

Since inception, the State of Alaska (SOA) and the Department of Defense (DOD) have paid for the maintenance of their owned infrastructure (centric costs), and split all shared service costs (Operations Management Office, System Management Office, periodic maintenance inspections, the prime controllers at Tudor Road and Birch Hill, North and South Zone MotoBridge SIP servers, microwave systems at Alcantra/R1 North and Quarry Hill/Birch Hill and performance management reports.

For FY2012, the DOD had a funding shortfall of approximately \$60,000 toward the OMO and SMO contracts. Their desire was to collect a portion from each of the Federal Non-DOD agencies to make up the shortfall. At that time, the DOD chose to utilize the number of subscribers each agency had on the System in order to determine what percentage of the \$60,000 the agency should contribute. The breakout is as follows:

Agency	Radio Count	Annual Cost
NOAA	75	\$ 10,012.50
U.S. Marshall Service	55	7,342.50
BATFE	23	3,070.50
BLM	34	4,539.00
DEA	60	8,010.00
FAA - FFDSO	4	534.00
FBI	70	9,345.00
FEMA	3	400.50
IRS - Criminal Investigation	26	3,471.00
National Park Service, Alaska Region	63	8,410.50
Transportation Security Administration	31	4,138.50
US Department of Homeland Security, ICE, Federal Protective Services	17	2,269.50
US Fish and Wildlife Service	39	5,206.50
US Forest Service - Law Enforcement and Investigations	17	2,269.50
Total Radios	517	\$ 69,019.50

Only three Federal agencies contributed due to the logistical nightmare of trying to transfer the money, and they transferred directly to SOA to apply to the contract costs.

In late 2012, the Executive Council directed a Cost Share Working Group (CSWG) be assembled to identify what services are shared among all member agencies and to come up with a fair and equitable means to share the costs of those services.

The CSWG settled on the following approach and method:

The State of Alaska (SOA) will own 73 (88%) of the total number of sites in the Alaska Land Mobile Radio (ALMR) Communications System, and the Department of Defense (DOD) will own 10 (12% - assuming they obtain Site Summit). These percentages were utilized in this approach and method to factor the shared costs for each.

Approach - 88/12: Agencies owning infrastructure pay for the cost of maintaining all equipment, connectivity, spares radio site towers, power, shelters, roads, grounds they own or occupy and providing response repair IAW the approved ALMR Service Level Agreement, predicated on the fact that they would require the equipment to operate independently and would bear those costs regardless.

Preventative maintenance Inspections (PMIs) and those shared services, which provide a mutual benefit to the member agencies, will be cost shared among the member agencies. Shared services are defined as Systems Management and Operations Management, PMIs, Zone Controllers, Anchorage and Fairbanks MotoBridge™ Servers, and specified connectivity costs attributed to ALMR.

Method - 88/12: Shared costs are divided into two categories; infrastructure owners and non-infrastructure owners (NIOs).

The method of cost share between infrastructure owners is based on percentage of facilities owned. Shared services costs will be split in a ratio based on the percentage of Federal site ownership to State site ownership.

Any costs attributed to non-infrastructure owners (NIOs) will be negotiated by the SOA directly with individual NIOs.

<u>Shared Services Cost:</u>	\$3,050,990.56
SOA - 88% of the Total Shared Services Cost:	\$2,684,871.69
DOD - 12% of the Total Shared Services Cost:	\$ 366,118.87

The above costs **DO NOT** include the centric costs (**not shared**), which the infrastructure owners must pay above and beyond their portion of the shared costs.

Centric costs:

SOA - \$3,376,994.74
DOD - \$1,434,572.08

As the principal infrastructure owner and the bearer of the highest cost for System operation, SOA elected to try to recoup shared costs from NIOs. The below is the

breakout of how those costs are distributed based on airtime utilized by the agencies as a percentage against the entire System airtime usage for calendar year 2011.

SOA agencies - 72%/\$1,513,987.00

Federal Non-DOD agencies - 4%/\$84,110.00

Alaska Municipal League agencies - 24%/\$504,662.00 (paid through a budget appropriation to the Department of Administration)

Total Usage/Costs - 100%/\$2,102,759.00

SOA Total Shared Costs - \$2,684,871.69

Shortfall absorbed by SOA - \$582,112.69

NOTE: DOD pays their portion of the shared costs in full. Therefore, they are not listed as part of the above calculations.