

AMENDMENT #5

OFFERED IN THE HOUSE
TO: CSHB 284(FIN)

BY REPRESENTATIVE DOOGAN *MD*

- 1 Page 4, line 3:
- 2 Delete "9,994,500"
- 3 Insert "7,344,500"
- 4 Delete "38,976,800"
- 5 Insert "41,626,800"

Gardner
Miller
~~Gardner~~
Kamman
Hertel

governments SOA represents). Federal agencies will develop a method to apportion the costs among themselves. State and Local governments will also develop their own method to apportion the costs among themselves.

The 50/50 cost sharing between the Federal government and State/Local government for the OMO and SMO is unaffected by the USARAK divestiture. However, the State of Alaska will be responsible for an increased share of the annual infrastructure equipment maintenance. This is illustrated in Table 11 and Table 12 below:

Table 11: SOA Fiscal Year 2012 Equipment Maintenance

	No. of Sites Maintained		FY12 Equip. Maintenance	
SOA	30	37.5%	\$1,265,718	40.1%
DOD	50	62.5%	\$1,891,853	59.9%
ALMR total	80	100.0%	\$3,157,571	100.0%

Table 12: SOA Fiscal Year 2013 Equipment Maintenance

	No. of Sites Maintained		FY13 Equip. Maintenance	
SOA (original)	30	37.5%	1,329,004	40.1%
SOA (from divestiture)	41	51.3%	1,288,855	38.9%
SOA (total)	71	88.8%	2,617,859	79.0%
DOD	9	11.3%	697,590	21.0%
ALMR total	80	100.0%	3,315,449	100.0%

After accepting the USARAK equipment transfer, the State of Alaska will be responsible for funding nearly 79% (up from 40%) of the total annual infrastructure equipment maintenance cost which ranges from approximately \$3M (FY11) to \$6M (FY25). The SOA differential cost will be close to \$1.3M in FY2013 and increases at 5% per year to \$2.3M in FY2025 for a total additional infrastructure equipment maintenance cost of \$22.8M. Periodic system upgrades will cost the SOA additional \$8.1M. Both differentials combined total \$30.1 million for the SOA over the ALMR system lifetime. This cost is minimal compared to the capital cost of a different system with comparable coverage that also provides interoperability levels similar to those currently achieved with ALMR.

Infrastructure equipment maintenance is the primary cost driver of the total annual ALMR system O&M cost. In addition to this component there also the shared costs for OMO, SMO and circuit O&M. The cost distribution for both shared and unshared O&M is broken down for FY2011 in Figure 4.