



**Financial Assistance
Award**

DENALI COMMISSION
510 "L" Street, Suite 410
Anchorage, Alaska 99501
(907) 271-1414 (phone)
(907) 271-1415 (fax)
www.denali.gov

Award Number	A-0405
Award Title	Alaska Telecommunications Users Consortium
Performance Period	April 5, 2004 to January 30, 2009
Authorizing Resolution	

Authority 112 Stat 1854	CFDA Number 90.100
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Recipient Organization & Address
Alaska Public Broadcasting, Incorporated
PO Box 200009
Anchorage, AK 99520
Phone: (907) 277-6300
Fax: (907) 277-6350

Denali Commission Finance Officer Certification

JRP

Recipient DUNS# 021156497 TIN # 16-1616595

Cost Share Distribution Table

Original Funding Amount	\$ 250,000.00
Expenses incurred during Award period	\$ 45,000.00
Funding returned to Denali Commission	\$ 205,000.00

Comments:

After careful review of the Private Enterprise Policy, the award conditions and comments received from telecommunications carriers, the Commission is terminating this Award effective February 28, 2005.

Signature of Authorized Official - Denali Commission <i>Jeff Staser</i>	Typed Name and Title Jeffrey B. Staser, Federal Co-Chair	Date 4/18/05
Signature of Authorized Official - Alaska Public Broadcasting, Inc. <i>Jamie Waste</i>	Typed Name and Title Jamie Waste, Executive Director	Date 4/21/05



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February 28, 2005

Mr. Jamie Waste
Executive Director
Alaska Public Broadcasting, Inc.
P.O. Box 20009
Anchorage, Alaska 99520

Re: Alaska Telecommunications User Consortium – Rescinding funding of Financial Assistance Award A-2004-05

Dear Mr. Waste:

The Denali Commission recently solicited formal comments from Telecommunications Carriers in Alaska on Denali Commission funding for the Alaska Telecommunications Users Consortium (ATUC). The Commission received written comments from four companies: GCI, ACS, AT&T Alascom, and Yukon Telephone. The comments from these companies were unanimous in concern that public funding must be cautiously invested in any organization that is engaging in any activity related to the highly competitive telecommunications industry of Alaska. The perception of the role that ATUC would have in this industry now and in the years to come varied between each company with two companies providing conditional support and two companies having strong reservations on the long term role of the ATUC and its potential to hinder private investment. The Commission takes seriously any private company's view that the ATUC has the potential for a role that would be adverse to the continuation of private industry investment in telecommunications for Alaska's communities and therefore must take appropriate action.

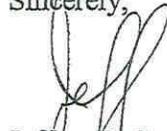
The Denali Commission Private Enterprise Policy outlines the Commission's approach to situations where funding may conflict with private industry. The policy states that the Commission may not provide funding to compete with private industry if the services are already adequately provided. The Commission understands that the ATUC does not believe it will directly compete in providing services but it is clear that this is not the view held by some of the carriers.

In addition, the Financial Assistance Award providing funding for ATUC stated, “that all Commission funding under this award is intended for the activities identified in the scope of work which will advance the state of telecommunications services throughout Alaska and will not interfere with private industry. All activities of the ATUC will be in partnership with Alaska’s private telecommunications carriers whenever and wherever possible.” It is obvious from the comments received from carriers that this partnership will be difficult or in some cases impossible with the reservations held by these companies.

Therefore after careful review of the Private Enterprise Policy, the award conditions and the comments received from telecommunications carriers, the Commission must rescind funding that was provided to support the development of ATUC. By receipt of this letter the Denali Commission therefore rescinds the remaining funding under Financial Assistance Award A-2004-5 of \$205,496.62.

Our point of contact here at the Commission is Krag Johnsen, he can be reached at 907.271.1414 or email to kjohnsen@denali.gov. Thank you for your efforts to bring everyone, including private sector industry, together. We will continue to help where we are able.

Sincerely,



Jeffrey B. Staser
Federal Co-Chair

cc: Ron Duncan, GCI
Mike Felix, AT&T Alascom
Liane Pelletier, ACS
Don Eller, Yukon Telephone