



PUBLIC NOTICE

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WIRELINE COMPETITION BUREAU APPROVES ALASKA COMMUNICATIONS SYSTEMS' 10 YEAR CAF PHASE II DEPLOYMENT PLAN

WC Docket No. 10-90

By this Public Notice, the Wireline Competition Bureau (Bureau) announces the approval of Alaska Communications Systems' (ACS) 10-year Connect America Fund Phase II deployment plan. In 2016, the Federal Communications Commission (Commission) adopted tailored service obligations for ACS acknowledging the unique climate and geographic conditions of serving Alaska.¹ In the *ACS CAF Phase II Order*, the Commission granted ACS nearly \$20 million annually in frozen support, in lieu of model-based support, to serve Alaska for a 10-year period.² ACS is required to offer voice and broadband service at the same speed, latency, usage and pricing metrics³ as CAF Phase II model-based carriers to at least 31,571 locations.⁴ As part of its obligation, the Commission granted ACS the flexibility to substitute up to 7,900 locations in partially-served census blocks⁵ and 2,714 locations in low-cost census blocks requiring \$5,000 or more in capital expenditures⁶ to count towards its total deployment obligation of 31,571 locations.

In accordance with the parameters of the *ACS CAF Phase II Order*, the Bureau conducted a challenge process for new locations ACS proposed to serve in partially-served census blocks to meet its minimum location requirement.⁷ Following two challenge rounds, the Bureau approved specific geocode locations in partially-served census blocks to count towards ACS's total deployment obligations.⁸ As provided by the *ACS CAF Phase II Order*, following the challenge process, ACS filed its 10-year CAF

¹ *Connect America Fund*, Order, 31 FCC Rcd 12086 (2016) (*ACS CAF Phase II Order*).

² *Id.* at 12086, para. 1.

³ *Id.* at 12089-92, paras. 9-21.

⁴ *Id.* at 12094, para. 30.

⁵ *Id.* at 12096, para. 35 (limiting ACS to no more than 7,900 unserved locations in partially-served census blocks and requiring ACS to certify that it does not itself serve the locations in such blocks at the time the proposed locations were submitted).

⁶ *Id.* at 12098, para. 39.

⁷ The Bureau resolved challenges to locations ACS identified as unserved in partially served census blocks. *Connect America Fund and Connect America Phase II Challenge Process Order*, WC Docket Nos. 10-90 and 14-93, Order, DA 18-999, 33 FCC Rcd 8908 (WCB 2018); *Connect America Fund et al.*, WC Docket Nos. 10-90 et al., Order, DA 19-144, 34 FCC Rcd 1067 (WCB 2019).

⁸ *Id.*

Phase II deployment plan on May 6, 2019,⁹ and on December 4, 2019, ACS submitted an updated deployment plan to correct, add, and remove certain geocoded locations.¹⁰ In particular, ACS added 172 locations in partially-served census blocks that the Bureau previously approved during the prior challenge process that were not included as part of the original deployment plan; removed 45 geocoded locations that it determined were duplicative of other locations listed in the deployment plan, and corrected the geocodes of seven locations.¹¹ In total, ACS indicates that it intends to deploy to 32,518 new locations.¹²

Based on our review of the updated deployment plan, the Bureau finds that ACS's service obligations are in the public interest as ACS will provide advanced communication service to at least 31,571 new locations.¹³ The Bureau finds that the locations identified in ACS's updated deployment plan, following the challenge process, are consistent with the provisions of the *ACS CAF Phase II Order*, subject to specific conditions and exceptions described below. First, ACS indicates that it may seek to deploy voice and broadband service to locations that are not currently listed in its deployment plan, but located in eligible census blocks, to meet its minimum deployment obligation.¹⁴ While the Commission has provided ACS with certain flexibilities to meet its service obligation in a manner that is logical, maximizes its network and is reasonable based on unique service territory conditions, we note that ACS must abide by the provisions of the *ACS CAF Phase II Order* for each location intended to satisfy its service obligations.¹⁵ Second, we remind ACS that its planned deployment to locations in approximately 130 low-cost census blocks that are immediately adjacent to high-cost census blocks require a certification that the capital expenditure for each location deployment is at least \$5,000 in order to count towards its minimum location deployment requirement.¹⁶ Finally, we remind ACS of its annual obligation to report the total amount of CAF Phase II support, if any, used for capital expenditures in the previous calendar year¹⁷ and of the location reporting requirements consistent with the *Order*.¹⁸

In addition to revising its deployment plan, ACS requested that the Commission review specific locations in Hope, Alaska to determine their eligibility for CAF Phase II high-cost support.¹⁹ According

⁹ Letter from Karen Brinkmann, Counsel to Alaska Communications Systems, to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 10-90 (May 6, 2019) (ACS Deployment Plan).

¹⁰ Letter from Karen Brinkmann, Counsel to Alaska Communications Systems, to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 10-90 (Dec. 4, 2019) (Revised ACS Deployment Plan).

¹¹ Revised ACS Deployment Plan at 2-3.

¹² Revised ACS Deployment Plan, Attachment "ACS 10-Year Plan Filing Revision Dec 2019." The deployment plan indicates that the total number of locations is based on 28,368 unique geocodes.

¹³ ACS's eligible areas are illustrated on the Universal Service Administrative Company's (USAC) Connect America Fund Broadband Map (CAF Map), as well as the specific fixed locations where ACS has already reported deployment in satisfaction of its CAF Phase II obligations, which will be updated annually as ACS reports additional deployment. The CAF Map is available at <https://data.usac.org/publicreports/caf-map/>.

¹⁴ Revised ACS Deployment Plan at 3.

¹⁵ In particular, the Bureau's review of the Revised ACS Deployment Plan appears to indicate a discrepancy between the geocodes and associated census blocks provided by ACS for approximately 58 locations which must be corrected. However, due to the small number of locations, the possible discrepancy does not appear to affect ACS's service obligation of at least 31,571 locations as required by the *ACS CAF Phase II Order*.

¹⁶ *ACS CAF Phase II Order*, 31 FCC Rcd at 12098, para. 39.

¹⁷ *Id.* at 12101, para. 49.

¹⁸ *Id.* at 12102, para. 52.

¹⁹ Revised ACS Deployment Plan at 3.

to ACS, study area boundaries used for the Connect America Cost Model (CAM) incorrectly identify 138 locations as within the service territory of an unaffiliated local exchange carrier even though the community is served by ACS.²⁰ Based on our review of the most recent certified study area boundaries submitted to the Commission, we find that the 138 locations in Hope, Alaska, and the associated census blocks, fall within the study area boundary for ACS and no other carrier reports these same census blocks within its service territory. We also find that these unserved locations should be considered eligible in satisfaction of ACS's CAF Phase II deployment obligations. We therefore conclude that the 138 locations identified by ACS are eligible for CAF Phase II support and may count towards its service obligation consistent with the *ACS CAF Phase II Order*.

For additional information on this proceeding, contact Alexander Minard, alexander.minard@fcc.gov, or Dangkhua Nguyen, dangkhua.nguyen@fcc.gov, of the Wireline Competition Bureau, Telecommunications Access Policy Division, (202) 418-7400.

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²⁰ *Id.*