

Alaska Telecom Association

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The Honorable Senator Jesse Bjorkman
Chair, Senate Labor and Commerce Committee
Alaska State Legislature
State Capitol
Juneau, AK 99801

Dear Senator Bjorkman,

On behalf of the Alaska Telecom Association (ATA) and its member companies, I am writing regarding the committee's upcoming consideration of SB 196, which would establish a behavioral health crisis services surcharge on telephone and wireless subscribers.

ATA and its members strongly support access to behavioral health and crisis services for all Alaskans. Telecommunications providers serve communities across the state and understand firsthand the importance of reliable crisis response systems. ATA members implemented the 988 system promptly, converted Alaska to 10-digit dialing to support the three-digit number, and continue to maintain the communications infrastructure that ensures crisis calls are delivered reliably across the state.

Our concern is not with the goal of strengthening behavioral health services, but with the funding structure proposed in SB 196.

First, the surcharge places the cost of behavioral health services on telecommunications subscribers regardless of income or ability to pay. A flat per-line fee is inherently regressive and disproportionately impacts seniors on fixed incomes, Lifeline recipients, and lower-income households.

Second, the legislation authorizes the use of surcharge revenues for a broad range of behavioral health activities beyond the operation of the 988 call center. While these services are important, they represent a much broader behavioral health system rather than a narrowly defined crisis communications function. Essential health and social services of this scope are more appropriately funded through established public health funding mechanisms.

Third, the proposed fund lacks clear statutory guidance regarding transparency, oversight, and regional equity. The legislation does not require a public spending plan, regional allocation standards, or ongoing review of the adequacy of the surcharge. Because Anchorage contains much of the state's behavioral health infrastructure and administrative capacity, there is a risk that a statewide surcharge could disproportionately support urban programs without ensuring equitable benefit for rural communities that would also be paying the fee.

Fourth, the surcharge would impose new administrative requirements on telecommunications providers, including billing system modifications, reporting obligations, and potential audits. These compliance burdens are particularly significant for small rural carriers, and the limited administrative reimbursement provided in the bill does not reflect the actual costs associated with implementing and administering the surcharge.

Finally, Alaska has recently been awarded significant federal funding through the Rural Health Transformation Program (RHTP), which is intended to strengthen health systems statewide, including

behavioral health services. Before establishing a permanent statewide telecommunications surcharge, ATA believes it would be prudent to evaluate how crisis services could be supported through these substantial federal resources and other existing health funding mechanisms.

ATA supports strong behavioral health services and remains committed to maintaining the communications networks that make crisis response possible. However, we respectfully believe that a telecommunications surcharge is not the appropriate mechanism to fund a broad behavioral health system.

Thank you for your consideration of ATA's concerns, and for the committee's thoughtful work on issues affecting Alaska's communications and business communities.

Sincerely,



Christine O'Connor
Executive Director
Alaska Telecom Association