

AUSF Overview

AS 42.05.840 allows the Regulatory Commission of Alaska (RCA) to establish an Alaska universal service fund (AUSF) “to be used to ensure the provision of long distance telephone service at reasonable rates throughout the state and to otherwise preserve universal service.” The RCA commenced the AUSF on March 1, 1999 to help maintain affordable telephone service. The AUSF disbursed over \$27 million in support in 2016.

The AUSF currently provides support for five programs:

- Lifeline - which provides low-income customers a discount on monthly telephone service;
- DEM Weighting - which provides support to certain small local exchange carriers with high switching costs;
- Public Interest Pay Telephones (PIPTs) - which supports the cost of pay telephones in locations where they are needed for health, safety, or public welfare, and would not otherwise exist as a result of the operation of the competitive market;
- Carrier Common Line (CCL) Support - which was implemented as a part of state reform and eliminated CCL access charges that long distance providers paid to local exchange carriers to complete long distance calls. This reduction of costs in providing long distance service allowed the long distance service providers to significantly reduce in-state long distance calling rates; and
- Local Exchange Carrier of Last Resort (COLR) Support – which combined with the CCL Support allows the local exchange carriers to recover their CCL costs.

The AUSF Surcharge, which appears as a separate line item on your telephone bill, is currently set at 14.2 percent and is assessed on the in-state portion of telephone services provided.

Telecommunications companies are permitted, but not required, to pass this charge through to their end user customers on a monthly basis. Current information on the surcharge factor and operation of the AUSF can be found at the Alaska Universal Service Administrative Company website at: www.ausac.org.