulative adjustment	pass the remittance adjustment to the	legal basis for the adjustment,	total five percent or more must
	to any carrier in an amount greater	end user. Each adjustment to any	<mark>and whether any adjustment to</mark>	include the reason for the
	than \$25,000 in any reporting year	<u>carrier <mark>in a cumulative amount</mark> greater</u>	previous amounts collected from	adjustment, what periods are
	must be approved by the commission	than \$25,000 in any reporting year	<u>the end user is required</u> . These	affected, how the adjustment will be
	before it can be processed by the	must be approved by the commission	prior period adjustments must be	made, the legal basis for the
	<u>administrator.</u>	before it can be processed by the	approved by the commission	<u>adjustment, <mark>and whether any</mark></u>
		<u>administrator.</u>	before being processed by the	<mark>adjustment to previous amounts</mark>
			<u>administrator.</u>	collected from the end user is
				required.

R-17-001, Decisional Matrix and Staff Recommendation October 11, 2017 Public Meeting Page 3 of 9

3 AAC 53.350. Disbursements of the AUSF.

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

R-17-001, Decisional Matrix and Staff Recommendation October 11, 2017 Public Meeting

Page 4 of 9

Option 1	Option 2	Option 3	Option 4	Option 5
Current Regulations	Order R-17-001(2) Proposal	GCI	AT&T	Staff Proposal
	an amount equal to the	NUMBER OF QUALIFYING LOCAL	telecommunications carrier than the	PROGRAM]. In no instance shall the
	[NECESSARY STATE	CUSTOMERS IN THE LIFELINE	discount provided to the lifeline customer.	administrator disburse more support to
	CONTRIBUTION] <u>support</u>	PROGRAM]. In no instance shall		an eligible telecommunications carrier
	requested in the monthly	the administrator disburse more	***	than the discount provided to the lifeline
	report [PER LINE TIMES THE	support for the lifeline program		<u>customer.</u>
	MONTHLY NUMBER OF	than the discount provided to the		
	QUALIFYING LOCAL	lifeline customer.		***
	CUSTOMERS IN THE LIFELINE			
	PROGRAM]. In no instance	***		
	shall the administrator			
	disburse more support for the			
	lifeline program than the			
	discount provided to the			
	lifeline customer.			

Option 1	Option 2	Option 3	Option 4	Option 5
Current Regulations	Order R-17-001(2) Proposal	GCI	AT&T	Staff Proposal
(e) In the case of a shortage in	(e) In the case of a shortage in	(e) In the case of a shortage in the	(e) In the case of a shortage in the AUSF in	(e) In the case of a shortage in the AUSF in
the AUSF in a particular	the AUSF in a particular	AUSF in a particular month, the	a particular month, the administrator shall	a particular month, the administrator shall
month, the administrator shall	month, the administrator shall	administrator shall disburse the	disburse the AUSF in the following order of	disburse the AUSF in the following order of
disburse the AUSF in the	disburse the AUSF in the	AUSF in the following order of	priority:	priority:
following order of priority:	following order of priority:	priority:		(1) administrative costs;
			(1) administrative costs;	
(1) administrative costs;	(1) administrative costs;	(1) administrative costs;		(2) <u>repealed</u> ;
			(2) <u>repealed;</u>	
(2) universal service support	(2) <u>repealed;</u>	(2) <u>repealed</u> ;		(3) universal service support eligible in a
eligible in a prior month but			(3) universal service support eligible in a	current month for the lifeline program;
not paid in that month;	(3) universal service support	(3) universal service support	current month for the lifeline program;	
	eligible in a current month for	eligible in a current month for the		(4) <u>repealed</u> ;
(3) universal service support	the lifeline program;	lifeline program;	(4) <u>repealed;</u>	
eligible in a current month for				(5) <u>repealed</u> ;
the lifeline program;	(4) <u>repealed;</u>	(4) <u>repealed</u> ;	(5) <u>repealed;</u>	
				(6) <u>repealed</u> ;
(4) universal service support	(5) <u>repealed;</u>	(5) <u>repealed</u> ;	(6) <u>repealed;</u>	
eligible in a current month for			· · · · · · · · · · · · · · · · · · ·	(7) <u>repealed:[</u> .]
local exchange carrier of last	(6) <u>repealed</u> ;	(6) <u>repealed</u> ;	(7) <u>repealed:</u> [.]	
resort support;	· · · · · · · · · · · · · · · · · · ·		(,)	(8) any remaining funds available for
	(7) <u>repealed:</u> [.]	(7) <u>repealed;[</u> .]	(8) any remaining funds available for	disbursement for the other universal
(5) universal service support	() <u></u> ()	() <u></u> ()	disbursement for the other universal	service support programs shall be
eligible in a current month to	(8) any remaining funds	(8) any remaining funds available	service support programs shall be allocated	allocated based on the recipients
reduce the carrier common	available for disbursement	for disbursement for the other	based on the recipients aggregated claim of	aggregated claim of eligible support for
line rate element paid by	for the other universal service	universal service support	eligible support for the month on a pro rata	the month on a pro rata basis ¹ :
interexchange carriers;	support programs shall be	programs shall be allocated	basis;	
	allocated based on the	based on the recipients		

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.

R-17-001, Decisional Matrix and Staff Recommendation October 11, 2017 Public Meeting Page 6 of 9

Option 1	Option 2	Option 3	Option 4	Option 5
Current Regulations	Order R-17-001(2) Proposal	GCI	AT&T	Staff Proposal
(6) universal service support	recipients aggregated claim	aggregated claim of eligible	(9) any eligible universal service support	(9) any eligible universal service support
eligible in a current month for	of eligible support for the	support for the month on a pro	eligible for the current month but not paid	eligible for the current month but not paid
public interest pay telephones	month on a pro rata basis;	<u>rata basis;</u>	in the month is deferred for a period up to	in the month is deferred for a period up to
designated under 3			<u>six months;</u>	six months; ²
AAC 53.740 - 3 AAC 53.799;	<u>(9) any eligible universal</u>	(9) any eligible universal service		
	service support eligible for	support eligible for the current	***	***
(7) universal service support	the current month but not	month but not paid in the month		
eligible in a current month for	paid in the month is deferred	is deferred for a period up to six		
dial equipment minute (DEM)	for a period up to six months:	<u>months:</u>		
weighting.				
	***	***		

Option 1	Option 2	Option 3	Option 4	Option 5
Current Regulations	Order R-17-001(2) Proposal	GCI	AT&T	Staff Proposal
	(g) In the case of a surplus in	(g) In the case of a surplus in the	(g) In the case of a surplus in the AUSF in a	(g) In the case of a surplus in the AUSF in a
	the AUSF in a particular	AUSF in a particular month, after	particular month, after administrative	particular month, after administrative
	month, after administrative	administrative costs and the	costs and the eligible support for the	costs and the eligible support for the
	costs and the eligible support	eligible support for the current	current month is paid, the administrator	current month is paid, the administrator
	for the current month is paid,	month is paid, the administrator	shall disburse the eligible support that has	shall disburse the eligible support that has
	the administrator shall	shall disburse the eligible support	been deferred from prior months, oldest	been deferred from prior months, oldest
	disburse the eligible support	that has been deferred from prior	claims first. Any claim to eligible universal	<u>claims first, <mark>and if necessary,</mark> on a pro rata</u>
	that has been deferred from	months, oldest claims first. Any	service support that has been deferred but	<u>basis. Any claim to eligible universal</u>
	prior months, oldest claims	claim to eligible universal service	not paid after six months is vacated.	
	first. Any claim to eligible	support that has been deferred		
	universal service support that			

 $^{^{2}}$ 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.

R-17-001, Decisional Matrix and Staff Recommendation

Option 1	Option 2	Option 3	Option 4	Option 5
Current Regulations	Order R-17-001(2) Proposal	GCI	AT&T	Staff Proposal
	has been deferred but not	but not paid after six months is		service support that has been deferred
	paid after six months is	vacated.		but not paid after six months ³ is vacated.
	vacated.			
		***		***

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.

R-17-001, Decisional Matrix and Staff Recommendation October 11, 2017 Public Meeting Page 8 of 9

Option 1	Option 2	Option 3	Option 4	Option 5
Current Regulations	Order R-17-001(2) Proposal	GCI	AT&T	Staff Proposal
		(h) a carrier seeking to increase		(h) a carrier seeking to increase the
		<u>the amount of any universal</u>		amount of any universal service support
		<u>service support payment</u>		payment previously received must file a
		previously received must file a		well supported request with the
		well supported request with the		<u>administrator within six months of the</u>
		administrator within six months		time when that claim accrued. A request
		<mark>of the time when that claim</mark>		<u>for an increase of greater than 5% of the</u>
		<u>accrued. A request for an</u>		applicable eligible support payment for
		<u>increase of greater than 5% of the</u>		<u>any month must be approved by the</u>
		applicable eligible support		<u>commission before being processed by</u>
		payment for any month must be		the administrator.
		approved by the commission		
		before being processed by the		
		administrator.		

R-17-001, Decisional Matrix and Staff Recommendation October 11, 2017 Public Meeting Page 9 of 9