

SENATE BILL 81

Updating the Electronic and
Telephone Cooperative Act
and Empowering Cooperative
Members to Better Manage
Their Service Providers

TELEPHONE COOPERATIVES IN ALASKA

SB 81

- Since before statehood, Alaskans have joined together to form **electric and telephone cooperatives**. They did this to bring electric and telephone service to areas that other utilities had no interest in serving.
- Today, electric and telephone cooperatives are the **economic backbone** of their communities, providing affordable and reliable power, telecommunications, broadband internet and other **vital technology services** to thousands of their members all across Alaska.

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WHY UPDATE?

- Alaska statutes for telephone and electric cooperatives, adopted in 1959, are **outdated**. Decades have passed without needed substantive revisions to reflect changes in law and technology.
- Current statutes place **undue restrictions** on the member-owners of telephone and electric cooperatives regarding how they can operate and manage the cooperative and take advantage of current technology.
- Statutes also are **very limiting** in the types of services that cooperatives can offer, restricting a cooperative's ability to meet its membership needs.

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PROPOSED CHANGES

Broadly speaking, the proposed amendments to the Act would:

- **Expand** the definition of the services a telephone cooperative can provide to cover all of the telecommunications and information services that cooperative customers expect;
- **Further expand** cooperatives' ability to use electronic means to communicate with their members and conduct cooperative business;
- **Update** the reasons a cooperative's board can conduct an executive session to better reflect disclosure concerns of employment matters and protect cooperatives operating in competitive markets;
- **Improve** the language regarding cooperative registered agents and sales of cooperative assets.

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PROPOSED CHANGES

- Changes in technology require **additional services** to be offered
- **Transparency, accountability and privacy** are required by members
- Protection of aggregate and specific data required for providers to **protect the value of cooperative**
- **Improved communication methods** between members and their co-op assure increased member involvement

Members Need Cooperative Statutes Updated

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BENEFITS

- Adding “or a related telecommunications service” permits telephone cooperatives to offer broadband and other data services that are required by their Members and Federal Regulations through the cooperative rather than a subsidiary, thereby permitting customers to be members of the cooperative.
- Amending AS 10.25.040(a) allows cooperative members to use something other than “telephone” in the cooperative’s name, which better reflects the nature of services cooperatives are currently offering.
- Allows all cooperatives to use the word “association” in the name, not just grandfathered in existing cooperatives

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BENEFITS

- Allows members to receive notice of meetings electronically *(10.25.100)*
- Allows members to attend annual meetings by teleconference *(10.25.090)*
- Allows teleconferenced attendees to be part of the quorum *(10.25.110)*
- Allows members who voted by mail or electronic means to be part of the quorum *(10.25.110)*

IMPROVED TRANSPARANCY AND ACCOUNTABILITY

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BENEFITS

- Allows discussion of personnel matters in executive session *(10.25.175)*
- Allows discussion of matters affecting competitive factors in executive session *(10.25.175)*

**MAINTAINS HEALTH OF COOPERATIVES
IN COMPETITIVE MARKETS**

WHY SB 81 IS NECESSARY



ALIGNS NAMING
CONVENTION WITH
HISTORICAL NAMES
BEFORE CURRENT
LEGISLATION WAS
ADOPTED



ALIGNS NAMES WITH
INDUSTRY
STANDARDS AND
SERVICE OFFERINGS



ALIGNS LEGISLATION
WITH CURRENT
MEMBER SERVICE
NEEDS AND
REGULATION



PROTECTS INTEGRITY
OF THE
COOPERATIVES



ALLOWS FOR
INCREASED MEMBER
INVOLVEMENT