
Alaska Telecom Association

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ATA Comments Regarding RCA Critique of SB205 at Public Meeting March 14, 2018

Will the Regulatory Commission of Alaska's budget be decreased by SB205?

No. Costs for telecom oversight will continue to be collected through the regulatory cost charge and a long standing disparity in assessment will be corrected. Today some companies pay the full cost of regulation, while other companies pay nothing. SB205 will correct this inequity and ensure the RCA is sustainably funded.

What are the protections against unreasonable landline rate increases?

State regulation allows landline rate increases today, with varying levels of RCA review but in most cases very little authority to limit rates. Also, competition creates a strong disincentive to increase landline rates in most areas. Federal rules set a maximum rate for local service (including state fees) at \$49.51, currently local rates range from approximately \$30-\$35. The federal Lifeline program offers further protection by providing landline or wireless service at minimal cost to low-income consumers.

Will SB205 undermine deployment of wireless and broadband service in under-served areas?

No. SB205 only affects regulation of landline and long distance service, not wireless or broadband service. The RCA has an oversight role through ETC designation to ensure federal obligations regarding wireless and broadband service are being met. But federal regulation governs wireless and broadband service.

Is Carrier of Last Resort designation necessary to ensure landline service remains available throughout Alaska?

No. The certificate of public convenience and necessity (CPCN), designation as an eligible telecommunications carrier (ETC) and federal universal service fund (USF) rules each define the area where landline and long distance service must be provided. Carrier of last resort designation (COLR) is a redundant designation. COLR designation and oversight by the Commission only applies to landline and long distance service and does not apply to wireless or broadband service.

Does the RCA have sufficient authority to prevent discontinuance of landline service?

Yes. The RCA has authority to revoke any company's certificate for good cause. Revocation is a strong deterrent which prevents the company from operating anywhere in Alaska. The RCA oversees service through the Eligible Telecommunication Carrier designation, which authorizes receipt of federal universal service funds. The Commission may also investigate and monitor performance over long periods through formal dockets. SB205 does not change these oversight tools.

Does SB205 eliminate the RCA's oversight of the public interest and consumer protection regarding landline and long distance services?

No. SB205 does not change the Commission's authority over certificates which designate service obligations, review and certification to proper use of universal service funds, or investigation of consumer complaints.