

**Docket I-17-001, Alaska Universal Service Fund Review
ATA Order I-17-001(1) Proposal¹ versus Staff Proposal
Prepared for the June 14, 2017 Public Meeting**

Order I-17-001(1) Alaska Telephone Association (ATA) Proposal versus Staff Proposal

Current Regulations	ATA Proposal	Alternate Staff Proposal
<p>(1) No cap on AUSF surcharge factor. Currently set at 14.2%</p> <p>(2) Should the draw on the AUSF result in a shortage in a particular month, 3 AAC 53.390(e) sets priority list by support-type for AUSF disbursements that month.</p> <p>(3) LEC COLR support is provided to ILECs that have exited from the AECA pool due to competition. To make the ILEC whole if they do not fully recover their CCL revenue requirement through CCL revenues from IXCs and the collection of NAF from end users.</p> <p>(4) LEC COLR support is implicit for ILECs not subject to local exchange competition (e.g., they are still in the AECA pool).</p> <p>(5) In study areas that have exchanges that are both subject to and not subject to local exchange competition, the ILEC receives explicit LEC COLR support.</p>	<p>(1) Cap AUSF surcharge factor on intrastate revenues at 10%, effective January 1, 2018.</p> <p>(2) Should the draw on the AUSF result in a shortage in a particular month, the resulting shortage will be distributed pro rata across carriers.</p> <p>(3) Effective January 1, 2018, LEC COLR support is eliminated in “non-remote” areas as determined by the FCC in the 2011 USF/ICC Transformation Order.</p> <p>(4) LEC COLR support for “remote” areas is frozen as of December 31, 2016.</p> <p>(5) In study areas with both non-remote and remote zones, LEC COLR support will be frozen based on an allocation between non-remote and remote zones in a method approved by the Commission.</p>	<p>(1) No cap. Repeal the assessment based on percentage on gross intrastate revenues and replace it with a per-connections based assessment on access lines or functional equivalents, and wireless telephone numbers.</p> <p>(2) No change to the priority of disbursements for shortages established in 3 AAC 53.390(e) (although Lifeline, DEM Weighting, and PIPT support are all eliminated).</p> <p>(3) LEC COLR support is eliminated to study areas subject to local exchange competition in all exchanges (i.e., nonpooling companies).</p> <p>(4) Explicit LEC COLR support is provided to pooling companies and to nonpooling companies that have exchanges not subject to local exchange competition.</p> <p>(5) In study areas that have exchanges that are both subject to and not subject to local competition (hybrid study areas), LEC COLR support will be provided only for the exchanges that are not subject to local exchange competition. An allocation of the CCL revenue requirement between the competitive and non-competitive exchanges must be made.</p>

¹ *Alaska Telephone Association Comments*, filed April 24, 2017.

<p>(6) Carrier Common Line support is based on CCL rate cap on a per line basis.</p> <p>(7) Lifeline support at \$3.50 per month.</p> <p>(8) DEM Weighting support to help recover switching costs for smaller ILECs serving few access lines, and have customers making a greater amount of intrastate long distance calls vs. interstate long distance calls relative to similarly situated carriers.</p> <p>(9) Public Interest Pay Telephone (PIPT) Support for pay telephones that fulfill a public policy objective in health, safety, or public safety, and would not otherwise exist.</p>	<p>(6) Carrier Common Line support remains unchanged.</p> <p>(7) Lifeline support will be set at \$1 effective January 1, 2018.</p> <p>(8) DEM Weighting support is phased out in equal steps over 5 years beginning January 1, 2018.</p> <p>(9) PIPT support will be eliminated in all areas except where no wireless service is available.</p>	<p>(6) Carrier Common Line support remains unchanged, except that an ILEC will lose support dollar-for-dollar for any local exchange rates below the federal local rate floor benchmark.</p> <p>(7) Lifeline support is eliminated.</p> <p>(8) DEM Weighting support is eliminated.</p> <p>(9) PIPT support is eliminated.</p>
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