



PUBLIC NOTICE

Federal Communications Commission
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DA 21-178
February 16, 2021

APPLICATIONS FILED FOR THE TRANSFER OF CONTROL OF ALASKA COMMUNICATIONS SYSTEMS GROUP, INC. TO PROJECT 8 BUYER, LLC

PLEADING CYCLE ESTABLISHED

WC Docket No. 21-23

Comments/Petitions Due: March 18, 2021

Reply Comments/Oppositions to Petitions Due: April 2, 2021

By this Public Notice, the Wireline Competition Bureau, International Bureau, and Wireless Telecommunications Bureau (Bureaus) seek comment from interested parties on applications filed by Alaska Communications Systems Group, Inc. (Alaska Communications) and Project 8 Buyer, LLC (Project 8) (together, Applicants) for the transfer of Alaska Communications and its operating subsidiaries to Project 8, pursuant to sections 214 and 310(d) of the Communications Act of 1934, as amended (Act),¹ the Cable Landing License Act of 1921,² and sections 1.767, 1.948, 25.119, 63.03-04, 63.18, and 63.24 of the Commission's rules.³

Alaska Communications, a publicly traded Delaware corporation, through its operating subsidiaries provides telecommunications and broadband services.⁴ Alaska Communications' operating subsidiaries are: (1) ACS of Alaska, LLC, an incumbent local exchange carrier (LEC) serving two study areas that encompass (a) the City and Borough of Juneau (the Juneau study area)

¹ 47 U.S.C. §§ 214, 310(d).

² 47 U.S.C. §§ 34-39; *see also* Exec. Ord. No. 10530, Sec. 5(a), reprinted as amended at 3 U.S.C. § 301 (delegating the President's authority under the Cable Landing License Act to the Commission).

³ 47 CFR §§ 1.767, 1.948, 25.119, 63.03-04, 63.18, 63.24; Joint Application For Consent to Transfer Control of Domestic and International Section 214 Authorizations, WC Docket No. 21-23 (filed Jan. 21, 2021) (Lead Application). The Commission licenses and authorizations subject to the applications are listed in Attachment A to this Public Notice and include domestic and international section 214 authorizations, wireless licenses, a non-common carrier earth station license, and submarine cable landing licenses. Applicants filed a supplement to the Lead Application on February 16, 2021. Letter from Karen Brinkmann, Counsel to Alaska Communications Systems Group, Inc., and Phillip R. Marchesiello, Counsel to Project 8 Buyer, LLC, to Marlene H. Dortch, Secretary, FCC (filed Feb. 16, 2021) (on file in WC Docket No. 21-23) (Supplement Letter).

⁴ Lead Application, Exh. 1 (Description of the Parties, Description of the Transaction, Public Interest Statement, Administrative Matters) at 19.

and (b) Eielson Air Force Base and Fort Wainwright (the Greatland Study Area); (2) ACS of Fairbanks, LLC, an incumbent LEC serving the City of Fairbanks and certain nearby areas; (3) ACS of the Northland, LLC, an incumbent LEC serving two study areas: (a) Sitka Borough and certain non-contiguous Bush areas, including part of Prince of Wales Island, Yakutat, Northway, Border City, and parts of the Aleutian Island chain (the Sitka Bush Study Area) and (b) Kenai, Soldotna, Kodiak, and areas outside Fairbanks, including Delta Junction, Nenana, and North Pole (the Glacier State Study Area); (4) ACS of Anchorage, LLC, an incumbent LEC serving the Anchorage area, including Joint Base Elmendorf-Richardson, and certain small communities such as Girdwood and Hope;⁵ and (5) ACS Long Distance, LLC, a long-distance provider serving within Alaska, and between Alaska and other states, using a combination of its own facilities and those of other facilities-based carriers.⁶ Through its subsidiaries, Alaska Communications also provides broadband and business data services to residential, enterprise, and wholesale customers in its incumbent LEC areas and in other locations in Alaska.⁷ ACS Internet offers limited wholesale services (such as terrestrial and undersea cable capacity) to carrier-customers in Oregon, on a private (non-common carrier) contractual basis and is a licensee of a transmit/receive earth station license.⁸ Through its two domestic undersea cable systems, the AKORN and NorthStar Cable Systems, Alaska Communications offers wholesale fiber optic cable capacity between Alaska and Oregon.⁹

Project 8, a Delaware limited liability company, is a newly formed holding company held by ATN International, Inc. (ATN) and Freedom 3 Investments IV, LP (Freedom), for the purposes of acquiring Alaska Communications.¹⁰ Project 8 is a wholly owned subsidiary of ALSK Holdings, LLC (ALSK Holdings), a Delaware limited liability company.¹¹ ATN, a publicly traded Delaware corporation, will control Project 8 through ALSK Holdings (52% voting interest and 50.67% equity interest in ALSK Holdings).¹² One individual and one entity hold an interest in ATN of 10% or more: Cornelius B. Prior, Jr., a U.S. citizen (26.4% of ATN's stock) and BlackRock Fund Advisors, a U.S. entity (10.1% of ATN's stock).¹³ Freedom, a Delaware limited partnership, holds, directly

⁵ *Id.*, Exh. 1 at 19-21.

⁶ *Id.*, Exh. 1 at 20.

⁷ *Id.*, Exh. 1 at 20-21.

⁸ *Id.*, Exh. 1 at 21. Alaska Communications does not provide mobile wireless services to the public, and, through its operating subsidiaries, has fixed wireless services licenses used to complete the provision of local exchange, interexchange, and broadband services, particularly in rural and remote areas. *Id.*

⁹ *Id.* ACS Long Distance, LLC is the licensee for the AKORN system, SCL-LIC-20071025-00018, and NorthStar License Corporation is the licensee for the NorthStar system, SCL-LIC-19940617-00002, SCL-MOD-20020725-00090, SCL-LIC-19960308-0000, and SCL-MOD-20020725-00091.

¹⁰ *Id.*, Exh. 1 at 22. The affiliates of ATN provide wholesale wireless or fixed wireless consumer broadband services in the U.S. Virgin Islands, Arizona, California, Colorado, Montana, Nevada, New Mexico, Texas, Utah, and Wyoming, and incumbent LEC and other telecommunications services in the U.S. Virgin Islands. *Id.* at 12. Freedom does not provide telecommunications services. *Id.* at 12-13.

¹¹ *Id.*

¹² *Id.*, Exh. 1 at 22.

¹³ *Id.*, Exh. 1 at 23. BlackRock Fund Advisors is a subsidiary of BlackRock, Inc. (BlackRock), a publicly traded Delaware corporation. BlackRock is an investment entity and neither it nor its subsidiaries have the power to manage, operate, or control ATN and they do not have the power to individually elect members of the Board of ATN. The majority of BlackRock's board members are U.S. citizens. Supplement Letter at 1-3. Applicants list telecommunications entities in which they state that BlackRock has reported an ownership interest of less than 17%, including several competitive telecommunications entities serving Alaska. *Id.* at

and indirectly through its wholly owned subsidiary, F3C AK, LLC (F3C AK), a 48% voting interest and 49.43% equity interest in ALSK Holdings.¹⁴ Through a series of intermediate U.S. entities, Freedom is ultimately controlled by the following U.S. citizens: Jason Block, Erik Glover, and Daniel Tamkin.¹⁵

Pursuant to an Agreement and Plan of Merger (Merger Agreement), dated December 31, 2020, by and among Project 8, its wholly owned subsidiary, Project 8 MergerSub, Inc. (Merger Sub), a Delaware corporation, and Alaska Communications, Merger Sub will merge with and into Alaska Communications.¹⁶ As a result of the transaction, Alaska Communications will continue as the surviving corporate entity and will become a wholly owned subsidiary of Project 8.¹⁷

The Applicants specifically note that in Auction 105, Alaska Communications' affiliate ACS Internet won and applied for four 10 megahertz Priority Access Licensees (PALs) in Kenai Peninsula Borough, Alaska, and ATN affiliate SAL Spectrum, LLC (SAL) won and applied for one PAL in that license area.¹⁸ Assuming that the Commission grants these Auction 105 long-form applications prior to acting on the transaction applications, consummation of the proposed transaction would result in ATN ultimately controlling 50 megahertz of PALs in Kenai Peninsula Borough.¹⁹ The Applicants request a temporary waiver of section 96.31 of the Commission's rules²⁰ to allow ATN to control 50 megahertz of PALs for a temporary period to provide ATN with an opportunity to sell a 10 megahertz PAL in Kenai Peninsula Borough to bring it into compliance with the Commission's rules.²¹ ATN commits to filing an application (or applications) with the Commission to assign or transfer control of at least one of the ACS Internet or SAL PALs in Kenai Peninsula Borough (the Divestiture Assets).²² The Applicants assert that the FCC did not adopt a rule specifying the appropriate time period for such a divestiture of a PAL.²³ Due to the potential challenge of divesting a single 10 megahertz PAL in a single borough in Alaska, ATN requests that

Attach A (FCC-Regulated Businesses that List Their Principal Business as Communications or Telecommunications in Which BlackRock Qualifies as a Disclosable Interest Holder).

¹⁴ Lead Application., Exh. 1 at 22.

¹⁵ *Id.*, Exh. 1 at 4-9, 24 and Attach B (Pre- and Post-Consummation Organization Diagrams for Alaska Communications Systems Group, Inc.). Jason Block, Erik Glover, and Daniel Tamkin hold their interest in Freedom through Freedom 3 Capital, LLC, a Delaware entity, and Jason Block and Daniel Tamkin also hold their interest in Freedom through Freedom 3 GP IV, LLC (Freedom 3 GP), a Delaware entity. *Id.*, Exh. 1 at Attach. B(3) (Post Consummation Ownership Diagram; Freedom) at 47-48. Applicants state that there are passive investor members of Freedom 3 GP, which are all U.S. citizens or U.S. entities, and are not involved in the management or operation of Freedom 3 GP. *Id.*, Exh. 1 at n.15 and Attach. B(3) at 48.

¹⁶ *Id.*, Exh. 1 at 24-25.

¹⁷ *Id.*

¹⁸ *Id.*, Exh. 1 at 17. *See* Alaska Communications Internet, LLC, Priority Access License Application, File No. 0009226321 (filed Sept. 17, 2020, and amended Oct. 21, 2020); SAL Spectrum, LLC, Priority Access License Application, File No. 0009223630 (filed Sept. 17, 2020).

¹⁹ Lead Application, Exh. 1 at 18.

²⁰ 47 CFR § 96.31.

²¹ Lead Application, Exh. 1 at 18.

²² *Id.*

²³ *Id.*

the divestiture period (Divestiture Period) be 12 months from the later of (1) the release date of the Commission’s order granting the proposed Transaction, and (2) the last date on which the Commission grants to SAL or ACS Internet a PAL for Kenai Peninsula Borough.²⁴ In addition, ATN requests that any Commission order approving the Transaction explicitly provide that the Bureau may grant one or more extensions of the Divestiture Period, not to exceed 120 days in the aggregate, to allow the Applicants further time to dispose of the Divestiture Assets.²⁵ The Applicants assert that the requested Divestiture Period is reasonable in these circumstances.²⁶

Applicants assert that a grant of the applications will serve the public interest, convenience, and necessity.²⁷ They maintain that ATN is “uniquely qualified” to control Alaska Communications because it has “[S]ignificant expertise deploying, upgrading, maintaining, and operating communications networks and service businesses in rural, tribal, island-based, and other insular and underserved markets in the United States, the Caribbean region, South America, and Bermuda.”²⁸ Further, the Applicants state that they are “[C]ommitted to Alaska Communications fulfilling its obligations to rural and other underserved populations under the CAF [Connect America Fund] Phase II program, E-rate, and other FCC universal service programs.”²⁹ Applicants submit that the proposed transaction will be at the holding company level, and customers will continue to receive service under the current rates, terms, and conditions of service post-closing.³⁰ Finally, Applicants maintain that the proposed transaction will not result in a reduction in competition, as their service areas do not overlap, and that the proposed transaction will enhance competition by providing Alaska Communication with “[A]ccess to significant capital resources needed to upgrade networks and offer innovative services at competitive prices.”³¹

GENERAL INFORMATION

The applications identified herein have been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission’s rules and policies.

Interested parties may file comments and petitions **on or before March 18, 2021**, and reply comments or oppositions to petitions **on or before April 2, 2021**. Comments may be filed using the Commission’s Electronic Comment Filing System (ECFS) or by paper. All filings must be addressed to the Commission’s Secretary, Office of the Secretary, Federal Communications Commission.

- Electronic Filers: Comments may be filed electronically by accessing ECFS at <http://apps.fcc.gov/ecfs/>.

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.*

²⁷ *Id.*, Exh. 1 at 25-26.

²⁸ *Id.*, Exh. 1 at 27.

²⁹ *Id.*, Exh. 1 at 29.

³⁰ *Id.*, Exh. 1 at 30-31.

³¹ *Id.*, Exh. 1 at 30.

- Paper Filers: Parties who choose to file by paper must file an original and one copy of each filing.
 - Filings can be sent by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission’s Secretary, Office of the Secretary, Federal Communications Commission.
 - Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701. U.S. Postal Service first-class, Express, and Priority mail must be addressed to 45 L Street NE, Washington, DC 20554.
 - Effective March 19, 2020, and until further notice, the Commission no longer accepts any hand or messenger delivered filings. This is a temporary measure taken to help protect the health and safety of individuals, and to mitigate the transmission of COVID-19. *See* FCC Announces Closure of FCC Headquarters Open Window and Change in Hand-Delivery Policy, Public Notice, DA 20-304 (March 19, 2020). <https://www.fcc.gov/document/fcc-closes-headquarters-open-window-and-changes-hand-delivery-policy>

People with Disabilities: We ask that requests for accommodations be made as soon as possible in order to allow the agency to satisfy such requests whenever possible. Send an email to fcc504@fcc.gov or call the Consumer and Governmental Affairs Bureau at (202) 418-0530.

In addition, e-mail one copy of each pleading to each of the following:

- 1) Dennis Johnson, Wireline Competition Bureau, dennis.johnson@fcc.gov;
- 2) Clay DeCell, International Bureau, clay.decell@fcc.gov;
- 3) David Krech, International Bureau, david.krech@fcc.gov;
- 4) Linda Ray, Wireless Telecommunications Bureau; linda.ray@fcc.gov; and
- 5) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

The proceeding in this Notice shall be treated as a “permit-but-disclose” proceeding in accordance with the Commission’s *ex parte* rules. Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter’s written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b), 47 CFR § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission’s *ex parte* rules.

To allow the Commission to consider fully all substantive issues regarding the application in as timely and efficient a manner as possible, petitioners and commenters should raise all issues in

their initial filings. New issues may not be raised in responses or replies.³² A party or interested person seeking to raise a new issue after the pleading cycle has closed must show good cause why it was not possible for it to have raised the issue previously. Submissions after the pleading cycle has closed that seek to raise new issues based on new facts or newly discovered facts should be filed within 15 days after such facts are discovered. Absent such a showing of good cause, any issues not timely raised may be disregarded by the Commission.

For further information, please contact Dennis Johnson, Wireline Competition Bureau, (202) 418-0809; Clay DeCell, International Bureau, (202) 418-0803; David Krech, International Bureau, (202) 418-7443; or Linda Ray, Wireless Telecommunications Bureau, (202) 418-0257.

³² See 47 CFR § 1.45(c).

ATTACHMENT A

SECTION 214 AUTHORIZATIONS

A. International

The applications for consent to the transfer of control of certain international section 214 authorizations have been assigned the file numbers listed below.

<u>File Number</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
ITC-T/C-20210121-00013	ACS Long Distance, LLC	ITC-214-19960612-00248
ITC-T/C-20210121-00014	Northstar License Corporation	ITC-214-20000330-00209

B. Domestic

Applicants filed an application to transfer control of domestic section 214 authority in connection with the proposed transaction. In light of the multiple applications pending before the Commission with respect to this transaction and the public interest review associated with them, the domestic transfer of control application is not subject to streamlined treatment.³³

CABLE LANDING LICENSES

<u>File Number</u>	<u>Licensee</u>	<u>License Number</u>
SCL-T/C-20210120-00005	ACS Cable Systems, LLC	SCL-LIC-20071025-00018
SCL-T/C-20210120-00003	Northstar License Corporation	SCL-MOD-20020725-00090 SCL-LIC-19940617-00002 SCL-MOD-20020725-00091 SCL-LIC-19960308-00001

EARTH STATION LICENSE

<u>Call Sign</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
E170205	Alaska Communications Internet, LLC	SES-MOD-20190828-01106

³³ 47 CFR § 63.03.

SECTION 310(d) APPLICATION

<u>File Number</u>	<u>Licensee</u>	<u>Lead Call Sign</u>
0009368555 ³⁴	ACS Wireless License Sub, LLC	WMN700
0009370199	ACS of Anchorage License Sub, LLC	WLC603
0009370202	ACS of Fairbanks License Sub, LLC	WMS885
0009370204	ACS of the Northland License Sub, LLC	KNKH871
0009370207	ACS Long Distance License Sub, LLC	WNEH752

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³⁴ This application is the lead application for the wireless applications.