

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

ANNETTE KREITZER, COMMISSIONER

SEAN PARNELL, GOVERNOR

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200

PHONE: (907) 465-2200
FAX: (907) 465-2135

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History/Background

On April 4, 2001, the State of Alaska (SOA) partnered with the Department of Defense (DoD), and the Alaska Municipal League (AML) in a Memorandum of Understanding (MOU) to cooperatively design and build a wireless interoperable communications system in Alaska for public safety and emergency responders.

Current Situation

Since the 2001 MOU was signed, 79 active sites have been built through the ALMR Project, and two sites (Haines and Ketchikan (High Mountain)) are under construction and are scheduled to be operational by August 31, 2010. With completion of these two sites, the ALMR System will include a total of 81 sites at a cost of approximately \$151million (SOA \$44.1 million, Federal Grant \$13.8 million, Federal DoD \$93.2 million).

Nine additional sites (Wrangell, Sitka, Petersburg, Craig, Rugged Island, Mt. Susitna, Curry, Tunnel, and Gilmore) were planned for construction in 2008, but the expected Federal grant funding was not received and no SOA funding sources are currently available. Construction of these nine sites is now pushed into a future project phase when funding is available and when appropriated.

Additionally, various users of the ALMR System have requested new sites along the Tok - Glenallen Highway corridor, north of Fairbanks along the Steese Highway, and on Kodiak Island with coverage to the launch facility. Additional existing infrastructure improvements to the operating ALMR System have also been requested by ALMR users (i.e. North Pole site, near Houston). These expansions could cost \$10 - \$12 million to complete if funded.

Growth will occur through added ALMR sites as well as increases in capabilities, driven by continued advancements in system and subscriber technology, equipment, and software. Identifying and securing the funds needed to implement ALMR System expansion priorities will continue to be a challenge in the future. However, until build-outs currently under construction are completed and the ability to sustain operations and maintenance (O&M) of the ALMR System is demonstrated no additional site funding will be requested.

ALMR Cost Share

A Total Cost of Ownership (TCO) study conducted in March 2005, reported \$92 million expended through FY05. This study did not project a final all-in cost – only costs spent to that point in time. The SOA, working with the DoD, initiated a new TCO study in late 2007.

The ALMR Cooperative Agreement, which provided the foundation for the partners to develop and execute all subsequent agreements including a total cost of ownership (TCO), was approved and executed by the SOA, DoD, and Federal non-DoD agencies in December 2007. The AML, at its request, became a non-voting member of the ALMR Consortium's Executive Council.

The 2007 TCO study was completed and approved by the ALMR Executive Council in August 2008. The TCO estimated on-going annual O&M costs at \$5.4 million, of which \$2.5 million were costs to be shared by all ALMR users. The Executive Council approved a cost share methodology that apportioned the estimated shared costs equally across all ALMR users on a per-handset basis.

To allow municipal users of the ALMR system sufficient time to build shared cost allocations into their budgets, the Legislature approved FY10 funding for both the SOA and Municipal shared cost allocations. In 2009 the Legislature expressed its expectation that municipal users begin contributing their annual shared cost allocations in FY11. After discussion with users over the interim the municipal and SOA shared cost allocations are included in the Governor's FY11 budget request. In May 2009, based on final budget authority for the SOA, DoD, and non-Federal DoD, the ALMR Executive Council adopted an agreement for FY10 that reduced the annual shared cost budget for the ALMR Operations Management Office and committed the SOA and DoD to divide the FY10 shared cost budget equally at 50% each.

On-going, competing demands for limited SOA and Federal DoD resources continue to challenge both with attempts to develop a long-term cost share methodology for the support of ALMR Operations and Systems Management. SOA has included funding in its FY11 budget to support both SOA and Municipal shared costs. The ALMR Executive Council will formally adopt an FY11 ALMR operating budget by March 31, 2010 and will formally negotiate the FY11 cost share methodology in April and May.

Completed Agreements

Since 2007, the SOA has pursued a three-phase strategy which assumes that the taxpayer investment to date warrants maintaining the ALMR System as built.

Phase I completes the ALMR system build-out, Phase II transitions the system to an operations and maintenance phase, and Phase III will consist of future system enhancements or upgrades (not currently funded or planned).

Significant transition tasks have been executed, including documenting system components and developing remaining operational policies and procedures. These completed tasks include:

- 1) *System Description* – defines and documents all system components and ownership.
- 2) *Service Level Agreement* – defines minimum operational requirements for all system components and networks.
- 3) *TCO* – details all annual costs for operation and management of the ALMR System after transition to its O&M phase.
- 4) *Cost Sharing Agreement* – details apportionment of annual ALMR O&M costs across ALMR partners.
- 5) *Membership Agreement* – defines the terms, conditions, and charges for usage of the system each user must agree to in order to gain access to the ALMR System after transition to the O&M phase.
- 6) *Organizational Structure* – defines the structure for the ongoing management, and O&M of the ALMR System.

Transition - From Build-Out to Operations

Getting the Cooperative Agreement signed, completing all necessary sub-agreements and transitioning the existing ALMR System to its O&M phase by July 1, 2009 have been the SOA's first priorities and have been substantially completed.

STRATEGIES TO STAY ON TARGET:

ALMR Advisory Group

The DOA Commissioner established a volunteer advisory group with collective experience across telecommunications; large project management, funding and execution; the prioritization and capitalization of large government infrastructure development, and multi-agency project implementation and planning.

The ALMR Advisory Group is charged with reviewing the major decisions facing DOA through the final phases of ALMR Project implementation, transition, and full project O&M. It has met regularly with DOA management throughout this process, providing on-going review and recommendations to ensure the SOA actions through the DOA are consistent with industry best practices.

ALMR Audit

A Legislative Audit of ALMR, conducted in 2005, identified areas of concern with the ALMR System. The DOA Commissioner requested OMB conduct an audit in 2009 to assist DOA in determining which concerns remain, which have been resolved and to identify any new issues. This audit is not yet complete.

SOA Telecommunications System (SATS)

ALMR sites use SATS sites throughout Alaska. During the ALMR build-out phase, the SATS team has worked hand-in-hand with the ALMR project. However, funding for SATS, which provides the infrastructure backbone for the SOA microwave and legacy

two-way networks, as well as the ALMR System, has languished as funding for ALMR has been secured. Only SATS sites where ALMR equipment has been placed have received appropriate maintenance, often through ALMR funding to ensure the ALMR System will be able to operate.

It is critical that the SATS system be maintained so it can continue to provide support to all SOA telecommunications including ALMR. To accomplish this, the SATS team and budget will be separated from the ALMR project team in FY11. This will allow the SOA to appropriately charge ALMR System users for use of SATS circuits once an allowable procurement method can be negotiated with the DoD. Performing deferred maintenance on SATS sites without ALMR equipment will ensure SATS can continue to serve the SOA's core telecommunication needs.

Phase Scope Control

The ALMR System began with a plan to jointly construct 49 sites by the U.S. DoD and the SOA. The design was expanded to include an additional 41 sites to be constructed by the SOA. Prior to completion of the 90 sites, construction of the system began. Later, the system design expanded again to include an additional 15 sites by the Municipality of Anchorage on its Anchorage Wide Area Network (AWARN) system. Seventy-nine ALMR sites are currently operating and two sites are under construction with a planned completion date of August 31, 2010.

Without initiating any new ALMR site construction, currently planned or under discussion for system expansion, ALMR partners have achieved significant success with approximately 105 operational ALMR and interoperable Anchorage AWARN system sites supporting approximately 15,000 Federal, State, and municipal users.