

Cost Share Explanation

We don't have a ballpark figure, and here is why:

The annual cost of operating the system is approximately \$3.4 million per year. This figure is based on a Service Level Agreement that sets the level of services required to operate the System. The Department of Defense (DOD) is currently covering all of the costs and will continue to do so until a "Cost Share" is established.

To establish the cost share it is necessary to define the methodology for apportioning costs and to determine the amount that each member will contribute. The costs can be apportioned any number of ways - some LMR programs impose a monthly fee based on the number of radios, but there are many other options.

The ALMR Executive Council voted at a recent meeting to establish a "Cost Share Task Force." Each of the Parties to the Executive Council (DOD, Federal Non-DOD, Federal Executives Association and the Alaska Municipal League) is to nominate a number of representatives to serve on the task force. This representation will include people with legal and financial expertise. This group will recommend a cost share methodology. Both the Executive Council and User Council will review the recommendation. The Executive Council will approve a recommendation that has merit and meets the needs of the Parties and member agencies.

This is the first time anywhere that a partnership like this has been formed. Because of that, we have no 'model' for sharing costs between the Government (DOD, etc.) and other Federal Non-DOD, State and local entities. The number and variety of financial requirements each agency is required to follow is overwhelming so we are calling in some experts to help. We hope this issue can be resolved by 2008.