FEDERAL COMMUNICATIONS COMMISSION

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[WC Docket Nos. 10–90, 23–328, 16–271, 14–58, 09–197; WT Docket No. 10–208; FCC 24–116; FR ID 266277]

Connect America Fund, Alaska Connect Fund, Connect America Fund—Alaska Plan, ETC Annual Reports and Certifications, Telecommunications Carriers Eligible To Receive Universal Service Support, Universal Service Reform—Mobility Fund

AGENCY: Federal Communications Commission.

ACTION: Final rule.

SUMMARY: The Federal Communications Commission (Commission or FCC) has long recognized that rural and high-cost areas of Alaska are some of the hardest and most costly to serve in the country, with many residents lacking access to high-quality, affordable broadband that maintains parity with the technological advances that consumers living elsewhere in the nation enjoy. In this document, the Commission takes important and necessary steps to ensure continued support for the advancement of modern mobile and fixed broadband service in Alaska.

DATES: Effective January 30, 2025.

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SUPPLEMENTARY INFORMATION: This is a summary of the Commission's Report and Order (*Order*) in WC Docket Nos. 10–90, 23–328, 16–271, 14–58, 09–197 and WT Docket No. 10–208; FCC 24–116, adopted on November 1, 2024, and released on November 4, 2024. The full text of this document is available at the following internet address: *https://www.fcc.gov/document/fcc-adopts-alaska-connect-fund-further-address-broadband-needs.*

Synopsis

I. Report and Order

In the *Order,* the Commission takes important and necessary steps to ensure continued support for the advancement of modern mobile and fixed broadband service in Alaska. The Commission has long recognized that rural and high-cost areas of Alaska are some of the hardest and most costly to serve in the country, with many residents lacking access to high-quality, affordable broadband that maintains parity with the technological advances that consumers living elsewhere in the nation enjoy. In 2016, to address the unique needs of providing broadband service in Alaska, the Commission established the 10-year Alaska Plan to support the maintenance and deployment of voice and broadband fixed and mobile services. This Plan, along with other frozen support and model-based support, has resulted in substantially increased deployment of both fixed and mobile broadband services. As of the end of 2023, carriers in Alaska receiving high-cost support have reported deploying or upgrading fixed broadband service to more than 96,000 locations, the majority of which are served at a speed of 25/3 Mbps or greater. Since January 2017, the number of Alaskans served by 4G LTE service or better by the Alaska Plan providers increased from roughly 33,000 to 98,000 in areas eligible for support.

While the original Alaska Plan and other Alaska support mechanisms have helped make significant progress in Alaska, many areas in the state remain unserved or underserved. The Commission can determine statewide, using the National Broadband Map, that about 21% of broadband-serviceable units lack at least 25/3 Mbps and about 28% of broadband-serviceable units lack at least 100/20 Mbps fixed terrestrial service. An estimated 51,000 Alaskans still receive 3G service—an outdated technological standard—or worse. Historic levels of federal investments from the National Telecommunications and Information Administration's (NTIA)'s Broadband Equity, Access, and Deployment (BEAD) Program will bring broadband to unserved and underserved locations throughout Alaska. Nonetheless, there will be an ongoing need for funding to maintain and operate the broadband networks built by the Universal Service Fund (USF) and BEAD as well as a need to support the deployment of mobile broadband which is not being funded through BEAD.

Recognizing the importance of addressing current broadband funding concerns and the long-term broadband needs of Alaskan households in a rapidly changing funding environment, today the Commission moves forward with establishing the Alaska Connect Fund program (the ''Alaska Connect Fund'' or ''ACF'') to provide ongoing and certain support to both mobile and fixed carriers receiving USF high-cost support in Alaska through 2034, with increased support amounts that reflect the transition to higher speed service goals for the ACF. With ACF, the Commission also applies lessons learned from its current Alaska support programs and ensure high-cost support complements other federal funding programs.

The support needs and landscape for mobile and fixed services in Alaska are different. Therefore, as the Commission did with the original Alaska Plan, it establishes separate mechanisms for mobile and fixed providers, with each mechanism tailored to the needs of the supported services. On the fixed side, the Commission's support and broadband service goals will be materially affected by, and are intended to be complementary to, the BEAD awards, as well as other federal broadband infrastructure funding. The Commission provides a period of transitional support (ACF Transition) for existing support recipients through 2028 to allow time for network deployments funded by these programs to be completed or nearly completed. During the ACF Transition, carriers will be responsible for maintaining the same level of service and meeting any deployment obligations they are committed to under the Commission's Alaska Plan, Alaska Communications Systems (ACS), and Alternative Connect America Cost Model (A–CAM) programs. Following the ACF Transition, beginning January 1, 2029, the Commission establishes the framework for the Alaska Connect Fund Fixed services program (Fixed ACF) to provide fixed service providers ongoing technology-neutral support through the end of 2034, focused on supporting the maintenance and operation of broadband and voice capable networks in Alaska. Because a full picture of fixed broadband deployment will not be clear until BEAD and other federal funding is awarded, the Commission incorporates sufficient flexibility into Fixed ACF to evaluate and address future deployment needs. This two-phased approach will allow for continued and certain support for existing USF participants for a set period, while allowing the Commission to develop a complete picture of how the BEAD program and other federal network deployment funding will be allocated in Alaska to ensure that the Fixed ACF program complements these programs most effectively for the benefit of Alaskan consumers. The Commission also adopts phased down high-cost support for any current recipient that is authorized to receive less support

during Fixed ACF than during ACF Transition.

While the Order provides a framework for Fixed ACF, the Commission delegates several requirements to the Wireline Competition Bureau (WCB) to resolve through an opportunity for public notice and comment, including developing a process of accepting offers for support, providing guidance on how eligible carriers can participate in the program, determining eligible locations, allocating support for eligible locations, and determining whether support for new deployment is necessary, including whether a budget adjustment is in the public interest. The Commission delegates to WCB authority to determine whether any adjustments to the public interest obligations, including any updates to the methodology for the Alaska-specific benchmark, are in the public interest. The Commission also delegates authority to WCB to determine whether additional accountability and oversight measures, including certifications, reporting requirements or compliance measures are necessary for Fixed ACF and any phase-down support recipients.

On the mobile side, because BEAD does not explicitly fund mobile deployments, the Alaska Connect Fund has an important role to play in ensuring Alaskans have access to reliable, advanced mobile service, particularly in upgrading networks to 5G and encouraging deployment to unserved and underserved areas. As with fixed service, the Commission adopts a two-phase approach for mobile service that balances the importance of giving mobile providers certainty of funding in certain areas to help meet its goals of 5G deployment, with the need to ensure funding is not being targeted to last generation technologies (*e.g.,* 2G and 3G) but rather is targeted to areas where it is needed the most and to address concerns of duplicate support. The framework the Commission adopts for mobile support relies on the improved mobile coverage data obtained in the Broadband Data Collection (BDC), which is reflected on the Commission's National Broadband Map and which provides it with the most comprehensive picture to date about where mobile broadband service is and is not available across the country, including Alaska. Overall, the Commission extends support for a set period for mobile providers that: (1) participated in the Alaska Plan and (2) choose to opt into the Alaska Connect Fund, subject to conditions set forth in this document. The terms and goal speeds for mobile support under the Alaska Connect Fund will be based on whether an eligible area has a single or multiple subsidized providers. For eligible areas where there is only one subsidized provider (single-support areas), the current provider will continue receiving support through the end of 2034 and will be expected to enter into a new performance plan with 5G service where technically and financially feasible. For eligible areas with multiple subsidized providers (duplicate-support areas), the Commission adopts a two-phased approach to resolve duplicative support: (1) an Alaska Connect Fund Mobile Phase I (ACF Mobile Phase I) that extends support for the mobile providers receiving support in these duplicate-support areas under the current Alaska Plan until December 31, 2029; and (2) an Alaska Connect Fund Mobile Phase II (ACF Mobile Phase II) that would provide a single provider in those areas with support through the end of 2034. The Commission delegates authority to the Wireless Telecommunications Bureau (WTB) to implement and administer various components of the mobile portion of the Alaska Connect Fund. For example, the Commission delegates authority to WTB to review and approve performance plans for mobile ACF support. The Commission also delegates authority to WTB in coordination with the Office of Economics and Analytics (OEA) to develop and publish a map of areas eligible and ineligible to receive ACF mobile support. The Commission also delegates authority to WTB to implement accountability and oversight measures for mobile-support recipients.

In the following, the Commission establishes separate approaches for the Alaska fixed and mobile markets to address the differing circumstances in each. However, these two sectors share certain common aspects. Before explaining the details of the Commission's revised fixed and mobile mechanisms, it addresses the eligible telecommunications carrier (ETC) requirements and the Commission's revised budget.

Consistent with the 1996 Communications Act and the Commission's long-standing rules for the high-cost program, all Alaska Connect Fund recipients must be designated as an ETC before receiving high-cost support from either Fixed ACF or Mobile ACF. ETC status is mandated by the Communications Act and is a hallmark statutory requirement of the USF high-cost program, serving as an important check on reliability and accountability for consumers.

In the *Alaska Connect Fund Notice,* 88 FR 80238, November 17, 2023, the Commission sought comment on eligibility for Alaska Connect Fund support. Some commenters suggest eliminating the requirement to obtain ETC designation, citing difficulties obtaining ETC status and other programs that are not subject to the ETC statutory rules. The Alaska Rural ISP Coalition (ARIC) suggests that the Commission, instead, impose alternative requirements ''ensuring a level of responsibility appropriate for Alaska Connect eligibility.'' However, the Commission agrees with commenters that, consistent with the Communications Act and the Commission's longstanding practice for the high-cost program, an Alaska Connect Fund support recipient must be designated as an ETC before receiving high-cost support. These commenters properly recognize that the statutory provisions of the Communications Act mandate the Commission only provide universal service high-cost support to carriers with ETC status. Alaska Telecom Association (ATA) and NTCA-The Rural Broadband Association (NTCA) also point to the oversight ability of the Regulatory Commission of Alaska (RCA) and the Commission as an effective consumer protection of service standards and quality. The Commission recognizes that becoming an ETC carries with it certain obligations, such as a requirement to provision voice service, which is not a business that all broadband providers in Alaska are engaged in providing. However, the Commission agrees with Alaska Power and Telephone that voice service remains critical to health and safety, particularly in Alaska, and is a core element of universal service. Moreover, the Commission notes that in Alaska, the RCA is the governing body that adjudicates the process and designates carriers as ETCs in their service territories, and without notice from the State that it is declining its jurisdiction, the Commission does not have authority to designate ETC status for carriers in Alaska.

Therefore, the Commission requires that any ACF recipient must be an ETC before it can receive support. Carriers currently receiving support will already have obtained ETC designation. Any provider awarded federal infrastructure support through BEAD or other programs that is not already an ETC, however, will be required to become an ETC and provide certification and evidence of its designation to WCB and WTB (together ''the Bureaus'') in order to receive ACF support. The framework

the Commission establishes in this document provides time for these providers to seek ETC designations. The Commission directs WCB to provide guidance on appropriate deadlines by which providers must obtain an ETC designation, and whether election of Fixed ACF support will be conditioned on having already obtained ETC designation or whether a period of time will be allowed following acceptance to obtain ETC designation. In the concurrently adopted Further Notice of Proposed Rulemaking (FNPRM), the Commission seeks comment on whether ACF Mobile Phase II should allow any Alaska ETC to participate in the proposed competitive mechanism intended to resolve duplicative support, including those that are not currently receiving support under the Alaska Plan. Even if the Commission expands mobile support to include carriers that are not current Alaska Plan support recipients, it reiterates that mobile providers must receive ETC designation from the RCA before they are eligible to participate in the competitive process in ACF Mobile Phase II duplicate-support areas.

Some Tribal organizations commented about a need for a ''streamlined'' or special process for Tribal entities seeking ETC status in Alaska that recognizes Tribal sovereignty. The Commission notes that in the *2000 Tribal Order,* 65 FR 47883, August 4, 2000, it established a process tailored specifically to carriers serving Tribal lands, whereby a carrier may seek ETC designation directly from the Commission. The Tribal Access Coalition commented that a Tribal entity should not have to partner with an ETC to obtain high-cost support, and NTTA argued that the Commission should either automatically grant ETC status or create an expedited process for ETC designation for new, non-ILEC carriers in Alaska that are serving Tribal Nations and Tribal Lands receiving deployment funding through other state and federal programs. The Commission remains committed to making advanced voice and broadband service available to all consumers in Alaska. As explained in this document, ETC designation is a statutory requirement, and the RCA has designation authority and providers are subject to the RCA's designation process. Therefore, the Commission does not require a different standard for carriers serving Tribal lands. However, the Commission will continue to explore whether its authority affords us any additional opportunities for ensuring that a Tribally owned carrier in Alaska that is able to meet the requirements for ETC designation is able to obtain that status and participate in the program. The Commission will prepare guides and resources and conduct outreach to help inform Tribal providers about the ETC designation process. The Commission directs the Bureaus, in conjunction with the Office of Native Affairs and Policy, to inquire further regarding the experience of Tribally owned and operated carriers in Alaska.

The Commission next concludes that an increase in support, starting January 1, 2025, is warranted for all current recipients of high-cost fixed and mobile support in Alaska. In the *Alaska Connect Fund Notice,* the Commission asked about an appropriate budget for the Alaska Connect Fund that would provide support that is sufficient to achieve the Commission's goals while not burdening consumers. The Commission inquired about the size of a budget that would be necessary to support continuity of service in areas already built out. The Commission also asked whether it was appropriate for it to increase for inflation the current budget of existing, Alaska focused high-cost programs. Further, the Commission sought comment on how it should allocate support among the mobile participants in the Alaska Connect Fund and ''how to provide sufficient support amounts to achieve the goals of encouraging secure mobile service deployment, while ensuring prudent use of universal service funds.''

The current support budget for fixed carriers in Alaska is $82.8 million per year, which includes the combined budget for frozen fixed service in the *Alaska Plan Order,* 81 FR 69696, October 7, 2016, the *ACS Order,* 81 FR 83706, November 22, 2016, and the two Alaska recipients of A–CAM support. For mobile recipients, the *Alaska Plan Order* froze mobile support at 2011 levels in exchange for improved mobile services in Alaska, amounting to $739 million (or $73.9 million annually) in frozen support to the eight mobile providers of the Alaska Plan over a ten-year period. In seeking comment on the budget in the concurrently adopted FNPRM, the Commission observed in the *Alaska Connect Fund Notice* that mobile support levels in the Alaska Plan were set by the identical support rule, which based support for mobile competitive ETCs on the costs of wireline voice providers.

Many commenters supported an adjusted budget based on the inflationary pressures felt throughout Alaska since the current high-cost support mechanisms began. In ATA's request to renew the Alaska Plan for another 10 years, it asks for an increase in support to reflect an inflationary adjustment since the beginning of the Alaska Plan, as well as an annual budget update. ATA provides examples of the increase in costs that providers have faced to deploy and maintain their networks during the course of the Alaska Plan and argues that an inflationary increase is necessary and appropriate to adjust to the increase in costs. ACS points out that frozen support, calculated based on the embedded costs of a voice-only network, bears no relationship to the costs of deploying high-speed broadband networks. Copper Valley Wireless notes that its wireless costs have increased by 141% since the start of the Alaska Plan. GCI Communication Corp. (GCI) has also submitted a cost study to demonstrate that 5G–NR coverage to all Broadband Serviceable Locations (BSLs) in Alaska will require far more funding than the support currently disbursed pursuant to the Alaska Plan.

Based on the Commission's careful consideration of the record, it concludes that increasing support for both fixed and mobile services is warranted to better align support with anticipated increased network speeds that will be supported under the Alaska Connect Fund. For fixed service, as of 2029, the Commission set a speed goal of 100/20 Mbps, which calls for an increase in support. The Commission does not change fixed service requirements now, and in setting a speed goal, it recognizes 100/20 Mbps may not be feasible everywhere even with available government funding, thus making it necessary to provide flexibility to support lower speeds where 100/20 Mbps is not feasible. Between now and the end of 2028, due to BEAD commitments and commitments from other broadband infrastructure funding, fixed providers will begin to build networks that meet higher service levels and may even begin providing service that meets higher service levels. In addition, there are non-BEAD eligible locations served under current high-cost programs that will benefit from this increase in support due to need to maintain these higher service levels. To provide a smooth ramp toward the provision of higher speed services with higher operating costs the Commission raises support levels now to support those costs.

Likewise, for mobile service, the Commission increases support levels due to the higher service goals under the Alaska Connect Fund. Providers in single-support areas—which the Commission anticipates will be a

substantial majority of the support areas—are expected to deploy 5G–NR throughout these areas, reaching 5G–NR at 35/3 Mbps, where technically and financially feasible, by December 31, 2034. Mobile providers can begin making improvements toward this end immediately, even as they move towards their final commitments under the Alaska Plan. The Alaska Plan sought to have 4G LTE at 10/1 Mbps deployed by December 31, 2026, and some providers have committed to improvements beyond that standard. The Commission does not alter these commitments, but improvements exceeding an Alaska Plan provider's final commitments will count towards meeting its lower commitments. For example, where a provider deploys 5G–NR before the end of the Alaska Plan, it can count towards the Alaska Plan provider's 4G LTE or lower technology commitments (but the Commission notes that providers still must meet the minimum speed requirements in their Alaska Plan commitments); similarly, if a provider deploys higher speeds as it works toward Alaska Connect Fund obligations, those can count toward its lower speed commitments under the Alaska Plan. Because the Commission anticipates that mobile providers will begin working towards these higher service goals immediately where technically and financially feasible, it provides commensurate support to achieve those ends.

While the Commission increases the support amounts, it declines to adjust the budget or support amounts in Alaska in response to inflationary pressures. While increases in costs for equipment, transportation, fuel for equipment, and staff may well have grown beyond those predicted at the time current support mechanisms were initiated, those same pressures are felt elsewhere. Non-Alaska A–CAM carriers have not received increases for inflation (*i.e.,* the Commission did not adjust the model inputs for Enhanced Alternative Connect America Cost Model (Enhanced A–CAM) to account for inflation or otherwise increase support for carriers staying on A–CAM). Other carriers receiving frozen support, similar to ACS, were then put on model-based support or subject to a competitive mechanism (*e.g.* price cap carriers, Puerto Rico Telephone Company, and Viya). Further, the Commission has been reluctant to adjust support for inflation in other contexts, such as its recent order regarding rates for incarcerated persons.

For both fixed and wireless services, the Commission directs the Universal Service Administrative Company (USAC or the Administrator) to make a one-time 30% adjustment of current support amounts for recipients of USF high-cost support in Alaska, to begin January 1, 2025. The Commission finds this increase in support is sufficient to meet the higher service speeds under the ACF, while also ensuring prudent use of universal service funds. Given that the Commission's rationale for increasing support is not inflation-based, it declines to make an adjustment for inflation to determine the increased support amount.

The amount of fixed Alaska Plan, *ACS Order,* and A–CAM high-cost support disbursed in Alaska in 2025, noted as $82.8 million annually above, adjusted 30%, will be approximately $107.6 million annually through December 2028. The 30% increase for wireless service results in a total budget of approximately $96 million annually. While the Commission increases mobile support for Alaska providers, at this time, it declines to provide a 30% increase to the $162,270,272 otherwise allocated to the unserved areas mobile reverse auction. There is no support in the record for an increase to this amount. Moreover, historically competitive mechanisms have resulted in support amounts below the allocated budget, ensuring a more efficient use of limited funding.

Given the increased support amount the Commission is providing, and in recognition of the value of certainty and predictability, it declines to make annual increases for inflation or any other reasons. As the Commission explained in the *Enhanced A–CAM Order,* 88 FR 55918, August 17, 2023, when rejecting annual increases for inflation, ''[i]nflation adjustments would undermine the benefits of budgetary certainty provided by fixed, model-based support, including the ability to control the future impact of the mechanism on the contribution factor.'' Therefore, the Commission finds that annual budgetary certainty is paramount to the unpredictability of an annual adjustment, and it declines to make annual increases for inflation or any other reasons. However, the Commission directs WCB to continue to monitor support levels under the Alaska Connect Fund to ensure they are furthering universal service goals in Alaska.

The goal of the Alaska Connect Fund for fixed services is to encourage and sustain the availability of affordable voice and broadband services to all Alaskans. Adopting a budget and the framework for two phases of the Alaska Connect Fund for fixed services will first, in ACF Transition, provide the certainty of continued USF high-cost support for Alaska carriers while new networks are constructed and will, with Fixed ACF, establish a mechanism to fund those networks and existing ones for a period thereafter. The Commission anticipates that the broadband deployment already completed with USF funding, as well as the buildout that will occur under BEAD and other federal and state programs, will result in making broadband available to all or almost all broadband serviceable locations in Alaska. As such, ACF Transition and Fixed ACF will prioritize support for ongoing maintenance and operations to complement federal support directed for building infrastructure and new deployment. Nonetheless, as explained in the following, in the event that some areas are left unserved, the Commission maintains the flexibility for Fixed ACF to address these areas, and it delegates to the WCB the authority to consider the needs of any such areas.

At the outset, the Commission addresses the applicability of the Broadband DATA Act, which requires that, after the creation of the BSL Fabric and Broadband Maps, it uses those data ''when making any new award of funding with respect to the deployment of broadband internet access.'' ACF Transition is an extension of existing USF support and related obligations and is only supporting already-authorized broadband deployment. As the purpose of the ACF Transition support is to sustain existing networks and authorized obligations, the Commission concludes it is not a new award of funding and does not trigger the requirements of the Broadband DATA Act. At the same time, the framework the Commission adopts for Fixed ACF likewise prioritizes support for maintaining and sustaining existing (including networks that are in the process of and will be deployed under BEAD and other federal funding) voice and broadband networks. However, since the Commission delegates, in the following, to WCB the responsibility to complete certain requirements of Fixed ACF, to the extent that any Fixed ACF support is awarded or authorized for the deployment of broadband networks, pursuant to that delegated authority, Commission staff shall use the National Broadband Map and its constituent parts (BSL Fabric and fixed-broadband availability data collected as part of the BDC), and Broadband Funding Map.

The Commission initiates the ACF Transition by increasing annual support amounts, for reasons discussed in this document, and extending certain existing Alaska carrier USF support

terms. During this ACF Transition, the Commission aligns the support terms for current recipients of fixed services support in Alaska so that all support terms during the ACF Transition end in 2028. Thus, ACS's support term is extended from the end of 2025 to 2028, the support term for all Alaska Plan carriers is extended from the end of 2026 to the end of 2028, and the support term for the two Alaska A–CAM I carriers continues to the end of 2028. A single, harmonized end date for current high-cost fixed support programs in Alaska is necessary: (1) to allow time for award of funding through BEAD and other infrastructure projects; (2) to holistically assess the funding landscape in Alaska for all service providers and consumers after these funds are awarded; (3) to avoid duplicate support; and (4) to ease the administrative burden of coordinating provider obligations and disbursements going forward. All carriers continuing to receive support in ACF Transition remain subject to their current public interest obligations, including deployment obligations and performance testing, and must maintain service through the end of ACF Transition on December 31, 2028.

Support Terms. The Commission establishes a uniform conclusion date of December 31, 2028 for the ACF Transition support terms of all current recipients of high-cost fixed services support in Alaska to provide certainty and enable a smooth transition to Fixed ACF. Currently, the obligations and support conclude for ACS in 2025, the Alaska Plan in 2026, and A–CAM in 2028. Support recipients of these programs have public service obligations tailored to the specific programs through which they are receiving support, but these disparate support timelines complicate the initiation of a new, unified support program for Alaska. Commenters generally agreed that a single high-cost program for Alaska would be desirable, although they did not provide suggestions for aligning the different existing timelines. Several commenters emphasized the need for adopting solutions for Alaska support as soon as practical. In its petition, ATA suggested a new support structure should be adopted before the current programs conclude. Additionally, the Alaska Broadband Office (ABO) noted that high-cost support is needed to provide both sustainability and certainty as well as supporting affordability during the period while the BEAD Program is implemented.

The Commission agrees with commenters that an extension of current support will provide certainty for current support recipients and will ensure continuity of service for Alaskan consumers. The Commission also finds that establishing clear timelines both for the availability of current support streams and for a support mechanism to be adopted after BEAD funding is awarded will best support its goals in Alaska as well as support carriers providing service in Alaska in planning projects and expenditures for the next several years. Finally, the Commission finds that a uniform support term (until the end of 2028) is appropriate because it allows all high-cost support programs in Alaska to reach their end at the same time, thereby reducing complexity and uncertainty that could arise in the absence of a uniform date.

Accountability and Oversight. During the ACF Transition, support recipients must continue to meet all public interest requirements established for the program from which they have been receiving funds, including completing any buildout obligations at the required performance levels by the dates previously established and meeting all other existing public interest obligations. All ACF Transition support recipients will remain obligated to make certifications and filings as required under current rules and must adhere to current record retention requirements. Carriers must continue any established performance testing. Given that BEAD and other federal programs will support broadband construction and that support has not yet been awarded, the Commission will not require broadband deployment beyond existing commitments as a condition of receiving support for fixed services during the ACF Transition.

The Commission emphasizes the ACF Transition is intended to provide a smooth transition to a new support mechanism and in no way relieves carriers of their existing obligations. As noted in this document, A–CAM carriers in Alaska, Alaska Plan carriers, and ACS will be subject to support recovery for failure to meet their deployment milestones as provided under the Commission's existing rules. Similarly, carriers that receive support during ACF Transition will be subject to recovery of support for failure to meet performance testing standards both under their existing programs and on an annual basis after the original end date of their current programs. Thus, A–CAM carriers will see no change in their performance testing obligations, as those obligations already extend through 2028. However, ACS and Alaska Plan carriers will be subject to performance testing on existing deployment on an annual basis through December 31, 2028 which is after the end of their current programs. For example, an Alaska Plan carrier receiving support during ACF Transition will be subject to support recovery if it fails to meet its performance testing standards at the end of 2026. In addition, that same carrier will be subject to support recovery if it fails to meet performance testing standards at the end of 2028. Carriers will also be required to continue the filing of middle-mile maps and broadband service reporting. Carriers that were only obligated to maintain service under the Alaska Plan will continue to be subject to biennial review.

With Fixed ACF beginning in January 2029, the Commission continues targeted Alaska mechanisms that provide predictability for continued USF high-cost support through 2034 and account for existing and new broadband deployment funding programs. Current USF programs combined with BEAD and other federal and state broadband funding should together result in broadband deployment to all or almost all unserved or underserved broadband serviceable locations. Fixed ACF is intended to be a technology neutral program and to complement network deployment funding by providing operational and maintenance support for carriers that have been or will be awarded federal or state government infrastructure support for the deployment of voice and broadband service in Alaska. The Commission does this to help sustain these networks into the future and bring Alaska consumers closer to enjoying the same modern telecommunications as those available to consumers in the rest of the country.

As discussed in the *Alaska Connect Fund Notice,* there have been and continue to be significant changes to the broadband landscape in Alaska. Specifically, over $1 billion in federal BEAD funding will be allocated to providers in Alaska, which has the potential to change the landscape of advanced telecommunications service in Alaska dramatically. The Commission would not be meeting its responsibilities as stewards of the USF if it allocated support to specific carriers without considering the implications of BEAD awards, as well as other federal broadband funding. The Commission agrees with NTCA that support provided through the Alaska Connect Fund should be informed by and build upon the progress of previous support mechanisms and focus on keeping services available to the consumer, and therefore it must take into account

BEAD funding awards, which are expected to be made in fall next year. As such, while the Commission determines a total budget amount of annual support for Fixed ACF, it delegates to WCB the authority to determine, after an opportunity for public notice and comment, how Fixed ACF support shall be allocated among eligible locations. The Commission directs WCB to provide further guidance to carriers on the timing and process of electing Fixed ACF support in advance of the start of Fixed ACF support, taking into consideration BEAD and any other federal or state broadband funding allocations.

Budget. The Commission adopts an annual budget of $107.6 million for Fixed ACF, approximately the same annual amount being authorized during the ACF Transition. The Commission finds that maintaining the same budget and adopting the Fixed ACF budget now provides entities interested in pursuing network deployment funding, through BEAD or other federal or state programs with certainty that USF high-cost support will continue to sustain the operation of the networks that carriers receive funding to build. ATA and other commenters encouraged the Commission to provide these assurances now, ahead of BEAD funding awards, and it finds a stated budget amount achieves that goal. During Fixed ACF, the Commission's goal is to support the sustainability of government funded networks, which it expects will provide speeds of at least 100/20 Mbps, which is a higher speed standard than has been required to date for carriers currently receiving high-cost support in Alaska. The operating costs of supporting a higher capacity network, especially after accounting for current middle-mile costs in Alaska, are likely materially more expensive than lesser bandwidth services, and the Commission finds that maintaining the same increased budget as the ACF Transition, as discussed in this document, allows carriers to plan for operation at that level. Accordingly, the Commission finds that the budget it adopts is sufficient to help advance the goal of sustaining service at reasonably comparable rates and provide predictability while being mindful of the burdens on payers into the USF. Nevertheless, the Commission allows for flexibility in specific situations, as explained in the following, to support networks that cannot provide service at 100/20 Mbps. The Commission declines to further adjust the budget at this time. Fixed ACF support will prioritize supporting the operations and maintenance of already-constructed networks over additional deployment, and it is premature to determine if any additional adjustments are warranted. The Commission expects that, with the delegation of authority it provides to WCB in the following, support will be carefully allocated to achieve the goals of Fixed ACF. Nonetheless, the Commission delegates authority to WCB to determine, after the opportunity for public notice and comment, whether any further budget adjustment, one-time or annual, is appropriate prior to the beginning of Fixed ACF. Specifically, WCB has the authority to increase the Fixed ACF budget by up to 15% of the annual budget on a one-time basis or annually if WCB determines that such an increase is in the public interest.

Support Term and Timing. The Commission adopts a six-year term of support for Fixed ACF, which will begin January 1, 2029 and conclude on December 31, 2034. The Commission's action in this document strikes the appropriate balance among providing predictability of support, its obligation to use support effectively, and the Congressional requirement to coordinate with other federal agencies that administer broadband deployment programs. ATA proposed that the Commission provide support through 2034, and commenters generally agree on a 10-year term of support. The Commission has consistently provided high-cost support in 10-year terms, particularly in Alaska due to its unique work season, extended timelines, and generalized logistical challenges, and it finds the six-year term for Fixed ACF together with the four-year term of ACF Transition is an appropriate timeframe in this context. As explained above, extending support for ACF Transition through the end of 2028 allows all existing high-cost support programs in Alaska to reach their natural end at the same time. Additionally, by January 1, 2029, the Commission will have the benefit of knowing how BEAD funding in Alaska is awarded, including which providers will be building in which areas and if any areas are being left unserved. The Commission agrees with commenters that argue it is important for them to consider the allocation of BEAD funding when extending USF support. The beginning of 2029 roughly corresponds to the expected timeline for when BEAD awardees will have deployed or will be finishing construction of the networks funded by that program. Additionally, USF high-cost support recipients in Alaska will have already completed their existing deployment obligations. This information will allow WCB to allocate Fixed ACF support so as to avoid duplicative deployment funding while identifying any areas that are not yet funded. The Commission expects the majority of government funded networks in Alaska through currently existing programs will be built and available for consumer use by 2029, and it therefore finds it appropriate to provide USF support at that time for operations and ongoing maintenance. Accordingly, the Commission adopts this term now to provide clarity and predictability for carriers submitting applications for infrastructure support through BEAD or participating in other broadband infrastructure programs, and to allow carriers to proceed with confidence in planning and construction, knowing that USF high-cost support will continue to be available once their networks are constructed.

Eligible Carriers. In the *Alaska Connect Fund Notice,* the Commission sought comment on eligibility for participation in the program and information about ETCs in Alaska. In its comments, Alaska Remote Carrier Coalition (ARCC) introduced the concept of an Alaska Broadband Checklist, outlining several proposed eligibility and carrier requirements. ARCC also encouraged recognition of the varied and unique circumstances across the state of Alaska. Some commenters suggested only carriers currently receiving high-cost support in Alaska should be eligible for ACF support, while other commenters encouraged us to include new participants and carriers that have not previously received high-cost support in Alaska to date.

The Commission directs WCB to make Fixed ACF support available for fixed services to ETCs in Alaska that receive or are awarded funding from federal or state government support programs to deploy networks capable of providing voice and broadband internet access service meeting the Commission's public interest obligations to eligible locations. For example, a carrier that received funding for broadband deployment through programs such as, but not limited to, USF High-Cost, BEAD, the Department of Agriculture's ReConnect program, or the NTIA's Tribal Broadband Connectivity Program to deploy a network capable of providing broadband internet access service may be eligible for Fixed ACF support. In taking this approach, the Commission agrees with the commenters advocating to include new participants and carriers that have not received high-cost support in Alaska to date. The Commission recognizes there

likely are or will be new providers in Alaskan communities due to other federal infrastructure funding. The Commission finds that providing the opportunity for these new participants in Alaska furthers its goal of making networks in Alaska sustainable into the future. The Commission directs WCB to use the Broadband Funding Map to assist in determining eligible carriers. Subject to the limitations discussed in the following, the Commission delegates authority to WCB to consider how to allocate Fixed ACF support among the eligible fixed service carriers in Alaska. The Commission also delegates authority to WCB to determine, after opportunity for public notice and comment, whether additional financial or other requirements for new entrants in Fixed ACF would be in the public interest.

Intended Use of Support. Fixed ACF support shall be focused on supporting ongoing operations and maintenance of already-constructed voice and broadband-capable networks. The Commission finds that it is not necessary to allocate support for broadband infrastructure at this time given the historic investment of federal funding that has been directed for that purpose through BEAD and other programs and the expectation that this funding will result in planned deployment to all or almost all locations in Alaska. Commenters generally agree that support for ongoing operations and maintenance is essential to complement infrastructure deployment. The Commission agrees with NTCA that the mission of universal service extends beyond just building infrastructure and that high-cost support serves an important role in keeping services operational once a network is built. The intended use of support is not strictly for operating expenses as expenditures to maintain a network may be accounted for as capital expenses where appropriate, for instance, expenses incurred to replace network equipment.

Like recipients of Alaska Plan and model-based support, Fixed ACF recipients may use support anywhere in their network to maintain their ability to offer service at the public interest standards in high-cost areas and will not be limited to using support only for last-mile infrastructure. For example, a recipient that operates its own middle-mile networks may use support for the maintenance and operation of those portions of the network as well. The Commission finds that allowing recipients the flexibility to use Fixed ACF support in any area of their network allows high-cost support to be targeted to where it is needed most and to better ensure carriers can meet their public interest obligations. The Commission anticipates that this will also encourage the maintenance and operation of middle-mile networks in Alaska so that they can be utilized economically.

Fixed ACF recipients, like all other ETCs, remain subject to limitations on the appropriate use of universal service support. The Commission has previously reminded ETCs of their statutory obligation to use high-cost support only for its intended purposes. These same principles apply here. To the extent the Commission or WCB revises the expectations for what constitutes expenditure of support for its intended purposes, recipients participating in Alaska Connect Fund will be subject to those new rules.

While the Commission directs Fixed ACF support for maintaining and operating the network, it is cognizant that there may still be a need for deployment funding in Alaska and that any remaining unserved or underserved areas will be identified by 2029. Therefore, the Commission builds flexibility into Fixed ACF to address such needs at that time. The Commission delegates authority to WCB to determine, after an opportunity for public notice and comment, whether it is in the public interest to allocate any Fixed ACF support for additional broadband deployment after BEAD and other funding has been awarded, and if so, to determine the amount to be allocated. Should WCB decide that it is in the public interest, the Commission further delegates authority to WCB to determine, after an opportunity for public notice and comment, public interest obligations and a deployment timeline, including interim and final milestones, appropriate for the support provided and the nature of the deployment. While the Commission has considered arguments for allocating high-cost support in Alaska for infrastructure, it finds it is premature to do so prior to BEAD funding being awarded. If, however, WCB determines that authorizing support for deployment for Fixed ACF is in the public interest, WCB shall work within the Fixed ACF budget to determine how best to allocate support between operations and deployment.

Eligible Locations and Support Amounts Per Location. The Commission delegates authority to WCB to determine, after an opportunity for public comment, which locations are eligible for Fixed ACF support for fixed services and how to allocate Fixed ACF support among eligible locations. WCB shall consider allocating Fixed ACF support based on the BSL categories developed by the ABO and may prioritize support based on the remoteness of the location. For example, using the June 2023 version of the Fabric, the ABO categorized all broadband serviceable locations in the state of Alaska based on whether they are: high-cost or non-high-cost (for purposes of the BEAD program), and whether they are on the fiber or road system, rural community, or non-community based. The Commission expects that Fixed ACF support will be most efficiently spent in non-community locations, High-Cost BSLs, and BSLs that are part of a rural community not on a fiber or road system. The Commission finds that locations that do not fall within those categories are likely to be in the more densely populated areas of Alaska like Anchorage and Fairbanks, where the business case for providing broadband service without subsidies is much stronger. The Commission recognizes that some commenters supported the allocation of support on a community basis and others identified community-based projects. Nonetheless, the Commission finds that making a determination of eligible locations, ahead of BEAD awards, is premature. Therefore, the Commission delegates authority to WCB to determine, after opportunity for public notice and comment, the eligible locations and how to allocate support among them, and, as explained further in the following, the Commission delegates to WCB the flexibility to allocate support to carriers that may be providing broadband speeds below 100/20 Mbps. The Commission also directs WCB to avoid duplicate high-cost support by authorizing no more than one carrier to receive Fixed ACF support for fixed services for each eligible location.

Public Interest Obligations. The Commission adopts general parameters and priorities for the public interest obligations applicable to Fixed ACF recipients. The Commission agrees with commenters that reasonable minimum service standards help provide consumers with a level of service that allows for meaningful personal and community engagement, and that this is only increasingly important as it moves into further generations. The Commission delegates authority to WCB to determine, after opportunity for public notice and comment, whether any changes are necessary based on the specific determinations that will be made for eligibility and allocation of Fixed ACF eligible areas and support allocation.

Speed. The Commission adopts a goal of a service speed of at least 100/20 Mbps. The Commission recently increased the definition for advanced service to the provision of broadband service at a speed of 100/20 Mbps, and arrived at this benchmark after taking into consideration, among other things, the speed goals for BEAD, and other federal and state broadband deployment programs. Commenters argue that Alaska lags behind the rest of the country in higher-speed options specifically because previous support did not prioritize higher speeds. Several commenters supported a minimum speed requirement of 100/20 Mbps. Although ATA supports the speed benchmark generally, it expressed concern about requiring 100/20 Mbps at all locations. Additionally, ARCC encouraged the Commission to adopt a policy that considers issues that can arise with oversubscription and how that affects network performance in relation to speed. While the BEAD program's principal focus is to deploy service with speeds of at least 100/20 Mbps to all locations in the state, and other broadband deployment programs have the same speed requirement, the Commission recognizes and agree with the record that it also is in the public interest to provide flexibility in Alaska to tailor support for locations where, even with government funding, it has not been feasible to achieve 100/20 Mbps service and remains that way after BEAD awards. Therefore, the Commission directs WCB to consider the best ways to meet the goal of 100/20 Mbps broadband internet access service, and it delegates authority to WCB to determine, after an opportunity for notice and comment, where supporting slower broadband internet access speeds is consistent with section 254 of Communications Act and with the Commission's goal of providing operational and maintenance support for carriers that have been or will be awarded federal or state government infrastructure support for the deployment of networks capable of providing voice and broadband services in Alaska.

Latency. The Commission adopts a roundtrip provider network latency goal of 100 ms or less (faster) for Fixed ACF recipients. The Commission disagrees with commenters that argue it should dismiss latency requirements. Latency standards have been adopted in several successful high-cost programs in Alaska, including the *Alaska Plan Order, ACS Order* and *A–CAM Order,* as well as in other geographically remote and non-contiguous areas. The Commission agrees with commenters reporting that latency is an important requirement that helps it gauge the quality of service and ensure that providers meet the modern-day needs of consumers. Commenters also indicate that latency performance has improved substantially in recent years, such that 100 ms or less is generally achievable by all technologies. Nevertheless, at this stage, the Commission recognizes the importance of maintaining flexibility to tailor requirements in Alaska for locations where, even with government funding, the goal of 100 ms or less latency has not been feasible and remains that way after BEAD awards. Therefore, the Commission directs WCB to consider the best ways to meet the goal of 100 ms or less latency for Fixed ACF recipients, and it delegates authority to WCB to determine, after an opportunity for notice and comment, whether, and if so where supporting higher (slower) than 100 ms latency may be consistent with section 254 of Communications Act and with the Commission's goal of providing operational and maintenance support for carriers that have been or will be awarded federal or state government infrastructure support for the deployment of networks capable of providing voice and broadband services in Alaska. Therefore, Fixed ACF recipients will be required to certify that 95 percent or more of all peak period measurements of network round-trip latency meet the latency standard set for the locations served. Fixed ACF recipients shall conduct their latency network testing consistent with the current requirements for network testing.

Data Usage. Fixed ACF recipients will be required to offer a usage allowance that evolves over time to remain reasonably comparable to usage by subscribers in urban areas, as was required by the Alaska Plan. In the *Alaska Connect Fund Notice,* the Commission outlined the different current standards for Alaska high-cost providers and asked about tailoring the minimum data allowance for the Alaska Connect Fund. ARIC urged the Commission to remove the requirement as it incentivizes providers to set limits low and charge for additional data usage. Alaska Public Interest Research Group (AKPIRG) suggested the Commission establish caps on data overage charges to limit opportunistic pricing for data. Under the *USF/ICC Transformation Order,* 76 FR 73830, November 29, 2011, and subsequent orders, ETCs subject to broadband public interest obligations must provide broadband with usage allowances reasonably comparable to those available through comparable offerings in urban areas. There is no support in the record for holding Fixed ACF recipients to a different standard than other high-cost recipients, and the current standard ensures that carriers must offer a minimum usage of at least the national average. Therefore, Fixed ACF carriers will be required to certify that they offer a minimum usage allowance that reflects the average usage of a majority of consumers, as annually calculated and published by WCB and OEA.

Satellite Backhaul Exception. In the *Alaska Connect Fund Notice,* the Commission sought comment on the continued need for a satellite backhaul exemption for speed, latency, and data usage standards. In the *Alaska Plan Order,* the Commission adopted an exemption from the speed, latency, and data usage standards for carriers that rely only on the use of satellite backhaul to deliver their service. This exemption was based on the premise that relying on satellite was performance-limiting and that satellite could not provide the same speeds as terrestrial backhaul. The Commission declines to adopt a general satellite backhaul exemption from the public interest obligations for Fixed ACF recipients. The Commission agrees with commenters stating that satellite-based technologies have evolved sufficiently in the last several years and are no longer ''performance-limiting.'' Given the developments in satellite technology, a blanket exemption does not advance the public interest of providing advanced broadband service for all consumers in Alaska. Further, the Commission finds that Fixed ACF support provided for the operation and maintenance of service presupposes that the service provided meets the public interest standards set, regardless of backhaul technology. Therefore, the Commission will no longer provide a blanket exemption to meeting the public interest obligations for Fixed ACF recipients that rely exclusively on satellite backhaul to provide service.

Alaska Reasonably Comparable Rates—Broadband and Voice. The Commission requires recipients of Fixed ACF support, like all other recipients of USF high-cost support, to provide voice and broadband service at rates that are reasonably comparable to those offered in urban areas and make such certification annually. For voice service, ETCs are required to make an annual certification that the rates for their voice service are in compliance with the reasonable comparability benchmark. For broadband, an ETC has two options for demonstrating that its rates comply

with this statutory requirement: certifying compliance with reasonable comparability benchmarks or certifying compliance that it offers the same or lower rates in rural areas as it does in urban areas. Due to the unique challenges in Alaska, the Commission will allow Fixed ACF recipients to comply with the Alaska-specific reasonable comparability broadband benchmarks established annually by the WCB and OEA.

In the *Alaska Connect Fund Notice,* the Commission asked whether it should consider changes to the Alaska-specific benchmarks. ARCC suggested that Alaska-specific benchmarks were important but advocated for waiving certain benchmarks for various carriers to avoid oversubscription and empty promises by service providers. ATA supports the continued use of Alaska-specific approach, but did not propose detailed adjustments to the calculation. The Commission declines to revise the Alaska-specific benchmark calculation as it finds there is insufficient information at this time to justify a revision, and a full assessment of any necessary changes will be better made following BEAD allocation. Accordingly, the Commission delegates authority to WCB to determine whether the methodology for determining the Alaska-specific benchmark needs to be revisited prior the award of Fixed ACF support.

Participation Process. The Commission delegates authority to WCB to determine a process whereby WCB makes an offer of Fixed ACF support, which eligible carriers must affirmatively accept prior to receiving support. The Commission directs WCB to adopt rules, after an opportunity for public notice and comment, and provide further guidance no later than twelve months before the start of Fixed ACF, that outlines how providers may participate in the program, how support will be allocated, the public interest obligations, and any other requirements for participation in Fixed ACF. The Commission delegates authority to WCB to collect any certifications or information it determines is necessary to help ensure eligible carriers will be able to meet obligations prior to being authorized for support, including certification of ETC designation and certifications of the category for each location included in a participant's service area.

Accountability and Oversight. The Commission relies on mandatory deployment, reporting and testing requirements, and oversight rules to reduce waste, fraud, and abuse of program support and ensure that carriers are meeting their commitments to provide high-quality broadband services. The Commission adopts its proposal to require the same reporting, performance testing, document retention, and oversight requirements for the Alaska Connect Fund recipients, including penalties for failure to meet the obligations, as for Alaska Plan carriers. Commenters generally agreed that continued oversight and accountability for providers in Alaska is necessary in various forms. The Commission delegates authority to WCB to determine whether additional accountability and oversight measures are required for Fixed ACF once the process for accepting support and support allocation have been determined.

Annual reporting. As required in § 54.313 of the Commission's rules applicable to all high-cost support recipients, Fixed ACF recipients shall file an FCC Form 481 on July 1 each year. Fixed ACF recipients will also be subject to § 54.314 of the Commission's rules, which requires that support be used only for the provision, maintenance, and upgrading of facilities and services. Further, Fixed ACF recipients, like all USF recipients, will be subject to requirements and certifications in §§ 54.9, 54.10, and 54.11.

Performance Testing. WCB may adopt, after opportunity for public notice and comment, network performance testing methodologies and non-compliance measures that account for unique aspects providing broadband service in Alaska and the Fixed ACF for fixed services, if necessary. However, unless and until WCB adopts such methodologies, recipients of Fixed ACF support for fixed services shall comply with methodologies and non-compliance measures in effect or adopted as of the date the Alaska Connect Fund was adopted.

Broadband Deployment Reporting. As explained in this document, the Commission delegates authority to WCB to determine, after an opportunity for public comment, whether it is in the public interest to support broadband deployment through Fixed ACF following BEAD and federal broadband funding awards. To the extent that WCB authorizes a carrier for broadband deployment with Fixed ACF support, that carrier shall be subject to § 54.316 of the Commission's rules, which requires high-cost support recipients with defined deployment obligations to annually report locations where it offers broadband service in satisfaction of public interest obligations. The Commission delegates authority to WCB to require similar reporting from Fixed ACF carriers that are receiving support only to maintain existing networks but in the act of maintaining such service also increase service (*e.g.,* by installing replacement equipment that enables the carrier to offer higher speeds). The Commission delegates to WCB authority to adopt any reporting requirements to account for this situation, recognizing that WCB may be able to use the National Broadband Map to monitor as needed since the carrier will not have a defined deployment obligation.

Middle-mile Reporting. Consistent with existing FCC rules and the Alaska Plan, the Commission adopts the obligation to provide and update maps and notify it of middle-mile availability and any service that becomes commercially available. The Commission finds that it is in the public interest to continue monitoring middle-mile availability and costs in Alaska to determine how USF support is most efficiently used. While a carrier may upgrade its network based on the newly available middle-mile, the Commission does not necessarily require carriers to upgrade networks during the Fixed ACF support term because Fixed ACF prioritizes network sustaining support. The Commission also adopts a reporting requirement for newly deployed backhaul. The Commission requires Fixed ACF participants to submit fiber network maps or microwave network maps in the format specified by the Bureaus covering eligible areas and to update such maps if a recipient has deployed middle-mile facilities in the prior calendar year that are or will be used to support its service in eligible areas. While the Commission adopts this reporting requirement, it nonetheless delegates to WCB the authority to revise the reporting requirements to meet monitoring and compliance needs for Fixed ACF support while also easing administrative burdens, and WCB may assess how the new requirements adopted for mobile can be leverage for fixed networks.

Compliance and Recordkeeping. Recipients of Fixed ACF support shall be subject to the compliance measures, recordkeeping requirements and audit requirements set forth in § 54.320(a)–(c). In addition, recipients of Fixed ACF shall be subject to the non-compliance measures set forth in § 54.320(d). The Commission directs WCB to issue guidance on how § 54.320(d) will apply to maintenance of specific deployment, absent requirements to do additional deployment. In addition, as noted above, Fixed ACF support recipients will be subject to network performance testing. The Commission directs USAC,

under the oversight of WCB and the Office of the Managing Director, to review and revise its audit procedures to take into account the changes adopted in this document.

Affordability Requirement. While affordability is certainly at the forefront of the Commission's interests, particularly in Alaska, it declines to require the offering of a low-cost plan as a condition of receiving Alaska Connect Fund support. The Commission finds that it seeks improved affordability through the design of the Alaska Connect Fund program generally and that a separate requirement to provide a low-cost plan separate from Lifeline service is not necessary at this time. The Commission understands the argument from some commenters that a consumer subsidy can help affordability of service; however, it finds that the high-cost program is not the appropriate USF program to address that issue directly. Additionally, some of the infrastructure programs that Fixed ACF recipients will also be participating in already implement this requirement. Further, the Affordable Connectivity Program (ACP) concluded on June 1, 2024 due to a lack of additional funding from Congress, making it impossible at this time for us to require that recipients participate in ACP or a substantially similar successor program. Nonetheless, the Commission delegates authority to WCB to adopt rules, after an opportunity for public comment, on ACF provider participation in ACP, if that program is re-authorized, or a substantially similar successor program is enacted or adopted.

The Commission also finds that it is in the public interest to provide carriers currently receiving USF high-cost support for service in Alaska under the Alaska Plan, *ACS Order,* or A–CAM with phased down support over a three-year period if the amount of annual support a participant will receive in Fixed ACF is less than the amount of annual support the participant received in ACF Transition. The Commission has provided phase-down support to carriers in several high-cost support programs when the amount a carrier is expected to receive going forward is less than the amount of support a carrier receives under the current program. While the Commission has structured phase-down slightly differently for various high-cost programs, each phase-down is adapted to the specifics of the program and the expected difficulties for the providers, as well as consumers, in shifting high-cost support from one carrier to another.

In the *Alaska Connect Fund Notice,* the Commission sought comment on whether phase-down support was appropriate for a period of time as it transitioned carriers from current Alaska support mechanisms to the Alaska Connect Fund. The Commission did not receive comments specifically regarding such a phase down. Nevertheless, the Commission finds that a phase-down period of support for carriers that will receive less Fixed ACF support than the support they are receiving during ACF Transition or no Fixed ACF support will ensure a reasonable transition to Fixed ACF amounts and allow carriers to plan network expenditures accordingly to ensure continuity of service for consumers. Beginning in January 2029, a carrier that receives support during ACF Transition and is not eligible for Fixed ACF support or will receive less Fixed ACF support than ACF Transition support, will receive the following high-cost support in addition to its Fixed ACF support, as applicable:

- The first 12 months (2029), the carrier will receive 60% of the difference between ACF Transition and Fixed ACF support;
- The second 12 months (2030), the carrier will receive 30% of the difference between ACF Transition and Fixed ACF support;
- The third 12 months (2031), the carrier will receive 15% of the difference between ACF Transition and Fixed ACF support;
- Thereafter, the carrier will receive whatever, if any, Fixed ACF support for which they are authorized for the remainder of the support term.

TABLE 1—EXAMPLES OF TRANSITIONAL SUPPORT

Support year	Example 1: Carrier A receives $1 million in ACF transition support and is eligible for $700,000 in fixed ACF support	Example 2: Carrier B receives $1 million in ACF transition support and is eligible for $200,000 in fixed ACF support	Example 3: Carrier C receives $1 million in ACF transition support and is ineligible for Fixed ACF support
2029	$880,000	$680,000	$600,000.
	[$700,000 + (60% × 300,000)]	[$200,000 + (60% × $800,000)]	(60% × $1,000,000).
2030	$790,000	$440,000	300,000.
	[700,000 + (30% × 300,000)]	[$200,000 + (30% × $800,000)]	(30% × $1,000,000).
2031	$745,000	$320,000	150,000.
	[700,000 + (15% × 300,000)]	[$200,000 + (15% × $800,000)]	(15% × $1,000,000).
2032–2034	$700,000 annually in Fixed ACF support	$200,000 annually in Fixed ACF support	$0 annually in Fixed ACF support.

The Commission finds that the accountability and oversight requirements it adopts in this document for Fixed ACF and that already exist within its rules are sufficient to protect the success and integrity of transitional support. However, to the extent that starting January 1, 2029, or thereafter, a carrier only receives transitional support for fixed services under Fixed ACF, such carrier shall remain subject to all reporting and certification requirements it had during the ACF Transition. The Commission delegates authority to WCB to adopt reporting and certification tailored to phased down support. The Commission also delegates authority to WCB to extend phase-down support for locations that are not authorized to receive Fixed ACF support but where the ACF Transition recipient is the only carrier offering fixed voice service to that location, if WCB determines it is in the public interest.

The Commission next addresses how to incorporate Tribal consent into the Fixed ACF program. In the *Alaska Connect Fund Notice,* the Commission sought comment on conditioning the receipt of Alaska Connect Fund support for fixed services on obtaining Tribal consent and adopting a Tribal consent framework similar to the BEAD program. Fixed ACF is designed to prioritize support for the operation and maintenance of already-constructed networks and not for deployment of new fixed services networks. Tribal consent has traditionally focused on obtaining permission to build out or provide new services on Tribal Lands and to Native Communities. With Fixed ACF supporting already deployed networks or networks funded and deployed under other federal programs, many of which require Tribal consent, any Fixed ACF support awarded to providers deploying under those

programs will support networks that, in many cases, were required to obtain Tribal consent before deploying. Additionally, the Commission reminds recipients of high-cost support serving Tribal Lands that they are required to have annual discussions with Tribal governments that include feasibility and sustainability planning and compliance with applicable Tribal requirements. In the concurrently adopted FNPRM, the Commission seeks additional public comment on this issue for new deployments under Mobile ACF and any deployments that may be authorized under Fixed ACF.

Before the Fixed ACF term of support ends in December 2034, the Commission anticipates that it will conduct a rulemaking to decide how support in Alaska will continue to be provided once Fixed ACF has concluded. Given the historic levels of investment in broadband deployment, by 2035, the landscape of voice and broadband service in Alaska will differ drastically from what it is today, and the Commission will need to reconsider how best to focus USF support in Alaska, the methodologies for distributing support, and what obligations and standards will be necessary to reflect progress in the marketplace. The Commission's actions in this document to establish an ACF Transition and Fixed ACF seek to ensure that Alaska will be well positioned with regard to fixed services at the end of 2034.

Mobile Service. As with fixed service, there continues to be a need for Universal Service Fund support to ensure that Alaskans have access to the same level of mobile service as consumers in the rest of the country. In this document, the Commission extends support to Alaska Plan mobile-provider participants after the Alaska Plan concludes on December 31, 2026, as detailed in the following. In extending support, the Commission makes changes to ensure the effective use of USF funding, including ensuring funding is targeted to current generation mobile service, avoiding duplicative support, and ensuring support is targeted to where consumers live, work, and travel in remote Alaska.

As explained in the following, the Commission establishes two separate approaches—one tailored towards single-support areas, and another tailored for duplicate-support areas. In eligible single-support areas, the Commission extends support with the ultimate goal of achieving at least 5G–NR service at 35/3 Mbps in an outdoor stationary environment (5G–NR 35/3 Mbps) where technically and financially feasible by December 31, 2034. This ensures that support is targeted towards the latest generation mobile service, while also providing certainty about the level of support. In duplicate-support areas, the Commission extends support through December 31, 2029, where support recipients are to work to extend at least 4G LTE service at 5/1 Mbps in an outdoor stationary environment (4G LTE 5/1 Mbps) by December 31, 2029 (ACF Mobile Phase I), and the Commission separately seeks comment in the concurrently adopted FNPRM on how best to award support for the period January 1, 2030, through December 31, 2034, for these areas (ACF Mobile Phase II).

The Commission also updates its eligible areas determination to remove those areas that: (i) have an unsubsidized provider offering at least 5G–NR 7/1 Mbps in an outdoor stationary environment; (ii) have three or more mobile providers offering at least 4G LTE 5/1 Mbps in an outdoor stationary environment with at least one of the providers being unsubsidized; or (iii) are inaccessible or unsafe for testing. These measures further ensure that support is targeted to areas where it is needed the most while maintaining accountability for how funds are used.

All coverage analysis including all performance plans required by the Alaska Connect Fund—*i.e.,* for single-support areas and for duplicate-support areas under ACF Mobile Phase I—will rely on BDC data. Consistent with the BDC, all ACF participants must show that consumers can receive the minimum technology level and speed with a cell edge coverage probability of not less than 90% and a cell loading of not less than 50%. All mobile providers will be required to file BDC mobile verification infrastructure data annually, and mobile providers receiving more than $5 million in support on an annual basis will be required to conduct speed tests and submit speed test results to WTB when the mobile providers submit their milestone certifications as detailed in the following.

As an initial matter, the requirements under the mobile portion of the Alaska Plan will remain in place through the end of that plan, and the mobile portion of the Alaska Connect Fund will begin on January 1, 2027. Mobile-provider participants of the Alaska Plan remain obligated to comply with Alaska Plan requirements through the end of the Alaska Plan, including, *inter alia,* meeting their 10-year commitments by December 31, 2026 and complying with any Alaska Plan-specific filing requirements before and after that end date. In short, nothing in this Order shall be read as affecting the obligations owed by mobile-support recipients under the Alaska Plan.

As the Commission explains in the in this document, starting January 1, 2025, mobile-provider participants of the Alaska Plan will have their support amounts increased by 30%. While the Commission increases the mobile support under the Alaska Plan and continues support under that plan through the end of December 2026, in all other aspects this increase is not a new award of funding with respect to deployment. The increase is solely for current Alaska Plan providers under their current Alaska Plan obligations for coverage and deployment. The Commission recognizes that obligations will increase under the Alaska Connect Fund, and providing more support is appropriate in order for Alaska Plan providers to begin making improvements towards those obligations, as well as enabling them to better meet their Alaska Plan build-out obligations by December 31, 2026.

The Alaska Plan is a ten-year plan with the providers' final commitments due December 31, 2026. ATA—which represents all eight mobile-provider participants of the Alaska Plan—petitions the Commission to start a new 10-year plan, starting in 2024 and ending December 31, 2034. ATA argues that guaranteed support for another 10 years would provide the certainty necessary for providers to invest in their networks. ATA has expressed concern about the ability of providers to adequately plan for new deployments and upgrades while the availability of support after the Alaska Plan ends is still uncertain.

In the *Alaska Connect Fund Notice,* the Commission sought comment on ATA's petition to extend support until 2034, in which it requested that the new plan begin in 2024. For mobile, current support recipients will continue receiving support under the Alaska Plan through its original December 31, 2026 end date, and mobile support under the Alaska Connect Fund will begin January 1, 2027 and end on December 31, 2034, subject to the conditions and requirements for the program. The initial support under the Alaska Connect Fund will act as an extension of support (extended support) after the Alaska Plan ends, with new obligations, such as requiring all mobile providers to rely on BDC coverage data. Some commenters join ATA and urge us to commence the Alaska Connect Fund term as soon as possible. While the Commission recognizes those arguments that immediate commencement of the Alaska Connect Fund term may provide

stability and predictability to commit to long-term investments, or may further enable efficient capital planning and coordination with the BEAD and ReConnect funding opportunities, the Commission finds it is important to ensure that mobile-provider participants of the Alaska Plan meet the 10-year commitments they made for December 31, 2026. And unlike fixed service, mobile-support recipients already have a single unified end date under the Alaska Plan. In addition, because the mobile portion of the Alaska Connect Fund is a new support fund, with new obligations, the Commission finds it necessary to allow time for mobile providers to transition to the new obligations before the Alaska Connect Fund begins. In any event, because the Commission is adjusting the support amounts for the Alaska Plan participants beginning January 1, 2025, it thinks ATA's concerns about beginning the new plan as soon as possible are adequately addressed.

The Commission discusses the term lengths for the mobile portion of the Alaska Connect Fund in more detail in the following. In addition, the Commission notes that mobile providers that opt into the Alaska Connect Fund will be required—in addition to their new obligations detailed in this document—to maintain service at the same minimum service levels that were required under the Alaska Plan, and they may not provide less coverage or provide service using a less advanced technology than the provider committed to under the Alaska Plan, as detailed further in the following.

The mobile portion of the Alaska Connect Fund will begin after the Alaska Plan ends (*i.e.,* January 1, 2027) and will end on December 31, 2034. As explained in the following, mobile support will have different support term lengths, or extension periods—as well as different requirements—based on whether an area is a single-support area or a duplicate-support area. For purposes of the Alaska Connect Fund, the Commission defines single-support areas—which it anticipates will be the substantial majority of the support areas—as areas covered by one Alaska Plan mobile provider participant and define duplicate-support areas as areas covered by two or more Alaska Plan mobile-provider participants.

The Commission rejects ATA Petition's proposal that it allows for automatic extensions of a new plan in one-year intervals at the end of the term unless the Commission acts otherwise. The Alaska Connect Fund will begin January 1, 2027, and the initial support under the Alaska Connect Fund will act as an extension of support (extended support) after the Alaska Plan, with new obligations, such as requiring all mobile providers to rely on BDC coverage data. The Commission declines to adopt automatic extensions in one-year intervals of the Alaska Connect Fund, as ATA requests. The support terms the Commission adopts in this document for the mobile portion of the Alaska Connect Fund give providers a sufficient amount of certainty, but it sets a specific end date for the mobile portion of the Alaska Connect Fund at this time, consistent with other high-cost support funds, so that it can re-evaluate the broadband needs in remote Alaska to determine whether continued high-cost support is needed and make any necessary adjustments at that time. The Commission also rejects arguments for annual performance reviews and full reviews of the Alaska Connect Fund every five years. The performance plans, public interest obligations, and accountability and oversight measures adopted in the sections in the following will adequately ensure that providers are meeting their deployment obligations and are held accountable for any failure to meet their obligations.

Extension for Single-Support Areas. The Commission extends high-cost mobile support in Alaska until December 31, 2034 for eligible areas where only one mobile provider receives support and offers service, if the provider meets the applicable conditions of the extension. Specifically, if one mobile provider participant of the Alaska Plan provides service in an area, the Commission extends support for that provider in that area through December 31, 2034 under the Alaska Connect Fund, subject to the increased support amounts discussed in this document, and new obligations and limitations set forth in this document. Universal service support is intended to ensure that areas that the private sector would not serve, without subsidies, can enjoy the benefits of the communications network similar to urban areas. Areas with one supported high-cost mobile provider align with how high-cost support was designed to operate by supporting one provider in an area which can bring the benefits of advanced communications to areas that lack a private sector business case. Accordingly, in areas where only one provider offers mobile service to Alaskans, it is imperative that the service continue to operate reliably and consistently; otherwise, Alaskans could be left without service. In addition, to ensure that consumers in these high-cost areas receive the same access to advanced communications services that should be provided in all regions of the Nation, the Commission expects the provider to upgrade the service offered to 5G–NR in its single-support areas, where technically and financially feasible. The Commission finds this to be a reasonable goal because support will be extended to the provider in those areas until December 31, 2034. Consistent with ATA's request, this guaranteed support will enable providers to invest in upgrades to their networks and facilities in order to ensure that consumers in these areas are served with fast, reliable, and advanced mobile services, while facilitating long-term planning.

Extension for Duplicate-Support Areas. Where two or more mobile-provider participants under the Alaska Plan cover the same eligible area, the Commission agrees in part with ATA that it should maintain certainty and predictability for providers. The Commission also finds it necessary, however, to balance ATA's concerns with the need to address the problem of offering providers duplicate support long-term—which runs counter to its USF policies. The Commission therefore guarantees extended support in duplicate-support areas, but for a shorter period of time than in single-support areas. Specifically, the Commission extends support in duplicate-support areas for existing support recipients through December 31, 2029, subject to the limitations and additional obligations discussed in this document.

In the *Alaska Connect Fund Notice,* the Commission asked how it should address duplicate support. While the record developed in this proceeding did not provide any information directly addressing the issue of the appropriate support term for duplicate-support areas if the Commission were to extend support for those areas, it received comments regarding the general issue of duplicate-support areas, and it uses these comments as the rationale for its decisions. In addition, GCI notes that an extension of support would allow time to further evaluate the extent of the existence of duplicate-support areas.

The Commission takes action to remove duplicative high-cost mobile support after a short-term extension of support for providers in those areas. It is important to ensure that universal service funds are used in the most efficient manner and not used to prop up competition where it already exists. Nevertheless, the Commission cannot conclude that subsidies are unnecessary to maintain service in these areas solely because two or more subsidized

providers currently serve those areas, and it recognizes commenters in the record who urge the Commission to proceed cautiously before mitigating potential areas of overlap. The Commission therefore is not removing these areas entirely from eligibility in the Alaska Connect Fund because—without high-cost support—it is possible that no provider would have an incentive to offer mobile service in these areas, and it would risk the number of service providers going from two (or more) to zero in an area if it were to withdraw support entirely. The Commission does not guarantee support to both (or more) providers in these areas indefinitely, however, given the concerns of providing duplicate support to multiple providers, and instead seek comment in the concurrently adopted FMPRM, *infra,* on a framework for allocating and distributing funds in these areas after December 31, 2029.

The Commission finds that this approach best balances several competing concerns. This framework allows for a period of certainty so that the mobile service provider participants of the Alaska Plan can continue network planning and making contractual arrangements in the short term if they choose to opt into the Alaska Connect Fund, thereby continuing to build on the progress of the Alaska Plan. And while the Commission does not need time to evaluate the extent of duplication, the additional time will allow the development of a more fulsome record regarding how best to address it. While removing support from high-revenue areas may affect how providers offer coverage in surrounding areas, the Commission notes that providers may retain mobile facilities in those areas; in areas deemed ineligible, however, they just cannot use Alaska Connect Fund support for those mobile facilities. The extended support and notice of the options in the concurrently adopted FNPRM, however, allow the providers in duplicate-support areas time for network planning necessary to position themselves to compete to win the support in those areas or be ready to reallocate the support they were using to other eligible areas.

The Commission delegates authority to WTB to resolve any ambiguities as to the classification of support areas or the determination of which provider receives support in an area if they arise during the course of the Alaska Connect Fund. Support amounts per area are addressed in the concurrently adopted FNPRM. The Commission delegates authority to WTB to resolve support amounts per area after the comment cycle of the concurrently adopted FNPRM concludes. In case another mechanism cannot be implemented before the start of 2030 for duplicate-support areas, the Commission delegates to WTB the authority to extend ACF Mobile Phase I after notice and comment, until ACF Mobile Phase II is adopted, or until December 31, 2034, whichever is earlier. The Commission also delegates to WTB the ability to impose additional requirements, after notice and comment, in duplicate-support areas for mobile providers to receive extended support under ACF Mobile Phase I beyond December 31, 2029. Support would continue unaltered under such circumstances until ACF Mobile Phase II in duplicate-support areas begins.

The Commission finds that its approach of adopting two plans specifically tailored for single- and duplicate-support areas best addresses the concerns of ensuring Alaskans in remote areas have continued broadband service and that mobile-provider participants have a level of certainty in support for their network planning and deployment, while also taking steps to address duplicate support.

In the *Alaska Connect Fund Notice,* the Commission sought comment generally on what the Alaska Connect Fund for mobile support should look like, as well as what actions it should take to ensure that Alaskans in remote areas, particularly unserved and underserved areas, can access and continue to receive reliable and secure mobile service at reasonable prices. The Commission also sought comment on how to address duplicate support going forward in Alaska. The Commission observed that it is generally not the policy of the USF to subsidize competition, but under the Alaska Plan, some areas had as many as three mobile-provider participants providing mobile service in the same eligible area. The *Alaska Connect Fund Notice* asked how the Commission should address situations where two or more prospective participants of the Alaska Connect Fund cover the same geographic area, and whether it should continue to provide universal service support to two or more providers in the same area. The Commission further asked whether it should allow only one subsidized provider to continue receiving support in a duplicate-support area, or alternatively whether duplicate-support areas should be deemed ineligible for support. Finally, the Commission sought comment on the appropriate method to determine which provider should receive support for duplicate-support areas, and the appropriate manner to redistribute funds that were going to such areas.

Commenters varied in their arguments on how best to address duplicate support. ATA, which has members that receive duplicate support, argued that the Commission should continue to provide support to these areas to ensure continuity of service and indicated that if support in duplicate-support areas is eliminated, it would prevent such providers from serving surrounding areas. Additionally, ATA claims that providers in overlapping areas rely on the other provider's network in certain instances (leases and roaming) and without continued universal service support, there is a risk a provider will no longer be able to service that area. Joining in ATA's position, GCI cautions against automatically excluding areas from Alaska Connect Fund support due to the presence of multiple providers, noting that it is critical the Commission avoid a situation where it decreases services available to Alaskans. Ketchikan Public Utilities notes that due to its high cost in Alaska, middle-mile infrastructure is often utilized by both the facility owner and one or more competitors, and that such infrastructure may not be built absent support comparable to the Alaska Plan. Alaska Middle Mile Alliance (AMMA), on the other hand, recommends that the Commission redistribute the duplicate support to middle-mile support to help providers fulfill their build-out commitments.

While commenters urge the Commission to preserve support for existing mobile services even where they overlap, the Commission finds that eliminating duplicate support continues to be the most effective policy for achieving its universal service goals. The Commission adopted this policy after evaluating over a decade of experience supporting multiple networks in the same area and determining that it should no longer subsidize competition, and the Commission has sought to eliminate duplicate, high-cost mobile support in Alaska. The Commission finds that the record does not support departing from this policy goal by providing long-term duplicate support in the Alaska Connect Fund. The Commission also rejects AMMA's proposal to redistribute duplicate support to middle mile as inappropriate. The Commission finds that redistributed support from duplicate-support areas may be better spent expanding and upgrading last-mile networks in unserved and underserved areas for the purposes of the Alaska Connect Fund, as other prominent federal broadband programs

may not include support for last-mile mobile services in Alaska. While the Commission will not provide duplicate support in the long-term, it agrees that it should not jeopardize potential services to Alaskans in the near term.

Accordingly, in areas eligible for support, the Commission will distinguish between single-support areas and duplicate-support areas in establishing support terms and requirements under the mobile portion of the Alaska Connect Fund. As explained in this document, in single-support areas, the Commission extends support for current participants until December 31, 2034. However, in duplicate-support areas, the Commission guarantees support for current participants until December 31, 2029, and it seeks comment in the concurrently adopted FNPRM on how best to award support to a single provider in those areas after that time through the end of December 2034. In the *Alaska Plan Order,* the Commission deemed some remote areas as ineligible if there was evidence that the private sector would serve the area without support. The Commission updates its definition of ineligible areas here, and where, as of December 31, 2024, there is an unsubsidized provider covering that area with 5G–NR service at least 7/1 Mbps in an outdoor stationary environment or three or more mobile providers—with at least one of those providers being unsubsidized—covering the area with 4G LTE service of at least 5/1 Mbps in an outdoor stationary environment, those areas are ineligible for support as those areas have demonstrated that they would receive service absent high-cost support. WTB, in coordination with OEA, will publish a map showing all ineligible and supported areas in Alaska, as detailed in the following.

Because the Alaska Connect Fund will rely on data from the BDC, the Commission will use the H3 standardized, open-source geospatial indexing system developed by Uber Technologies, Inc.—which is used in the BDC—for the mobile portion of the Alaska Connect Fund. In the context of the National Broadband Map, the BDC mobile broadband coverage areas submitted by providers are overlaid with H3 resolution 9 hexagon area (hex-9s) and, in the National Broadband Map, if the centroid of the hex-9 overlaps the raw coverage area, then the hex-9 is considered covered for purposes of displaying coverage. Mobile broadband coverage data is also made available for download from the National Broadband Map based on hex-9s. Given the hex-9s' relatively small size of approximately 0.1 square kilometers on average, they can be aggregated to closely correspond to any Census geography (*e.g.,* census tract or block groups).

In the *Alaska Connect Fund Notice,* the Commission sought comment on its proposal of using the H3 system and asked a number of questions about whether the hex-9 resolution was the appropriate level for identifying geographic areas eligible for support. While ATA argued that the Commission should continue to use census blocks, OptimERA commented that hex-9s give good resolution and the ability for the Commission to monitor providers to ensure they are meeting build-out obligations. In order to align the Commission's analysis with the BDC, it rejects ATA's suggestion to continue to use census blocks as the basis of analysis, and rely on the H3 system. As in the *Alaska Connect Fund Notice,* the Commission finds the that ''[t]he H3 system is useful because it provides a canonical way to reference, index, and compare wireless coverage using boundaries that are of a nearly uniform size.'' Because the Commission relies on the H3 system to align with the BDC, it does not use census blocks as the minimum geographic level of analysis. The Commission agrees with OptimERA that hex-9s give good resolution and the ability for the Commission to monitor providers to ensure they are meeting build-out obligations, and nothing in the record disputes the benefits of using the H3 system at hex-9 resolution level. The BDC mobile broadband coverage is displayed down to the hex-9 resolution on the National Broadband Map, and such data are made available for download for easy public understanding of approximately where there is coverage or where coverage is deficient in Alaska. For these same reasons, the Commission has used the H3 system at hex-9 resolution for defining the eligible areas for the 5G Fund. The Commission is persuaded that the same system and resolution should also apply for the Alaska Connect Fund. While the Commission does not make the minimum level of analysis the census block, it does rely on census tracts where analysis of hex-9s needs to be aggregated. Aggregating at the census-block level is often too small an area for a meaningful aggregated analysis of hex-9s, but aggregation of hex-9s at the census-tract level offers the benefits of integrating census data with the BDC data and the H3 system while keeping the areas referenced in performance plans a reasonable size.

Coverage at the Hex-9 Level. The Commission will use the following methodology to determine whether and how a hex-9 is covered for purposes of the mobile portion of the Alaska Connect Fund—for example, to determine single- and duplicate-support areas, as well as for other purposes such as determining whether a provider has met its commitments. The Commission will determine whether a hex-9 is covered by a specific speed or technology—or by a specific provider or providers—by examining coverage of the hex-11s that comprise the hex-9. Hex-11s are a finer resolution of hexagons available under the H3 geospatial indexing system. A hex-9 will be deemed to be covered if at least 70% of the hex-11s in the hex-9 are covered at the centroid, by the relevant provider and/or technology. For example, to determine whether the centroid of a hex-11 is covered by 4G LTE, the Commission will overlay hex-11 areas on BDC mobile coverage maps. Any hex-11 whose centroid shows coverage by 4G LTE service is considered covered and is counted in the number of covered hex-11s. For the parent hex-9 to be considered covered, the number of hex-11s deemed to be covered must be at least 70% of the total number of hex-11s in the hex-9. Similarly, to determine that a hex-9 meets other specific criteria, at least 70% of the component hex-11s must meet the criteria. The Commission has taken a similar approach in the context of the 5G Fund, and it finds it appropriate to apply that approach here for the mobile portion of the Alaska Connect Fund. No commenter provided any alternatives to determining how the geographic unit is covered if it applies an H3 system.

As detailed in the following, Alaska Connect Fund mobile provider participants must commit to serve the hex-9s that overlap with the areas that they now serve (under the Alaska Plan) and any additional areas, at the relevant speeds and technologies discussed in the following, and committed to in their Alaska Connect Fund performance plans.

In this section, the Commission sets forth the requirements for eligible providers and eligible areas for the extended-support portion of the Alaska Connect Fund (*i.e.,* single-support areas and duplicate-support areas under ACF Mobile Phase I). Eligible areas, including single- and duplicate-support areas, will be published in a map to ensure providers understand the extent of these areas for planning purposes. The Commission also sets forth a process for providers that were receiving support in areas now deemed ineligible to provide comparable service elsewhere to retain the same level of

support under the Alaska Connect Fund.

The Commission limits eligibility for Alaska Connect Fund extended-support—*i.e.,* support for single-support areas and for duplicate-support areas under ACF Mobile Phase I—to the current mobile provider participants of the Alaska Plan. Adopting this limit for single-support areas and for duplicate-support areas under ACF Mobile Phase I will properly leverage mobile providers with existing long-term commitments, the networks they already have in place, and the progress that they have already made pursuant to their commitments. Although the Commission recognizes some commenters' arguments for fair and equal access to Alaska Connect Fund for all providers, in balancing the needs of Alaskan consumers and the importance of leveraging the existing networks that were deployed in Alaska with universal service funds, the Commission finds the record supports its decision to limit eligibility to existing Alaska Plan mobile provider participants. As detailed in the concurrently adopted FNPRM, ACF Mobile Phase II and the unserved areas auction may allow participation by all qualifying competitive ETCs.

Opt In. To participate in the 2016 Alaska Plan, competitive ETCs that met the eligibility criteria were deemed to have opted into the plan if they had submitted performance plans. The *Alaska Connect Fund Notice* noted the opt-in process from the Alaska Plan and sought comment on whether to follow the same structure for determining participants in the Alaska Connect Fund. No commenter offered a response in support of or against adopting the same opt-in process.

For the mobile providers participating in the Alaska Plan, the Commission follows a similar process for opting into the Alaska Connect Fund. The eight mobile-provider participants of the Alaska Plan can opt into extended support under the Alaska Connect Fund for single-support and duplicate-support areas under ACF Mobile Phase I by submitting their performance plans to WTB for approval, consistent with the requirements of this Order, on or before September 1, 2026. Consistent with the Alaska Plan, the Commission finds opting in via submission of performance plans to be the appropriate step, as it requires an unambiguous affirmative step that signals providers' commitment in receiving the extended support. The Commission requires the submission of performance plans on or before September 1, 2026, as it finds this date provides adequate time for providers to make an informed decision about their commitments under their performance plans before they are submitted.

The Commission sought but did not receive comment on phasing down support for providers that do not opt into the Alaska Connect Fund. For Alaska Plan mobile providers that choose not to opt into the Alaska Connect Fund, their support will end with the Alaska Plan on December 31, 2026. If any providers do not have their final performance plans approved by WTB by December 31, 2026, those providers' support may be delayed.

Ineligibility Due to Noncompliance. An Alaska Plan mobile provider that opts into the Alaska Connect Fund may have its Alaska Connect Fund support delayed, or may be deemed ineligible from the Alaska Connect Fund, if WTB determines that the provider has failed to comply with the public interest obligations or other terms and conditions of the Alaska Plan or its Alaska Plan commitments, or failed to meet an Alaska Plan build-out milestone. In such case, WTB will notify the provider and give an opportunity to respond before support is delayed or the mobile provider is deemed ineligible for the Alaska Connect Fund. In the *Alaska Connect Fund Notice,* the Commission noted that a number of mobile providers failed to meet their interim commitments under the Alaska Plan, and asked whether eligibility to participate in the Alaska Connect Fund should be limited if a provider failed to meet its commitments. The Commission agrees with commenters that support some limits to the eligibility of providers who fail to meet their service thresholds and required obligations under the Alaska Plan. These include public interest obligations, such as timely data submissions, that could affect the assessment of whether providers have met all of their Alaska Plan obligations. As the Alaska Connect Fund is dependent upon BDC data, ongoing delays in full and proper submission of BDC data may also cause ineligibility in the Alaska Connect Fund.

If an Alaska Plan provider is deemed ineligible for the Alaska Connect Fund, its support under the Alaska Plan will not be subject to phase down but will terminate at the end of the Alaska Plan (on December 31, 2026). For a provider deemed ineligible, the Commission chooses to end support, rather than phase it down, because the provider's ineligibility indicates an unwillingness or inability to meet the commitments the provider had already made—despite receiving high-cost support under the Alaska Plan for ten years. The Commission does not consider it to be a responsible use of universal service funds to give support to providers under the Alaska Connect Fund when they did not comply with their previous obligations and are not providing the services they promised to deliver to their customers under the Alaska Plan. Because the mobile portion of the Alaska Connect Fund acts as an extension of support (with new obligations), mobile providers must be in good standing to continue to receive support. The Commission does not find it an efficient use of universal service funds to continue to give support to a provider that did not use its support within that time to meet its obligations. If WTB determines that an Alaska Plan mobile provider did not meet its Alaska Plan buildout obligations after the commencement of the Alaska Connect Fund, and also determines that the mobile provider is not eligible to receive Alaska Connect Fund mobile support, WTB can take all actions necessary to recover Alaska Connect Fund support, including those set forth in §§ 54.320(c) and (d). In addition, this does not impact any separate actions related to §§ 54.320(c) and (d) with respect to the Alaska Plan final milestone.

The Commission delegates authority to WTB to determine whether an individual Alaska Plan mobile provider is ineligible for the Alaska Connect Fund or will have its support under the Alaska Connect Fund delayed temporarily until it meets its outstanding obligations under the Alaska Plan, based on the mobile provider's compliance with Alaska Plan and BDC obligations. As part of this delegation, WTB may determine whether the provider is ineligible for the Alaska Connect Fund as a whole, whether it is ineligible for specific coverage areas based on noncompliance (and if ineligible in specific areas, to what extent its support will be reduced), or whether the provider is eligible to begin receiving Alaska Connect Fund support once it comes into compliance.

The Commission concludes that Alaska Connect Fund support can be used to provide mobile service anywhere in Alaska, except for the following areas, which are considered ineligible under the Alaska Connect Fund: (i) areas that were previously ineligible due to being in a nonremote or competitive area under the Alaska Plan; (ii) areas where an unsubsidized mobile provider is offering 5G–NR service at minimum speeds of 7/1 Mbps in an outdoor stationary environment based on BDC coverage data as of December 31, 2024; (iii) areas in which three or more mobile providers—with at least one of those providers being

unsubsidized—are offering at least 4G LTE service at minimum speeds of 5/1 Mbps in an outdoor stationary environment based on BDC coverage data as of December 31, 2024; and (iv) areas deemed inaccessible or unsafe for testing. Extended support may be used to support last-mile mobile service in all areas of Alaska besides these ineligible areas, consistent with the mandate to ensure coverage where Americans live, work, and travel.

In the *Alaska Connect Fund Notice,* while generally seeking comment on how to determine eligible areas for the mobile portion of the Alaska Connect Fund, the Commission asked whether any changes needed to be made to the eligible areas criteria adopted in the Alaska Plan. The Commission specifically sought comment on whether changes needed to be made to the requirement that an eligible area needed to have less than 85% of the population covered by 4G LTE service of providers that were either unsubsidized or ineligible for frozen support as of December 31, 2014. The Commission noted that in the *5G Fund Further Notice,* 88 FR 66781, September 28, 2023, it proposed to make ineligible those areas served with 5G–NR at speeds of at least 7/1 Mbps by an unsubsidized provider, and it sought comment on whether this proposal could apply to the Alaska Connect Fund. The Commission also noted situations where as many as three mobile providers were receiving support and serving the same eligible area under the Alaska Plan, and asked how it should address situations in which two or more prospective participants in the Alaska Connect Fund cover the same geographic area.

While ATA asks the Commission not to remove support in areas where an unsubsidized provider offers service, this is inconsistent with Commission policy to be fiscally responsible and to ensure that limited USF funding is used efficiently. The Commission concludes that continuing to subsidize areas where there already is an unsubsidized competitor offering service is an inefficient use of limited resources, would not lead to a loss of service if funds were removed from the area, and could limit its ability to expand 5G coverage to as many Alaskan areas as possible.

Quintillion argues that the Alaska Connect Fund should support projects in the ''same categories of eligible areas as the Alaska Plan, as defined by current data from the updated National Broadband Map and the State of Alaska's Broadband Office Map, in order to foster competition and provide affordable service to low-income populations.'' As an initial matter, the Commission concludes that areas that were previously ineligible under the Alaska Plan will again be ineligible under the Alaska Connect Fund. The Commission also updates the category of ineligible areas based on receiving mobile service from an unsubsidized provider to account for the target technology and speed of the Alaska Connect Fund—5G–NR service of at least 7/1 Mbps in an outdoor stationary environment—based on information from the Commission's National Broadband Map, as required by the Broadband DATA Act. The Commission additionally classifies as ineligible those areas with three or more mobile providers offering 4G LTE service of at least 5/1 Mbps in an outdoor stationary environment—with at least one of those providers being unsubsidized—for the same reasons it deems areas with an unsubsidized 5G–NR provider ineligible. Further, the Commission deems ineligible those areas that are not able to be speed tested, as it finds this consistent with its responsibility to protect the success and integrity the Commission's high-cost program.

Areas that were Previously Ineligible in the Alaska Plan. In the Alaska Plan, an area was deemed ineligible if it was a nonremote area or an area served by an unsubsidized or ineligible provider covering 85% of the census block with 4G LTE service as of December 31, 2014. The remote areas include all of Alaska except the ACS–Anchorage incumbent study area, the ACS–Juneau incumbent study area, the Fairbanks zone 1 disaggregation zone in the ACS–Fairbanks incumbent study area, and the Chugiak 1 and 2 and Eagle River 1 and 2 disaggregation zones of the Matanuska Telephone Association incumbent study area (collectively, the non-remote areas). For the remote areas that were ineligible due to an unsubsidized or ineligible provider offering 4G LTE as of December 31, 2014, an early version of the Alaska Population Distribution Model was used to identify and disqualify those blocks. No commenters in the record argue that previously ineligible areas should be eligible. Accordingly, the Commission finds that previously ineligible areas are also ineligible under the mobile portion of the Alaska Connect Fund.

Areas that Offer Unsubsidized 5G–NR Service and Areas with Three or More Providers Offering at least 4G LTE Mobile Service with at least one Unsubsidized 4G LTE Provider. Based on BDC availability data as of December 31, 2024, areas with an unsubsidized provider offering at least 7/1 Mbps 5G–NR in an outdoor stationary environment and areas with three or more mobile providers offering at least 5/1 Mbps 4G LTE in an outdoor stationary environment—with at least one of those providers being unsubsidized—are also ineligible for support. The Commission and the universal service program are not intended to subsidize competition. Providing high-cost support in areas where there is already competition with advanced mobile service runs contrary to universal service policy the Commission has advocated since the *USF/ICC Transformation Order.* While the *Alaska Plan Order* contemplated that multiple subsidized 4G LTE mobile providers may arise in an area due to how the Alaska Plan operated, areas that already have an unsubsidized mobile provider that offers at least 5G–NR at 7/1 Mbps or three or more mobile providers that offer at least 4G LTE at 5/1 Mbps in an outdoor stationary environment—with at least one of those providers being unsubsidized—are evidence that the area does not need support to yield private-sector investment—there is already competition in that area.

First, as the Alaska Connect Fund seeks to ensure 5G–NR is deployed to remote Alaskans that would not otherwise have such service, areas where 5G–NR is already deployed *without* use of support demonstrates that high-cost support is unnecessary for such deployment in that area. This approach mirrors the Commission's approach in the Alaska Plan, in which it determined that areas covered by unsubsidized providers of 4G LTE (the target technology at the time) were ineligible for support. Here, the Commission updates those ineligibility criteria based on the target technology and speed for the mobile portion of the Alaska Connect Fund and other high-cost support mechanisms, consistent with its proposal.

Likewise, an area that already has three or more providers offering at least 4G LTE service at 5/1 Mbps in an outdoor stationary environment—with at least one of those providers being unsubsidized—indicates that there is a private-sector case for the area. At least one unsubsidized provider in the area is attempting to make that case even with at least two other mobile providers potentially receiving a subsidy while competing against the unsubsidized provider. It is not consistent with the principles of the universal service program to attempt to pick winners and losers in that market by subsidizing competition against a provider that needs no such subsidy to offer

comparable services while competing against not just one provider but at least two other providers in that market. As such, where there are three mobile providers of at least 4G LTE service at 5/1 Mbps in an area—with at least one of those providers being unsubsidized—there are private sector incentives to offer advanced mobile services to those areas, and the Commission's remove them from eligibility for high-cost mobile support. The Commission will, however, allow mobile providers that currently receive support under the Alaska Plan for covering these areas that are newly deemed ineligible to retain their support if they commit to cover a comparable uncovered area in place of the newly ineligible areas. The Commission outlines the requirements and process for providers to submit their comparable service areas in the following.

Areas Unable to be Tested. In the *Alaska Connect Fund Notice,* the Commission sought comment on any changes it should consider in determining which areas would be eligible for support in the Alaska Connect Fund, and it did not receive any comments on how to address the areas in Alaska that are unable to be tested. Given the lessons learned from the Commission's implementation of the Alaska Plan, areas that are unable to be tested are also ineligible for Alaska Connect Fund support.

In the Alaska Plan, providers receiving over $5 million annually in high-cost support were required to support their milestone submissions with data from drive tests showing mobile transmissions to and from the network meeting or exceeding the speeds delineated in the approved performance plans. These drive tests could be conducted by means other than in automobiles on roads, recognizing the unique terrain and lack of road networks in Alaska. Providers could demonstrate coverage of an area with a statistically significant number of tests in the vicinity of residences being covered. In addition, some of the providers receiving $5 million or less annually were subject to drive test auditing by USAC. During the course of drive testing, FCC staff learned that some areas were, in reality, inaccessible or unsafe for testing, despite the fact that: (i) the Alaska Population Distribution Model indicated that those areas were populated, (ii) the FCC Form 477 data indicated that the provider had coverage over that population, and (iii) the performance plans indicated that the providers were receiving credit for providing coverage to the population included in those areas. However, when drive testing was attempted to be performed in these areas, the areas were not able to be tested and were not accessible for testing, and other accommodations had to be made, such as by allowing an uncrewed aircraft system (UAS) to test these areas.

Where areas are inaccessible or unsafe for testing, the Commission will consider them inaccessible or unsafe for consumer usage and not allow support to be used for those areas. This is consistent with the principle that mobile high-cost support should be available where people ''live, work, or travel.'' Moreover, to protect the success and integrity of the ACF, all support areas must be verifiable, and areas that cannot be tested cannot be verified. Consequently, areas that cannot be tested practically and safely are ineligible.

In determining whether an area is ineligible under this category, the Commission allows areas that can be tested with an uncrewed aircraft (UA) to be considered eligible for Alaska Connect Fund purposes, so long as such testing is possible and otherwise permissible. People frequently travel and visit areas where there are no Fabric locations, such as along roads, snow mobile routes, hunting areas, bodies of water, or hiking trails. In Alaska, some areas where people can ''live, work, or travel'' can cause safety concerns for network testing purposes that can be addressed by UA testing. As such, while the Commission may require only on-the-ground testing in some areas, it will allow UA testing as a safe means to test other areas in Alaska for Alaska Connect Fund purposes when UA usage is otherwise permissible. This action is consistent with past Commission orders recognizing the ''unique challenges of providing communications services in rural Alaska'' that are not applicable to mobile providers in other parts of the United States.

As detailed in the following, providers can be required to test any hex-9 they commit to cover under the Alaska Connect Fund. Hex-9s that are inaccessible during all seasons or are a safety hazard to test at all times of the year are ineligible for support, and providers can voluntarily submit any areas to WTB at the hex-9 level they believe should be deemed ineligible because they cannot be tested or tested safely. It is the providers' responsibility to know that they are using support consistent with these requirements. Where a provider claims credit for hex-9s in its coverage areas, providers may lose support in proportion to the hex-9s that are later deemed ineligible. Again, providers who currently receive support under the Alaska Plan for these areas newly deemed ineligible under the Alaska Connect Fund may commit to cover comparable uncovered areas in order to retain their support, as discussed in the following.

To ensure that all providers fully understand which areas are eligible and ineligible for Alaska Connect Fund mobile support, and of those that are eligible, which are in duplicate-support, single-support, or other eligible areas, the Commission delegates authority to WTB, in coordination with OEA, to publish a map or maps of these areas and seek comment on such maps. The map or maps would identify all such areas on a hex-9 basis. The Commission directs WTB, in coordination with OEA, to publish the preliminary map or maps, based on mobile providers' BDC mobile availability data as of December 31, 2024, no later than October 1, 2025. The map or maps will rely on BDC data and information learned about the areas. Such a map or maps will help reduce any potential misunderstandings regarding where a provider is permitted to use support. Mobile providers seeking support under the Alaska Connect Fund must use the Eligible-Areas Map to determine the areas in Alaska that are eligible for support.

The Commission delegates authority to WTB, in coordination with OEA, to seek comment on the maps' accuracy, to resolve any disputes that may arise over the classification of an area, and to seek comment on the Eligible-Areas Map(s) after it is published on or before October 1, 2025. The Commission also delegates authority to WTB, in coordination with OEA, to release, in conjunction with release of the Eligible-Areas Map(s), information on the eligible mobile providers' hex-9 coverage (*e.g.,* number of hex-9s each provider covers by census tract; number of hex-9s in ineligible areas) based on mobile providers' BDC availability data as of December 31, 2024, if WTB, in coordination with OEA, finds such information to be necessary for development of mobile providers' performance plans. In addition, the Commission delegates authority to WTB, in coordination with OEA, to seek comment periodically to update the map(s) throughout the course of the Alaska Connect Fund, as necessary. For example, this could occur as new areas that are deemed inaccessible for testing are discovered, as uncovered areas become ''single-support areas'' under the comparable service area mechanism, or to reflect later vintages of BDC availability data, as appropriate.

The Commission will allow Alaska Connect Fund mobile-provider

participants that will no longer receive support for a newly ineligible area or areas to continue receiving the same level of support *if* they cover a comparable number of hex-9s elsewhere. The Commission sets forth the parameters for covering a comparable number of hex-9s in the following.

In the *Alaska Connect Fund Notice,* the Commission asked, in the context of duplicate support, whether it should ''allow the providers that would no longer receive support for that particular area to submit new hex-9s (where there is no duplication), in order to retain the same level of support.'' Because the extended support under the Alaska Connect Fund (*i.e.,* for single-support areas and duplicate-support areas under ACF Mobile Phase I) is intended to give providers certainty of support for network planning and deployment, the Commission finds it reasonable to give mobile providers an opportunity to retain support even if areas that they cover become newly ineligible under the extended support for Alaska Connect Fund. The Commission will not, however, allocate all of the Alaska Plan mobile provider's support to its remaining eligible areas, as ATA suggests, because it finds that it would not be a prudent and efficient use of high-cost support to provide the same support to offer less coverage. Moreover, even though the Commission set higher deployment goals under the Alaska Connect Fund, the 30% support increase—which begins in January 2025 and extends through the duration of the Alaska Connect Fund—is intended to address a provider's deployment and service needs for its entire coverage area. If a provider is no longer eligible to receive support for certain areas in its coverage area, it must cover additional areas to maintain the same level of support.

Determining Comparable Areas Before Performance Plan Submission. To retain support, providers currently receiving support under the Alaska Plan for coverage of newly ineligible areas must use their Alaska Connect Fund support to cover a comparable number of otherwise uncovered hex-9s elsewhere, subject to claw back in their support if they do not do so. To be considered ''comparable,'' the Commission expects a provider to cover the same number of uncovered hex-9s as the number of hex-9s that were ineligible, unless the mobile-provider participant of the Alaska Connect Fund can provide justification that a lower number of hex-9s that it would be covering elsewhere is ''comparable'' to the number of newly ineligible hex-9s, as described in the following. If, for example, the Eligible-Areas Map reveals that 100 hex-9s that an Alaska Plan mobile provider was covering are deemed ineligible in the Alaska Connect Fund, then that provider would have to commit to cover 100 different hex-9s that are shown as uncovered in the Eligible-Areas Map (or a lower number of hex-9s, if it justifies why a lower number is still comparable). If it does not commit to cover a comparable number of hex-9s, the provider may not retain the same level of support it was receiving for the 100 hex-9s that are ineligible.

Providers must incorporate their comparable areas into their performance plans under the Alaska Connect Fund, for WTB approval. Specifically, each mobile provider must remove the ineligible hex-9s from its commitment, and in a separate category in the performance plan, specify how many comparable hex-9s it commits to cover, by census tract, as detailed in the following. The Commission delegates authority to WTB, in coordination with OEA, to work with providers in their submissions of ''comparable number of hex-9s'' to meet the requirements of this section. Where a provider commits to cover the same number of uncovered hex-9s, that will be considered a safe harbor, and a provider will have such coverage deemed ''comparable'' to the coverage where it no longer has support. However, if a provider wishes to commit to fewer hex-9s than the number of hex-9s that were deemed ineligible, it must demonstrate why this lower number constitutes ''comparable'' coverage. For instance, a provider may demonstrate that the newly covered, fewer number of hex-9s contain the same value or more than the newly ineligible hex-9s because they cover more BSLs or area of significance to the local community. The Commission delegates authority to WTB, in coordination with OEA, to make the determination of whether a provider is covering a ''comparable number of hex-9s.''

Once approved, comparable areas will be treated as part of the provider's single-support areas, subject to the deployment obligations and performance requirements for those areas. Where an Alaska Connect Fund recipient covers a new, uncovered hex-9, it will be considered a single-support area attributed to the provider that shows coverage to that hex-9 first, based on BDC data. In the event both providers first report coverage for the same area in the same data set or one provider's earlier filed data is deemed inaccurate, the hex-9 will be considered a single-support area attributed to whichever provider has its updated performance plan accepted first.

The Commission delegates authority to WTB, in coordination with OEA, to resolve any ambiguities to the classification of support areas as ineligible, duplicate-support, single-support areas, and other eligible areas—including for ''comparable areas''; to determine which provider receives support in an area if such ambiguities arise during the course of the Alaska Connect Fund, as discussed in this document; and to determine support amounts for these areas, as needed, after opportunity for public comment on this issue in response to the concurrently adopted FNPRM. Where an Alaska Plan mobile-provider participant does not have an updated performance plan approved by WTB with comparable areas for the Alaska Connect Fund, that provider will have its proportional support phased down, beginning 90 days after being notified by WTB that it is receiving support in an ineligible area or by January 1, 2027, whichever is later. Mobile-provider participants that have new performance plans with comparable areas approved by WTB may receive restoration of the support that was phased down for the areas that the comparable areas replaced.

Determining Comparable Areas After Performance Plans. Recipients of ACF mobile extended support may need to cover a comparable number of hex-9s at different times after initial performance plans are accepted and during the course of the Alaska Connect Fund, if an area of inaccessible hex-9s is discovered. For areas where providers may lose support because an area is deemed ineligible *after* their performance plan has been accepted, providers will still have an opportunity to retain support by committing to cover a comparable number of uncovered hex-9s elsewhere. For example, if a provider committed to cover 100 hex-9s and is covering exactly 100 hex-9s, and 10 of that provider's hex-9s are deemed inaccessible for testing, then the provider must meet its Alaska Connect Fund commitment by covering 10 new hex-9s (unless it justifies that a lower number of hex-9s are comparable) and reflect that and the census tract where it is covering the comparable hex-9s in an updated performance plan. The mobile provider must provide a notation in the performance plan for the comparable hex-9s, identifying in which census tracts the ineligible hex-9s are located and how many of those hex-9s are being replaced by any particular group of comparable hex-9s. The Commission delegates authority to

WTB, in coordination with OEA, to require additional clarifying information that allows identification and determination of which comparable hex-9s are replacing which group of ineligible hex-9s. As providers discover ineligible hex-9s after their performance plans are approved, they must remove those ineligible hex-9s from their hex-9 commitments in their performance plans and reflect the new number of comparable hex-9s in the comparable hex-9 commitments category in their new, proposed performance plans. The providers must submit new performance plans whenever they need new comparable hex-9s approved. Where two providers cover the same hex-9s and one provider claims that the area is inaccessible for testing, but the other provider does not, the area would become a part of the latter provider's single-support area, and the former provider would have to cover the same number of hex-9s elsewhere.

All inaccessible hex-9s and updated performance plans must be submitted to WTB before the buildout milestones are due. If providers discover some areas are inaccessible during required speed testing or during an audit, the provider will be in noncompliance for those hex-9s, and potentially additional hex-9s if the inaccessible hex-9s were selected through random sampling. If this noncompliance is discovered for the interim milestone testing, the provider may identify, in an updated performance plan, comparable hex-9s that it will serve. If the provider's updated performance plan is not approved within 90 days of the provider being notified that it is covering ineligible hex-9s because those hex-9s cannot be tested, then the provider will have a proportional amount of support phased down. If the provider's updated performance plan for covering comparable hex-9s is approved after 90 days, it may have any support that was phased down restored.

Just as with determination of comparable areas before submission of performance plans, the Commission delegates authority to WTB to work with providers in their submissions of ''comparable number of hex-9s'' after their initial performance plans, as necessary, to meet the requirements of this section. The Commission also delegates authority to WTB to determine whether a provider is covering a ''comparable area,'' and to resolve any ambiguities with respect to coverage and/or any amount of support that should be withheld if a provider does not cover a comparable area.

Minimum Provision of Service. In addition to the increased speed goals the Commission adopts in this document, Alaska Connect Fund mobile support recipients must provide service with at least the same minimum service levels as required under the Alaska Plan and may not provide less coverage or provide service using a less advanced technology than the provider committed to under the Alaska Plan.

Under the Alaska Plan, mobile-provider participants were required to provide stand-alone voice service and, at a minimum, offer to maintain the level of data service they were providing as of the respective dates their individual plans were adopted by WTB. They were also required to improve service consistent with their approved performance plans through December 31, 2026. In the *Alaska Connect Fund Notice,* the Commission raised this public-interest obligation and sought comment on what, if any, changes it should make to this and other public interest obligations from the Alaska Plan. As a general matter, commenters acknowledge the importance of maintaining existing service with the Alaska Connect Fund. While some commenters argue against a stand-alone voice requirement, others support this requirement as a ''bedrock principle.''

In order to maintain the progress made under the Alaska Plan—and to ensure that Alaskans in remote areas maintain the same or better level of service—the Commission requires Alaska Connect Fund mobile-support recipients to continue to maintain the minimum service levels—to the same areas—that they achieved under the Alaska Plan. All Alaska Connect Fund mobile-support recipients must continue to meet all of the public-interest obligations of the Alaska Plan and must not reduce service to Alaskans. This includes continuing to provide voice service, as required of all ETCs, to maintain at least the level of data service they are providing to their previous coverage areas as of the end of the Alaska Plan, and to improve service consistent with their approved performance plans through the end of Alaska Connect Fund. The Commission delegates authority to WTB to compare BDC availability data as of December 31, 2026 with subsequent BDC availability data to ensure that mobile voice and mobile broadband service levels and coverage are maintained or improve in all previously served areas.

Deployment Goals. To receive Alaska Connect Fund mobile support for single-support areas and for duplicate-support areas under ACF Mobile Phase I, Alaska Plan mobile-provider participants must submit performance plans to WTB on or before September 1, 2026, for approval. The Alaska Plan had a goal of achieving universal 4G LTE, and providers in the most competitive areas of Alaska committed to provide 4G LTE at 10/1 Mbps by December 2026. To ensure the effective use of Alaska Connect Fund support, the Commission expects that, where technically and financially feasible, participants in single-support areas will work to extend 5G service to populations who are currently served by 4G LTE or less, and that providers in duplicate-support areas will work to extend by the end of December 2029 at least 4G LTE at 5/1 Mbps in an outdoor stationary environment to areas where they do not currently offer it. For single-support areas, providers participating in the Alaska Connect Fund are expected to use Alaska Connect Fund support to upgrade service beyond the service commitment level they made in the Alaska Plan, with an ultimate goal of achieving 5G NR at 35/3 Mbps in single support areas, where technically and financially feasible, by the end of December 2034. Regardless of the service-level commitment in the performance plan, the Commission expects providers of single-support areas to report on the steps they have taken towards the commitments under their respective performance plans by December 31, 2029, meet interim commitments by December 31, 2031, and meet final commitments by December 31, 2034.

The Commission's speed goals for single- and duplicate-support areas align with BDC standards for the supported technologies. As explained fully in the following, the Commission has different performance goals for single-support areas and for duplicate-support areas because of the potential for support changes in duplicate-support areas, and because in duplicate-support areas there is already competitive pressure to offer service beyond the Commission's goal for single-support areas. The Commission recognizes that there may be some circumstances where a provider may be unable to meet these goals. The Commission delegates authority to WTB, in coordination with OEA, to accept lesser commitments in some areas as warranted on a case-by-case basis, as discussed in the following.

The Commission encourages Alaska Plan providers that opt into the Alaska Connect Fund to begin deploying 5G–NR as soon as possible. Technology commitments in the Alaska Plan performance plans are minimum technology commitments, so where a provider installs 5G–NR before the end of the Alaska Plan as it works to meet its Alaska Connect Fund commitments,

5G–NR can count toward its 4G LTE commitment under its Alaska Plan performance plan (*i.e.,* it will receive credit for having met 4G LTE under the Alaska Plan).

Single-Support Area Minimum Deployment Standards. Providers are expected to commit, where technically and financially feasible, to offer 5G–NR in order to receive support under the Alaska Connect Fund in single-support areas. Deployment of 5G–NR in these areas is important to ensure that Alaskans have access to the level of advanced communications that other consumers enjoy in the United States. The Commission also finds that such a goal is reasonable in light of the longer-term guaranteed support in these areas through the end of 2034.

In the *Alaska Connect Fund Notice,* the Commission sought comment on the level of service that should be expected from mobile providers under the Alaska Connect Fund. In response, some commenters caution against applying a one-size-fits-all deployment benchmark in Alaska, and they recommend adopting standards tailored to each area that are flexible and that consider the unique difficulties associated with deploying in the area. At least one other commenter supports adoption of uniform service standards. Comments from Alaska Plan participants recognize that the next phase of high-cost support in Alaska should aim for deployment of 5G.

The Commission agrees with commenters on the importance of using Alaska Connect Fund support to migrate to 5G–NR, and it expects providers to deploy 5G–NR in their single-support areas where technically and financially feasible. The high-cost Universal Service Fund provides support to ensure that advanced communications services are available to all areas of the United States, and 5G–NR is currently the universal service technology standard throughout the rest of the United States.

The Commission finds it reasonable to expect providers in single-support areas to offer 5G–NR where technically and financially feasible in exchange for support through 2034. The Alaska Plan's emphasis was on Alaska Plan participants ''work[ing] to extend 4G LTE service to populations that are currently served by 2G or 3G.'' Six of the eight mobile providers of the Alaska Plan will have 100% 4G LTE by December 31, 2026. Some of the 4G LTE equipment that has been deployed is capable of 5G–NR, but even where hardware needs to be replaced, the Commission is increasing the support amounts starting January 1, 2025 and expect providers to upgrade to 5G–NR in single-support areas where technically and financially feasible.

Some providers have argued that middle mile is limited and that, in some remote places where it is available, the cost per Mbps can be very expensive, and that this limits the speeds they can offer. However, based on information provided by current mobile support recipients in Alaska, by 2026, even in the most remote communities, satellite backhaul will be capable of allowing last-mile providers to offer 5/1 Mbps speeds, and satellite providers are continually adding capacity. In addition, middle-mile infrastructure is expanding with several Federal programs spending hundreds of millions to expand middle mile in Alaska. Even where middle mile is available but too expensive to offer robust service to customers, the last-mile providers receiving support have five construction seasons from the adoption of this Order and a 30% increase in their annual support to get their communities connected to areas with competitive transport pricing. Due to the ongoing investment by providers using support from the Commission's universal service program and other Federal programs, the Commission similarly anticipates that 5G–NR at 35/3 Mbps will be achievable in these areas, where financially and technically feasible by December 31, 2034. For these reasons, the Commission set a goal of expanding 5G–NR at 35/3 Mbps, where technically and financially feasible in an outdoor stationary environment by December 31, 2034 in single-support areas.

Duplicate-Support Areas. While the Commission set a goal of achieving 5G–NR at 35/3 Mbps where technically and financially feasible in single-support areas by December 31, 2034, it set a lower goal of at least 4G LTE at 5/1 Mbps in duplicate-support areas for ACF Mobile Phase I. First, based on the deployment standard in the Alaska Plan, 4G LTE is the universal minimum by December 31, 2026, so mobile provider participants should already have deployed—or be well on their way to deploying—4G LTE by that date. Second, it would not be reasonable to set an initial goal of 5G–NR in duplicate support areas because providers in these areas may lose support in ACF Mobile Phase II, which would start in January 2030 as discussed in the Further Notice. Third, because of the ACF Mobile Phase II proposed competitive mechanism, providers receiving support in these areas in ACF Mobile Phase I have a competitive incentive to offer service well beyond the minimum in order to position themselves better to win support in the future. For these reasons, the Commission does not set a higher speed goal in these areas before ACF Mobile Phase I ends in December 2029.

While providers are to work to extend by the end of December 2029 at least 4G LTE at 5/1 Mbps where technically and financially feasible in an outdoor stationary environment to areas where they do not currently offer it, in setting a goal of at least 4G LTE at 5/1 Mbps by December 31, 2029, for duplicate-support areas, the Commission acknowledges that some mobile providers in these areas are likely capable of deploying 5G–NR service in those areas. But the Commission set a goal of 4G LTE at 5/1 Mbps where technically and financially feasible in order to balance the need to address duplicate support in these areas under ACF Mobile Phase II with providers' concerns about support certainty. The Commission is also mindful, however, of the need to ensure that Alaskans in these areas have access to the level of advanced communications that other consumers enjoy in the United States. Accordingly, the Commission encourages providers in these areas to commit to 5G–NR for ACF Mobile Phase I and to work toward 5G–NR deployment as soon as possible. As noted in this document, providers that deploy 5G–NR in their coverage areas before the end of the Alaska Plan will receive credit for having met their 4G LTE commitments at the end of the Alaska Plan (if they also met the speed requirement in their Alaska Plan commitments) and will be better positioned for ACF Mobile Phase II.

Technology Improvements. During the 10-year course of the Alaska Plan, technological standards of 2G and 3G became dated and obsolete. Similarly, during the course of the Alaska Connect Fund, the technology goal may become dated. In the *Alaska Connect Fund Notice,* the Commission sought comment on whether the Alaska Connect Fund should have a mechanism to make a new technology generation—*e.g.,* 6G—the deployment goal, particularly if other high-cost programs begin supporting that generation. While commenters did not address this issue, the Commission finds it important to retain the ability to adapt the Alaska Connect Fund with changing technology goals. The Commission delegates authority to WTB to raise the technology and performance goals, as appropriate, after opportunity for public notice and comment, during the course of the Alaska Connect Fund.

To qualify for mobile support under the Alaska Connect Fund, the

Commission requires existing Alaska Plan providers to submit new performance plans no later than September 1, 2026, based on BDC standards and availability data as of December 31, 2024, as detailed in the following. The new performance plans will align with BDC standards and will require new commitments to area-based plans by census tract, as discussed in the following, rather than the generic statewide, population-based plans under the Alaska Plan.

Previous Performance Plans. Alaska Plan performance plans required that the provider identify in its performance plan: (1) the types of middle mile used on that provider's network; (2) the level of technology (2G, 3G, 4G LTE, etc.) the provider uses to offer service at each type of middle mile; (3) the delineated eligible populations served, at the state level, at each technology level by each type of middle mile as they stand currently and at years five and 10 of the support term; and (4) the minimum download and upload speeds at each technology level by each type of middle mile as they stand currently and at years five and 10 of the support term. These plans were evaluated by superimposing FCC Form 477 coverage over 2010 census blocks with population distributed based on Alaska Population-Distribution Model. Because the FCC Form 477 rules allowed mobile providers to file coverage areas based on various technologies and various minimum speeds, based on the provider's own propagation model, Alaska Plan providers could submit coverage areas in FCC Form 477 that were consistent with the Alaska Plan requirements (*e.g.,* 4G LTE at 1 Mbps/256 kbps; 4G LTE at 25/10 Mbps).

Alaska Connect Fund Performance Plans. The Commission requires Alaska Connect Fund performance plans for mobile support to be based on BDC data standards. The Broadband DATA Act requires that the Commission rely on the National Broadband Map ''when making any new award of funding with respect to the deployment of broadband internet access service intended for use by residential and mobile customers.'' The increase in support starting next year does not constitute a new award of funding because it is part of the existing Alaska Plan that provides mobile support through December 31, 2026. However, after that, mobile support for the Alaska Connect Fund begins with new obligations that lead to an expansion or upgrade of mobile broadband coverage. The Commission finds that Alaska Connect Fund mobile support, which begins after December 31, 2026, requires that it relies on the National Broadband Map data and the associated BDC data standards in awarding funding for mobile support under the Alaska Connect Fund. Accordingly, the Commission requires initial Alaska Connect Fund performance plans to rely on the BDC coverage data and BDC data standards on which the National Broadband map is based and on mobile providers' availability data in Alaska as of December 31, 2024.

In the *Alaska Connect Fund Notice,* the Commission acknowledged that the mobile data coverage filings under the BDC have changed substantially from the Commission's previous mobile coverage data requirements. It noted that data for the National Broadband Map are filed pursuant to standardized parameters or standards that mobile broadband providers are subject to in the creation of their coverage data (*e.g.,* specific speeds based on technology, cell edge probability of not less than 90% and cell loading factor of least 50%) and sought comment on the best ways to use the National Broadband Map. Commenters generally support the Commission's use of the National Broadband Map for mobile coverage data, but some noted that the map does not account for cases where a provider has claimed coverage by partly roaming or leasing facilities from another provider. The Commission's National Broadband Map, however, is based on areas where facilities-based providers offer service. No one commented on the use of the BDC technical coverage standards for Alaska Connect Fund performance plans.

The Commission finds that basing the Alaska Connect Fund performance plans on BDC standards will result in reduced burdens on providers, given that providers are already required to submit their coverage data to the Commission under the Broadband DATA Act. Although the Commission has retired FCC Form 477 reporting requirements for broadband deployment, under the Alaska Plan, mobile provider participants must continue to produce and submit annual deployment data, using the outdated FCC Form 477 requirements, to allow for like comparisons to the previous deployment data on which these providers based their performance commitments. By contrast, under the Alaska Connect Fund, mobile participants will no longer have to produce and submit additional coverage maps because the Commission will use their BDC coverage maps to assess compliance.

Unlike FCC Form 477, the BDC requires mobile providers to use standardized parameters in their propagation modeling and data submissions. For example, for 4G LTE, the BDC requires mobile broadband service providers to submit availability data that represent coverage where mobile wireless users should expect to receive minimum user speeds of 5/1 Mbps at the cell edge, with a cell edge coverage probability of not less than 90% and a cell loading of not less than 50%. All mobile broadband providers must submit biannual BDC filings that depict technology and minimum speeds at 35/3 Mbps 5G–NR, 7/1 Mbps 5G–NR, 5/1 Mbps 4G LTE, and 200/50 kbps 3G at the cell edge.

Consistent with the BDC requirements, mobile providers who intend to participate in the Alaska Connect Fund must submit new performance plans at the census-tract level, which must: (1) include the name of the census tract that the provider commits to serve; (2) include the minimum technology level and speed in an outdoor stationary environment that the provider commits to provide; (3) specify the number of hex-9s committed to be covered within each census tract at the committed-to technology and speed levels, which shall be no less than the provider's coverage in the Alaska Plan, minus any ineligible areas; and (4) specify how many additional hex-9s committed to within each census tract at the committed-to technology and speed levels are comparable hex-9s. Providers are to reflect the additional coverage that is required to retain support due to areas being deemed ineligible solely in the comparable hex-9 category of their performance plans. Initial performance plans must be submitted for WTB approval on or before September 1, 2026. Separate performance plans are required for single-support areas and for duplicate-support areas. For single-support areas, performance plan interim commitments are due December 31, 2031, and performance plan final commitments are due December 31, 2034. While outside of the performance plan, the Commission also expects providers of single-support areas to report on the steps they have taken towards the commitments under their respective performance plans by December 31, 2029. For duplicate-support areas, performance plan commitments are due December 31, 2029. WTB will release a Public Notice providing guidance on what to include in the performance plans and their format.

The Commission delegates authority to WTB to adopt requirements and develop data specifications, after appropriate public process, concerning

the format and method of uploading Alaska Connect Fund Performance Plans. The Commission also delegates authority to WTB to require additional information, including during WTB's review of any proposed performance plans, from individual Alaska Connect Fund mobile-provider recipients that it deems necessary for determining whether or not they have met their commitments. If ACF Mobile Phase I is extended in duplicate-support areas to December 31, 2034, WTB may require, after seeking notice and comment, the filing of additional commitments in those areas as a final milestone. In addition, WTB may require the filing of revised commitments when justified by developments that occur after the approval of the initial Alaska Connect Fund performance commitments.

Hex-9s per Census Tract. Each Alaska Connect Fund mobile-provider participant must specify each census tract that it will serve and indicate the minimum number of hex-9s that it will serve within each census tract. In the Alaska Plan, providers committed to cover a specified number of Alaskans on a statewide basis. This resulted in some communities being deprioritized, as some providers put their resources in the most desirable remote locations in the state, with some mobile coverage concentrated on the populated areas. In the Alaska Connect Fund, the Commission requires commitments to be more granular than statewide commitments to better ensure that communities do not get left behind. For the Alaska Connect Fund, performance plans must specify the number of hex-9s providers commit to cover in each census tract. Similar to the Commission's requirement in the Alaska Plan, providers participating in the mobile portion of the Alaska Connect Fund, at a minimum, must maintain the coverage that they had been offering throughout the course of the Alaska Plan based on BDC coverage data as of December 31, 2026.

Because a provider must maintain its coverage with at least the same level of service in the areas it covered under the Alaska Plan, a provider must commit to cover any eligible hex-9 in its support area and may commit to cover any eligible hex-9 not covered by other mobile providers. The Commission allows a provider the leeway to best employ its knowledge of its areas to ensure that coverage occurs where it will be of most benefit to Alaskans and does not impose further conditions on which hex-9s must be covered. In other words, providers are free to provide mobile service wherever they deem necessary in eligible areas to ensure that people have coverage where they live, work, and travel within each census tract.

The Commission finds that using hex-9 areas is the best way to identify areas that mobile-provider participants of the Alaska Connect Fund had previously covered under their Alaska Plan commitments, while giving providers the flexibility to provide mobile coverage where people live, work, and travel under the Alaska Connect Fund. The hex-9 approach also best addresses concerns raised in the record about how to develop performance plans for Alaska Connect Fund support.

Some commenters expressed concern with an area-based approach and wanted to ensure that any new plan maintained population-based metrics, similar to the Alaska Plan. Specifically, ATA argues that the Alaska Connect Fund should retain a population-based approach with population-based metrics. GCI has advocated for covering residential BSLs for mobile-support purposes. GCI argues that, while BSLs in the Fabric are insufficiently accurate for wireline support, use of BSLs in the Fabric is more accurate than reliance on the Alaska Population Distribution Model and should be incorporated into the Model to ''potentially better target providers' service obligation to where Alaska's remote populations most need the service.'' The Alaska Population Distribution Model, which WTB developed for purposes of the mobile portion of the Alaska Plan, indicated where people were likely to live, but this was a model and it did not identify actual resident locations. The Commission finds that the population-based approach in the Alaska Plan can be too limiting to effectively meet the program's mandate to ensure mobile network coverage is available where Alaskans live, work, and travel. Though the Commission now has the Fabric, which provides information on where people live and work, people frequently travel in and visit areas where there are no Fabric locations, such as along roads, snow mobile routes, hunting areas, bodies of water, or hiking trails. Therefore, the Commission does not limit support to merely targeting where populations live. A concentration of BSLs is necessarily evidence that an area is valuable to its users, but the absence of BSLs does not always indicate that an area does not need to be covered by mobile networks, and the Commission will rely on input from all sources, including the providers receiving support, regarding whether Alaska Connect Fund support should be used to cover an area or not. Local mobile providers cover well beyond the areas where people live, including roads, water bodies, and open areas that may be used for snow mobiles or hunting. The Commission's hex-9 area-based approach can give mobile provider participants the flexibility to continue doing so.

This approach differs from the approach adopted in the 5G Fund, given the distinctions between these two funds. In the *5G Fund Second Report and Order,* the Commission required that a hex-9 show locations or roads in order to be eligible. The Commission does not impose this same requirement in the Alaska Connect Fund, because under the mobile portion of the Alaska Connect Fund for single-support areas and duplicate-support areas under ACF Mobile Phase I, providers will continue to receive support for the areas they have already covered under the Alaska Plan, which was not based on locations in the first instance. In other words, for the Alaska Connect Fund, the Commission does not want to make a previously supported area ineligible simply because of the absence of a location or road—that would be inconsistent with its approach of extending support for the areas that mobile-provider participants covered under the Alaska Plan (subject to the ineligibility criteria discussed in this document). By contrast, it is reasonable for the 5G Fund to require hex-9s to have locations or roads because it is a reverse auction that will distribute *new* support to areas unserved by unsubsidized 5G service. In creating a different requirement for Alaska Connect Fund than the 5G Fund, the Commission also noted that Alaska is unique from the rest of the United States, in that areas that Alaskans live, work, and travel are not as clearly determined by locations or roads. First, many areas in Alaska are accessible only by plane rather than roads, and second, covering certain bodies of water is important to meet the ''work and travel'' aspect of the Commission's universal service goals for Alaskans. In addition, in the context of developing a sampling methodology for speed testing for the Alaska Plan, road data was found to be unreliable in certain areas. The Commission will not constrain Alaska Connect Fund recipients to area eligibility rules that were not developed with Alaska and the Alaska Plan in mind. This approach will allow providers, who have local knowledge about the communities they serve, to continue to invest in network improvements via their performance plans where they know they are needed most. While the Commission does not

require hex-9s to include BSLs or roads, it strongly encourages providers to consider that data in determining their coverage, particularly to the extent they cover areas beyond those that they covered in the Alaska Plan.

Middle-Mile Disaggregation. Alaska Plan providers were required to disaggregate their commitments by available middle mile in their performance plans. The Commission declines to adopt a middle-mile disaggregation requirement for Alaska Connect Fund performance plans. Accordingly, Alaska Connect Fund mobile support recipients will not need to include information about which middle mile applies to which coverage in their performance plans. While the initial Alaska Plan requirement for middle-mile disaggregation was necessary due to a dearth of information regarding the microwave and fiber infrastructure in Alaska in 2016, since then, the Commission has been receiving microwave and fiber infrastructure information from providers. Moreover, mobile providers must indicate on their Alaska Connect Fund performance plans on a census-tract-by-census-tract basis, where they believe transport is inadequate. The Commission no longer believes that technology conditions need to be broken out by the middle-mile infrastructure available to better understand the limitation of any speed commitments in the manner they were in the Alaska Plan performance plans—and it will continue to have access to necessary middle-mile information through the middle-mile maps that providers submit as part of their obligations under the Alaska Connect Fund.

Consistent with the approach in the Alaska Plan, Alaska Connect Fund mobile-support recipients will be permitted to use their support for both operating expenses and capital expenses for deploying, upgrading, and maintaining mobile voice and broadband-capable networks, including middle-mile improvements needed to meet those ends. As long as an Alaska Connect Fund recipient is providing service to its awarded area consistent with the public interest obligations delineated in this Order, service expenditures in that area will be eligible for support. Expenditures for middle-mile facilities may occur outside of eligible areas, so long as they are necessary to provide mobile voice and broadband service in the areas where the Alaska Connect Fund recipient receives support.

In the *Alaska Connect Fund Notice,* the Commission pointed to its rule setting forth the appropriate use of support under the Alaska Plan and sought comment generally on whether to follow the same approach, particularly in the context of how to use—and allocate—support for middle mile (*e.g.,* whether to allow use of Alaska Connect Fund support for middle-mile improvements like in the Alaska Plan, or to set aside specific funds for middle mile). While some commenters asked us to set aside specific funds for middle mile, no commenters asked us to reallocate existing Alaska Plan support already going to mobile provider participants for middle mile only. In fact, ATA specifically made clear that any allocation of funds to middle mile should ''provide additional support, over and above current support amounts.'' No commenters asked us to change the requirements for appropriate use of support for the Alaska Connect Fund, and in fact, ATA and other commenters in general asked the Commission to embrace the ''basic structure'' of the Alaska Plan with only minor changes. The Commission finds that adopting requirements for appropriate use of support that mirror those from the Alaska Plan will help ensure that mobile provider participants have the flexibility they need to best serve remote Alaskans with high-cost support.

Reasonably Comparable Services and Rates. Section 254(b)(3) provides the universal service principle that consumers in all regions of the nation, including ''rural, insular, and high-cost areas,'' should have access to advanced communications that are reasonably comparable to those services and rates available in urban areas. Similar to the requirement under the Alaska Plan, under the Alaska Connect Fund, the Commission requires participating mobile providers to certify their compliance with this obligation in their annual compliance filings and to demonstrate compliance with this obligation on December 31, 2029 for duplicate-support areas, and on December 31, 2029, December 31, 2031, and December 31, 2034 for single-support areas.

In the *Alaska Connect Fund Notice,* the Commission sought comment on the best means for advancing the statutory requirement that rural areas have services and rates that are ''reasonably comparable'' to those available in urban areas, including how support recipients should demonstrate their compliance with this requirement. In its comments, NTCA recognizes the importance in ensuring that Alaska consumers living in rural areas ''can realize the benefits of 'reasonably comparable' services at 'reasonably comparable' rates to those available in urban areas.'' ARIC says that ''[d]eveloping a program that deploys the same broadband and mobile wireless speeds and pricing urban residents in Anchorage and other major cities in America are receiving is critical.'' Alaska Power & Telephone (APT) urges the Commission to be flexible in the timing required to provide reasonably comparable service and rates due to the many challenges to providing service in Alaska. AMMA says the Commission should consider ''reasonably comparable rates within the ACF that are sensible considering the middle-mile technology available to a very remote community or location.'' As ATA notes in its comments, it is important for the Commission to take stock on what has already worked in the Alaska Plan, including the obligation that providers offer reasonably comparable rates.

To ensure that providers are adequately notifying the public of their reasonably comparable plans, the Commission requires that a provider demonstrate compliance by showing that it publishes, on its publicly accessible website, at least one mobile broadband plan and at least one stand-alone voice plan that are: (1) substantially similar to a service plan offered by at least one different mobile wireless service provider in the Cellular Market Area (CMA) for Anchorage, Alaska, and (2) offered for the same or a lower rate than the matching plan in the CMA for Anchorage. This demonstration must include usage allowances for the comparable plans in Anchorage. Because of the unique conditions in remote Alaska, however, and the variety of circumstances and costs of the affected carriers, the Commission authorizes WTB to employ alternative benchmarks or dates appropriate for specific competitive ETCs in assessing carrier offerings. Participants in the Alaska Connect Fund may not cite their own plans in Anchorage as evidence of meeting the reasonably comparable rate condition.

Additional Obligations for Performance Plans with Less than the Minimum Deployment Goals. In the *Alaska Plan Order,* mobile-provider participants had additional reporting obligations when their performance plans indicated that they had backhaul limitations, especially where it affected their performance commitments. An FCC Form 481 reporting requirement was added to the Alaska Plan for mobile-provider participants that identified in their adopted performance plans that they relied exclusively on performance-limiting satellite backhaul

for a certain portion of the population in their service area. These providers were required to certify whether any terrestrial backhaul, or any new-generation satellite backhaul service providing middle-mile service with technical characteristics comparable to at least microwave backhaul, became commercially available in the previous calendar year in areas that were previously served exclusively by performance-limiting satellite backhaul. If a mobile-provider participant certified that such new backhaul has become available, it had to provide a description of the backhaul technology, the date on which that backhaul was made commercially available to the carrier, and the number of the population served by the new backhaul option. Further, the Commission required those Alaska Plan providers that had not already committed to providing 4G LTE at 10/1 Mbps speeds to the population served by the newly available backhaul by the end of the plan term to submit revised performance commitments factoring in the availability of the new backhaul option no later than the due date of the FCC Form 481 in which they have certified that such backhaul became commercially available.

In the *Alaska Connect Fund Notice,* the Commission asked whether providers should be permitted to offer lesser commitments if they are constrained by middle mile, and if so, what information should be required to demonstrate that an area is middle-mile constrained. The Commission sought comment on whether it should impose requirements similar to the additional requirements imposed in the *Alaska Plan Order* for providers that commit to less than 10/1 Mbps 4G LTE (*e.g.,* submitting an updated performance plan when new middle mile becomes available). The Commission also sought comment on the best approach for determining whether the availability of new middle-mile service should result in changes to Alaska Connect Fund mobile providers' performance plans and on whether it could conclude that middle mile is not commercially available if the Alaska Connect Fund participant must pay a particular price per Mbps. The Commission asked whether providers that are providing fixed services at speeds above their mobile-service commitments should be deemed to have sufficient middle mile available to it. Only AMMA, which represents two satellite providers, addresses these questions directly. AMMA supports requiring updated performance plans when new middle-mile services enter the market. AMMA further argues that ''the Commission should not consider a new middle-mile service to be 'not commercially available' if the ACF participant must pay a 'particular price per Mbps''' and argues that ''if the wireline affiliate is meeting its commitments in an area the mobile provider should be able to do the same.''

Given Alaska's unique geography and climate, the Commission finds that the public interest would be served by permitting Alaska Connect Fund applicants, under certain circumstances, to request in their proposed performance plan submissions approval of lesser commitments than the minimum deployment and progress goals specified herein for the Alaska Connect Fund. Specifically, the Commission delegates authority to WTB to approve requests on a case-by-case basis where the requestor cannot meet the minimum deployment and progress goals at the Alaska Connect Fund support levels. Through this process, WTB can negotiate individualized performance plans with each provider. The Commission requires that the provider specify the deployment commitment it can meet and explicitly state the reason it cannot commit to the minimum deployment or progress goal as a notation under the proposed performance plan for each census tract. Providers may submit supplementary information to aid in this process. As part of these negotiations, WTB can consider all relevant and practical circumstances, among other considerations, including middle-mile mapping data and wireline affiliate commitments in the relevant area to help assess a provider's proposed commitment in single-support areas at the Alaska Connect Fund support levels. Where a hex-9 is more than 50 miles from a microwave or fiber node, this factor alone weighs heavily in favor of allowing a lesser commitment. Given the obsolete technological standards with 3G or less and the goal of the Alaska Plan to achieve universal 4G LTE at 10/1 Mbps, WTB is to have a strong presumption against approving commitments less than 4G LTE at speeds of at least 5/1 Mbps in an outdoor stationary environment for any milestone.

Where WTB approves lesser commitments in a provider's performance plan, the Commission requires additional reporting obligations for FCC Form 481. The Commission requires the mobile provider to certify, by census tract, that the basis for which it qualified for lesser commitments still applies in the previous calendar year and to describe on its FCC Form 481 the efforts it has taken to improve conditions that served as the basis for the lesser commitments. When the basis for the lesser commitments has changed in the previous calendar year, allowing the minimum commitments to be achieved in the census tract, the mobile provider must certify to this in FCC Form 481.

Where a provider certifies on FCC Form 481 that conditions have changed such that it no longer qualifies for lesser commitments in a census tract, the provider must submit additional information and updated performance plans into the Alaska Connect Fund docket. Where conditions have changed, the mobile provider must submit, for the affected census tracts: (i) a description of the change; (ii) the date on which the change occurred; (iii) the hex-9s within the census tract that could be served as a result of the changed conditions; and (iv) revised performance commitments factoring in the change. These filings must be made simultaneously with the submission of the FCC Form 481. The mobile provider may seek confidential treatment of information required in this section if the conditions for confidentiality are met.

Compliance and recordkeeping. Consistent with the Commission's long-standing approach for the high-cost program, it will hold Alaska Connect Fund mobile support recipients accountable for meeting their obligations under the program. The high-cost program has various rules to protect the success and integrity of high-cost support. Alaska Connect Fund mobile support recipients shall be subject to the compliance measures, recordkeeping requirements, and audit requirements set forth in § 54.320. If specific performance obligations are not achieved in the time period identified in the approved performance plans the provider shall be subject to the penalties set forth in §§ 54.320(c) and (d).

In the *Alaska Plan Order,* providers faced a reduction in support if they did not meet their milestone obligations or other public interest obligations. Alaska Plan mobile-provider participants had interim performance plan milestones due on December 31, 2021, and have final performance plan milestones due on December 31, 2026. To evaluate whether the provider was meeting its performance milestones, the Commission took the provider's FCC Form 477 or special collection coverage data and intersected it with Alaska Population Distribution Model data. The amount of support that is withheld is based on the percentage of compliance gap that the provider has with its performance commitments. Alaska Plan

mobile-provider participants that do not meet other public interest obligations or any other terms and conditions may be subject to further action, including the Commission's existing enforcement procedures and penalties, reductions in support amounts, potential revocation of ETC designation, and suspension or debarment pursuant to § 54.8 of the Commission's rules.

The Commission has generally adopted build-out milestones for the Alaska Connect Fund mobile competitive ETCs that will be more specifically defined based on each participant's approved performance plan, with interim milestone obligations that must be met by December 31, 2031, and final milestone obligations that must be met by December 31, 2034, for single-support areas and with final milestone obligations that must be met by December 31, 2029, for duplicate-support areas under ACF Mobile Phase I, unless otherwise modified by WTB. Once a carrier's performance plan is approved by the WTB, the carrier is required to meet the performance benchmarks of the plan. No commenters suggest eliminating the reduction of support framework, and in fact, some commenters suggest that the FCC should adopt even stricter measures to address failure to meet commitments. The Commission agrees with these commenters that accountability and oversight are important elements of ensuring that the Alaska Connect Fund is successful and that providers are appropriately penalized in instances of noncompliance with their obligations. Accordingly, consistent with the Alaska Plan and the Commission's other high-cost programs, Alaska Connect Fund recipients of support that fail to meet these milestones will be subject to the same potential reductions in support as any other carrier subject to defined obligations.

In addition, as the mobile portion of the Alaska Connect Fund, provided after December 31, 2026, is a new award of funding for deployment, the Commission ensures that its accountability measures are also consistent with the BDC data. The Commission delegates authority to WTB to create any systems for data specifications and collections they deem necessary for Alaska Connect Fund administration to determine whether providers have met their commitments.

Annual BDC Infrastructure Submission. The Commission requires Alaska Connect Fund recipients of mobile support to annually submit infrastructure data to verify their coverage in areas for which they receive support. In the *Alaska Connect Fund Notice,* the Commission sought comment on whether it should require submission of infrastructure data similar to the BDC mobile verification process to substantiate coverage and demonstrate compliance with ACF commitments. While commenters did not respond to that specific request for comment, several commenters support Commission efforts to require recipients to demonstrate they have met their performance requirements and agree that oversight will be important for a future Alaska Connect Fund.

Based on FCC staff's experience in implementing the mobile BDC processes, the Commission finds that the collection of infrastructure data is an important tool that it can use to ensure compliance with the Alaska Connect Fund requirements. Accordingly, the Commission requires Alaska Connect Fund recipients of mobile support to submit, on an annual basis, all of the infrastructure data that providers would submit as part of the BDC mobile verification process, for all infrastructure used to serve an Alaska Connect Fund mobile support recipient's supported area for coverage as of December 31 of each year, due by March 1 of the following year. These Alaska Connect Fund recipients of mobile support must submit these data to WTB by the following March 1 based on their instructions. Similar to BDC mobile verifications, staff can use the infrastructure data to estimate a ''core coverage area,'' in which coverage at the modeled throughput is highly likely to exist at or above the minimum values reported in the provider's submitted coverage data. This ''core coverage area'' may be considered to meet the mobile support recipient's Alaska Connect Fund build-out obligations. For any areas that are outside of the ''core coverage area'' but within the required coverage area, WTB will consider additional information submitted by the Alaska Connect Fund mobile support recipient, such as on-the-ground or UA speed test data, and may request such information from the recipient.

To facilitate the process of Commission staff review of an Alaska Connect Fund mobile support recipient's data, it delegates authority to WTB to notify the support recipient of any additional requests for information. For the purposes of accountability of high-cost funds, the Commission requires an annual mobile infrastructure submission. As the initial map can be used and built upon for subsequent submissions, requesting this initial submission early into the plan is appropriate. Moreover, the construction of this data set can be used for other BDC verification requests, allowing for an additional benefit to the provider if required early in this process.

Speed Tests. The Commission requires certifications that the provider has met its milestone commitments to be accompanied by speed tests for those mobile provider recipients receiving more than $5 million annually. In the *Alaska Plan Order,* certain providers of mobile support were required to conduct drive tests to accompany their certifications that they have met their milestone obligations. Specifically, for Alaska Plan participants receiving more than $5 million annually in support, the Commission required that the certification that the provider met its obligations was to be accompanied by data received or used from drive tests analyzing network coverage for mobile service covering the population for which support was received and showing mobile transmissions to and from the carrier's network meeting or exceeding the minimum expected download and upload speeds delineated in the approved performance plan. These tests allowed providers to demonstrate coverage of an area with a statistically significant number of tests. As part of this process, WTB and OEA published a speed test methodology to ensure that any speed tests amounted to statistically significant sampling of the provider's coverage and service obligations.

In the context of the BDC, the Commission adopted procedures whereby providers may submit on-the-ground test data as part of the BDC verification process. When submitting on-the-ground test data, a provider is required to submit evidence of network performance based on a sample of on-the-ground tests that is statistically appropriate for the area tested for a sampled area using the H3 geospatial indexing system at resolution 8 (hex-8). The sampled area is provided to the provider for testing within the provider's coverage area, and hexagons that are not accessible by roads are excluded from all strata within each stratum for the service providers must conduct on-the-ground testing.

In the *Alaska Connect Fund Notice,* the Commission sought comment on whether it should require on-the-ground test data for supported areas based on a sample that is statistically appropriate. The Commission noted that, under the BDC mobile verification process, if a provider chooses to submit on-the-ground test data in response to a verification request, ''it must provide such data based on a sample of on-the-ground tests that is statistically appropriate for the area tested,'' and

that, ''[i]n the BDC, the sampled area is based on H3 resolution-8 hexagonal areas, and the provider must submit the results of at least two tests within each hexagon, and the time of the tests must be at least four hours apart, irrespective of date.'' The Commission asked whether it should apply this mobile verification process to the Alaska Connect Fund. Commenters express support for requiring speed testing to help verify that providers have met their requirements under the Alaska Connect Fund. The Alaska Public Interest Research Group and Native Movement supports a requirement for USAC to conduct speed testing and argues that providers receiving more than $5 million annually should cover the costs of USAC-administered testing.

After considering the record and the Commission's previous experience administering the Alaska Plan, the Commission finds that it will serve the public interest to require Alaska Connect Fund mobile providers receiving more than $5 million per year to submit speed test data generally conforming to the BDC Data Specifications for Mobile Speed Test Data when they submit their milestone certifications. While the Commission will require annual submission of infrastructure data for all mobile providers receiving support under the Alaska Connect Fund, it finds that it is important to require additional speed test results for those mobile providers receiving the most from the program. The combination of infrastructure data and speed test data that these providers will submit will allow for the theoretical engineering model to be verified with empirical data, improving the reliability of both as a means of understanding the realities on the ground.

While the Commission generally relies on BDC Data Specifications for Mobile Speed Test Data requirements, it expands the ''accessible'' hexes that are included in sampling for purposes of the Alaska Connect Fund. Generally, in the BDC, hexagons that are not accessible by roads are excluded from all strata (and therefore all samples) in which the service providers must conduct on-the-ground testing. This BDC sampling decision was made as part of a nationwide data collection requirement and was intended to ease the burden on mobile providers that might otherwise be required to conduct large scale on-the-ground testing. Coverage near roads is easier to test for all providers subjected to mobile speed test verification nationwide. However, for the Alaska Connect Fund, the Commission is subsidizing the provider's coverage in all eligible areas where consumers live, work, and travel that the provider commits to cover for that support: this requires an expansion of the hexes required for the sampling to ensure funds are being used as committed to and justifies a more burdensome testing requirement for the mobile providers receiving those funds. For the Alaska Connect Fund, if the hexagon is testable by at least a UAS, then it will be considered accessible and will be included in the hexagons that are eligible to be sampled for Alaska Connect Fund mobile speed testing. Moreover, roads are scarce in Alaska and road data have proven unreliable in certain areas for the purposes of speed test sampling for high-cost support purposes in Alaska; expanding the accessible areas in this way allows us to avoid reliance on potentially inaccurate road data in Alaska.

WTB, in coordination with OEA, is directed to provide the mobile support recipients with a sample to test within four months after their milestones are due that tests network coverage for mobile service coverage for which support was received and showing mobile transmissions to and from the provider's network meeting or exceeding the minimum expected download and upload speeds in the approved performance plan. Since the sample may potentially include some hexes that may only be feasible and safely testable by UAS, the Commission delegates to WTB, in coordination with OEA, to consider under what circumstances alternatives to on-the-ground speed testing data are appropriate to validate coverage in such areas, including use of UASs and to make any other accommodations to the testing necessary to determine whether the providers have met their commitments or not. There may be circumstances where other methods are equally safe to using a UAS but may better reflect the on-the-ground user experience, in which case, WTB, in coordination with OEA, may restrict the use of UASs in some hex-9s for speed testing purposes, even when UAS usage is otherwise permissible.

The Commission rejects the suggestion that USAC should conduct all on-the-ground speed tests and that those receiving more than $5 million annually should reimburse USAC. Administration costs of USAC are built into USAC's contract to administer the program, and allowing the audited to pay the auditor invites perniciousness and has an appearance of impropriety. However, providers that submit on-the-ground speed tests may also be subject to drive tests by USAC.

If a hex-9 is determined to be untestable and, thus, ineligible and this is discovered during speed testing of a provider's commitments, the hex-9 will be counted as noncompliant with the provider's commitments. It should be noted that as a result of a random sampling methodology, such a hex-9 will likely represent other, unselected, hex-9s. The provider's support may be reduced accordingly, consistent with § 54.320(d).

Reporting and Certifications. As many commenters have noted in the record, it is important that the Commission provide accountability and oversight to ensure USF funds are being used for the purposes intended. Pursuant to § 54.313 of the Commission's rules, Alaska Connect Fund mobile support participants must continue to file their FCC Form 481 on July 1 each year. Alaska Connect Fund mobile support recipients will also be subject to § 54.314 of the Commission's rules, which requires that support be used only for the provision, maintenance and upgrading of facilities and services. To provide accountability for Alaska Connect Fund mobile provider recipients, the Commission requires that no later than 60 days after the end of each participating mobile provider's commitment (milestone) deadline, it must submit a certification that it has met the obligations contained in the performance plan approved by WTB, including any obligations pursuant to a revised approved performance plan, and that it has met the requisite public interest obligations contained in the *Alaska Connect Fund Order.* Further, Alaska Connect Fund mobile support recipients, like all USF recipients, will be subject to requirements and certifications in §§ 54.9, 54.10, and 54.11.

Middle-Mile Mapping. The Alaska Plan requires participants to submit fiber network maps or microwave network maps in a format specified by WCB and WTB covering eligible areas and to update such maps if they have deployed middle-mile facilities in the prior calendar year that are or will be used to support their service in eligible areas. These maps were limited to fiber and microwave links and nodes. Providers are required to submit the locations of the links they own and provide conceptual links for their leased links. The Alaska Plan participant provides the amount of capacity available per link.

The Commission adopts an expanded version of the middle-mile requirement for Alaska Connect Fund mobile participants. Since the start of the Alaska Plan, the Commission has

recognized the limitations associated with middle-mile access in Alaska. In the *Alaska Connect Fund Notice,* the Commission acknowledged reports of prohibitively expensive middle-mile transport rates and sought comment on ways to improve middle-mile access and how to address middle-mile concerns for mobile providers in the Alaska Connect Fund. Commenters continue to demonstrate how middle mile can affect mobile deployment and costs. Addressed in the following, ARCC proposes a system for Commission support of ultra-high middle-mile expenses. While the AMMA does not support using high-cost support to build-out middle-mile infrastructure given other programs that focus on such infrastructure, AMMA recognizes the benefits of first-hand monitoring of middle mile availability and rates given the high cost of service. Scarcity of backhaul and middle mile remains among the biggest reasons that service may not be available in an area. Even where middle mile is available in an area, it may not be affordable—costing $700 per Mbps or more—which limits the speed of the service that a provider can offer in those areas. To better understand middle-mile limitations, the Commission delegates authority to WTB to require each Alaska Connect Fund mobile provider to submit, *inter alia,* information about all backhaul and middle mile, regardless of technology, and the name of the middle mile provider(s) from which the last-mile Alaska Connect Fund mobile provider leases links. The Commission also delegates authority to WTB to allow but not require providers to submit data regarding the price the provider pays per Mbps along each link. Including voluntary submission of data transport rates in WTB's data collection will allow WTB to monitor whether data transport rates are being improved by the awards provided by other programs and to see if such awards allow the last-mile providers of the Alaska Plan to bring down their data transport rates. The Commission notes that it will continue to monitor concerns related to middle mile availability for Alaska Connect Fund mobile participants, and it will take action as it deems necessary.

Point of Contact. In the Alaska Plan, all mobile-provider participants had their initial performance plans accepted by WTB by the end of 2016. Over the course of the Alaska Plan, the mobile-providers' personnel responsible for submission of the initial performance plans may have parted from the company, in some cases leaving those newly responsible for compliance with the commitments without the necessary information for continued compliance. This situation has adverse effects for the mobile provider support recipient, the Alaskans they are serving, and the administration of universal service. To avoid this, Alaska Connect Fund mobile provider recipients must provide WTB a point of contact for discussions regarding performance plans and data submissions. Alaska Connect Fund recipients must notify WTB within 30 days whenever the point of contact changes at a company. All such notifications must be submitted to *ACF@fcc.gov.*

Audits. Like all ETCs, Alaska Connect Fund mobile support recipients will be subject to ongoing oversight to protect the success and integrity of the Alaska Connect Fund. All ETCs that receive high-cost support are subject to compliance audits and other investigations to ensure compliance with program rules and orders. Audits may include speed tests tailored to the circumstances of the information that is to be verified; providers under other speed test obligations may also be subject to any and all audits, including speed test audits. The Commission retains discretion to recover funds or take other steps in the event of waste, fraud or abuse.

Alaska Plan Obligations Unaffected. As explained in this document, nothing in this document shall be read as affecting the obligations owed by mobile-support recipients under the Alaska Plan; they remain obligated to meet their 10-year commitments (December 31, 2026) and all other Alaska Plan requirements at the end of the Alaska Plan.

Consistent with the Enhanced A–CAM, BEAD, and 5G Fund programs, the Commission requires Fixed ACF and mobile provider support recipients to implement operational cybersecurity and supply chain risk management plans. The Commission requires Fixed ACF support recipients to implement operational cybersecurity and supply chain risk management plans by January 2, 2029—the start of the Fixed ACF support term. The Commission also requires fixed recipients to submit and certify their cybersecurity and supply chain risk management plans with the Administrator by January 2, 2029. All mobile-provider recipients must implement their cybersecurity and supply chain risk management plans by December 31, 2029. Mobile provider recipients must also submit and certify to their cybersecurity and supply chain risk management plans with the Administrator by December 31, 2029.

The plans must reflect at least the National Institute of Standards and Technology's Framework for Improving Critical Infrastructure Cybersecurity v.1.1 (2018) (NIST Framework), or any successor version of the NIST Framework adopted and must reflect established cybersecurity best practices that address each of the Core Functions described in the NIST Framework, such as the standards and controls set forth in the Cybersecurity & Infrastructure Security Agency (CISA) Cybersecurity Cross-sector Performance Goals and Objectives (CISA CPGs) or the Center for internet Security Critical Security Controls (CIS Controls). Recipients' supply chain risk management plans must reflect the key practices discussed in NISTIR 8276, Key Practices in Cyber Supply Chain Risk Management: Observations from Industry, and related supply chain risk management guidance from NIST 800–161. The Commission delegates to the Bureaus and the Public Safety Homeland Security Bureau (PSHSB) the authority, through opportunity for public notice and comment, to update these requirements and to consider whether to require that Alaska Connect Fund recipients' cybersecurity risk management plans reflect at least NIST Framework v.2.0 (2024) or any other successor versions that may be released.

The Commission also requires recipients to submit their cybersecurity and risk management plans to USAC, and certify that they have done so, by the required deadline. Failure to submit the plans and make the certification shall result in 25% of monthly support being withheld until the recipient comes into compliance. The Commission delegates authority to the Bureaus to determine if further compliance consequences are necessary if a carrier does not comply for an extended period of time, for example, failure to come into compliance within six months of authorization to receive Fixed ACF or mobile provider support. Such consequences could include withholding additional or all Fixed ACF or mobile provider support.

Adopting these requirements emphasizes the critical importance of cybersecurity and supply chain risk management in modern broadband networks, consistent with broader initiatives across the Federal government, while striking an appropriate balance to ensure compliance with this important requirement that avoids disproportionate disruption to recipients' support. This action is consistent with the BEAD Program, which requires recipients to maintain

cybersecurity risk management plans that reflect the latest version of the NIST Framework for Improving Critical Infrastructure Cybersecurity.

If an ACF recipient makes a substantive modification to its cybersecurity or supply chain risk management plan, the Commission requires that carrier to submit its updated plan to USAC within 30 days of making that modification. A modification to a cybersecurity or supply chain risk management plan will be considered as substantive if at least one of the following conditions apply:

- There is a change in the plan's scope, including any addition, removal, or significant alternation to the types of risks covered by the plan (*e.g.,* expanding a plan to cover new areas such as supply chain risks to Internet of Things devices or cloud security could be a substantive change);
- There is a change in the plan's risk mitigation strategies (*e.g.,* implementing a new encryption protocol or deploying a different firewall architecture);
- There is a shift in organizational structure (*e.g.,* creating a new information technology department or hiring a Chief Information Security Officer);
- There is a shift in the threat landscape prompting the organization to recognize that emergence of new threats or vulnerabilities that weren't previously accounted for in the plan;
- Updates are made to comply with new cybersecurity regulations, standards, or laws;
- Significant changes are made in the supply chain, including offboarding major suppliers or vendors, or shifts in procurement strategies that may impact the security of the supply chain; or
- A large-scale technological change is made, including the adoption of new systems or technologies, migrating to a new information technology infrastructure, or significantly changing the information technology architecture.

Further, in their FCC Form 481 filings following each subsequent support year, Fixed ACF recipients shall certify that they have maintained their plans, whether they have submitted modifications in the prior year, and the date any modifications were submitted. At any point during the support term, if a Fixed ACF or mobile provider recipient does not have in place operational cybersecurity and supply chain risk management plans meeting the Commission's requirements, the Commission directs the Bureaus to withhold 25% of the Fixed ACF or mobile provider recipient's support until the Fixed ACF or mobile provider recipient is able to come into compliance. Once the Fixed ACF or Alaska Connect Fund mobile support recipient comes into compliance, the Administrator shall stop withholding support, and the support recipient will receive all of the support that had been withheld pursuant to this section. In this document, the Commission delegates authority to the Bureaus to determine if further compliance consequences are necessary during the Fixed ACF or mobile provider support term. The requirements the Commission adopts here will improve the cybersecurity of the nation's broadband networks and protect consumers from online risks such as fraud, theft, and ransomware that can be mitigated or eliminated through the implementation of accepted security measures.

These cybersecurity requirements are appropriately tailored to mitigate burdens on small entities while maintaining the integrity of our nation's networks. APT suggests that adopting a cybersecurity and risk management plan is too costly and difficult for small rural carriers, particularly without a template. To the contrary, these rules were designed to mitigate concerns that development and implementation of cybersecurity plans are expensive and time consuming. As ARCC noted, ACF recipients ''can meet this metric by submitting a single document that contains both their cybersecurity risk management and supply chain risk management plans . . . because implementing the NIST Framework for Improving Critical Infrastructure Cybersecurity . . . includes an examination and treatment of supply chain risks.'' The Commission affords carriers flexibility to include standards and controls in their cybersecurity management plans that are reasonably tailored to their business needs, and the frameworks it utilizes here are inherently flexible as well, accounting for the needs of entities of all sizes. The Commission expects that its approach will reduce compliance costs by allowing carriers that have already implemented the NIST Framework for Improving Critical Infrastructure Cybersecurity to comply with this requirement without redoing their plan so long as they implement an established set of cybersecurity best practices. To further mitigate costs for small providers, as suggested by NTCA, the Commission encourages Fixed ACF recipients and mobile provider support recipients to take advantage of existing Federal government resources designed to share supply chain security risk information with trusted communications providers and suppliers and facilitate the creation of cybersecurity and supply-chain risk management plans, in addition to the growing industry of professional consultants helping smaller carriers comply with cybersecurity requirements.The Commission believes that implementation of these approaches facilitates the nation's cybersecurity goals and properly accommodates recipients of the Alaska Connect Fund.

The Commission sought comment on how the proposals and issues discussed in the *Alaska Connect Fund Notice* may promote or inhibit advances in diversity, equity, inclusion, and accessibility, as well as the scope of the Commission's relevant legal authority to address any such issues for both fixed and mobile services in Alaska. Commenters pointed out areas where attention to digital equity can improve access to advanced telecommunications in Alaska. Specifically, AKPIRG pointed out that language diversity within the state can create barriers to access. ARCC agreed with NTCA in the need for working collaboratively with state and local governments to encourage program flexibility to allow for the unique situations of different communities. ARCC suggested that obligations match support amounts, stating that a ''one size fits all'' approach is not one that fits the makeup of the state of Alaska. ARCC points to differences in middle mile costs in Alaska compared to the Lower 48, suggesting that its Alaska Middle Mile Expense Support (AMMES) Petition would ''bring positive impacts and advancement to diversity and equity in remote regions of the state of Alaska.'' ARCC also encourages the Commission to use ''discretion and flexibility . . . as circumstances vary across the country.'' APT asks the Commission to consider the scalability of its requirements and the impacts of its decisions on small businesses and on carriers operating in and servicing remote areas of Alaska. The Commission finds that its actions in this document appropriately address commenters' suggestions. Most notably, the Commission takes action to allow WCB flexibility to consider a variety of providers for Fixed ACF support, and to work in collaboration with other Federal and state programs to find the appropriate solution for Alaska given the Commission's resources. Moreover, the overall increase in support amounts for both fixed and mobile providers allows each recipient the ability recover more cost associated with middle mile transport, addressing concerns raised in ARCC's petition while continuing to

give providers flexibility to use their support in the most advantageous ways to serve consumers in their respective remote regions—including by using support from this and other programs to connect their networks to areas with more competitive transport rates.

As the Commission continues to implement and administer the Alaska Connect Fund, it remains mindful of the importance of considering how it can promote diversity, equity, inclusion, and accessibility and the impact its rules have on these issues. The Commission emphasizes that one of the general principles of the USF is to create equal access for every consumer in America to high-speed broadband in underserved and unserved areas. To that end, the Commission has long used its Universal Service high-cost funding programs to further consumer access to broadband and bridge the digital divide. Most recently, the Commission adopted universal service goals for broadband—universal deployment, affordability, adoption, availability, and equitable access to broadband throughout the United States. Accordingly, the Commission is committed to ensuring that the policies and rules it has adopted for the Alaska Connect Fund remain in accord with the Commission's general efforts to advance digital equity for all.

The Commission notes that the State of Alaska has been allocated $567,800 under the NTIA State Digital Equity Planning Grant Program to develop the Alaska Digital Equity Plan as well as $5,631,769.64 under the NTIA Digital Equity Capacity Grant Program, and has been working to develop guidelines for the in-state grant program. NTIA and the State of Alaska are expected to distribute funds in the near term. The Commission will continue to work together with the State to determine how its actions can best complement those of the state and further digital equity across Alaska.

ARCC filed a petition in November 2022, requesting the Commission initiate a rulemaking to address the extremely high costs of middle mile transport expenses in Alaska by adopting its AMMES to provide funding support to carriers servicing locations with ultra-high costs. Under the AMMES system and its mobile-specific Wireless Alaska Middle Mile Expense Support (WAMMES) system, eligible providers with performance commitments from the Alaska Plan, (A–CAM, or Connect America Fund (CAF II)), may have a portion of their costs subsidized for areas in their plans that are designated ''ultra-high cost.'' For these ultra-high-cost areas (where middle mile costs exceeding $75/Mbps), ARCC proposes to have AMMES and WAMMES cover a portion of the costs of either leasing middle mile capacity from a third-party provider, or recovering the operating costs of facilities constructed by the provider.

The Commission denies ARCC's AMMES petition in all of its iterations. The Commission finds that a guaranteed stream of funding with specified payment amounts for prices above a specific dollar amount only incentivizes transport providers to continue to raise their rates. The support the Alaska Connect Fund offers, in addition to the large increase in support reflecting the changes discussed above, allows providers serving Alaska to address high transport rates in two ways. First, providers may use funds to build out their own transport networks, even in ineligible areas, so long as those funds are necessary to meet their commitments in eligible areas. This build-out can include building facilities that connect their networks to areas where transport is competitively priced. Second, by providing Alaska Connect Fund support recipients static funding, the last-mile provider maintains incentives to negotiate aggressively with transport providers for lower rates. In addition to the mechanisms within the Alaska Connect Fund to address this issue, the Commission observes that there are several other Federal programs that can aid the Alaska Connect Fund last-mile providers in building out infrastructure to connect their service areas and run their own transport lines to competitively priced transport areas. Similar to RUS funded projects, NTIA's BEAD program can indirectly support construction of new middle mile facilities to meet the increased speed goals of that program. Finally, the approach that ARCC proposes for AMMES is a rate-of-return type mechanism. Such mechanisms can lead to waste and inefficiency, and the Commission has made clear that additional rate-of-return regulation is not the preferred future direction of the high-cost program. For these reasons, the Commission denies ARCC's petition. However, the Commission will continue to monitor the impact of middle mile transport rates on the availability of fixed and mobile service in Alaska.

II. Procedural Matters

A. Paperwork Reduction Act

This document does not contain [new or modified] information collection requirements subject to the Paperwork Reduction Act of 1995 (PRA), Public Law 104–13. In addition, therefore, it does not contain any new or modified information collection burden for small business concerns with fewer than 25 employees, pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107–198, see 44 U.S.C. 3506(c)(4).

B. Congressional Review Act

The Commission has determined, and the Administrator of the Office of Information and Regulatory Affairs, Office of Management and Budget, concurs, that this rule is ''non-major'' under the Congressional Review Act, 5 U.S.C. 804(2). The Commission will send a copy of the Order to Congress and the Government Accountability Office pursuant to 5 U.S.C. 801(a)(1)(A).

As required by the Regulatory Flexibility Act of 1980, as amended (RFA), an Initial Regulatory Flexibility Analysis (IRFA) was incorporated in the *Alaska Connect Fund Notice* released in October 2023. The Commission sought written public comment on the proposals in the *Notice,* including comment on the IRFA. No comments were filed addressing the IRFA. This present Final Regulatory Flexibility Analysis conforms to the RFA.

In this document, the Commission adopts several changes to its rules that will implement a two-phased mechanism to provide universal service high-cost support to carriers in Alaska for the next ten years under the Alaska Connect Fund. The Commission has recognized the inherent challenges in serving these areas of Alaska and understands the necessity in providing innovative solutions and unique accommodations to residents and businesses alike. The Commission also recognizes that there are areas of Alaska that still lack high-quality affordable broadband, where residents may be deprived of the opportunity to keep up with the advancements in technology that Americans living elsewhere benefit from. Currently, the Commission provides high-cost support to Alaska Plan fixed and mobile carriers, ACS, and A–CAM carriers. In the *Alaska Plan Order,* the Commission stated that it would conduct a rulemaking prior to the close of the 10-year support term to determine whether and how support would be provided after the end of the 10-year support term, and that the Commission would consider adjustments for marketplace changes and the realities of the current time. In the *ACS Order,* the Commission stated that it would conduct a rulemaking in year eight of the program to determine how support would be awarded for the areas at the conclusion of the program. In this document, the Commission

adopts rules to structure and target Alaska Connect Fund support.

In the fixed portion of the ACF Transition, the program adopted in this document adjusts current support and extends support to current support recipients through 2028. In Fixed ACF, the Commission directs support for the maintenance and operations of already-built infrastructure through 2034. The Commission directs WCB to adopt a process for allocating support under Fixed ACF. Adopting this program structure now will allow for a streamlined transition from the current support mechanisms to the Alaska Connect Fund. Adopting the budget now also provides predictability to carriers in Alaska that are interested in applying for and coordinating funding from multiple federal agencies. Delegating Fixed ACF allocation and processes for fixed services to WCB allows the Commission to better meet its goal of using USF support effectively, allowing time for developing a fuller picture of how BEAD funding will be allocated in Alaska, and thus preserving the flexibility to determine how to effectively use high-cost support in Alaska to support broadband access for Alaskan consumers.

In this document, the Commission adopts a two-area solution for the Alaska Connect Fund mobile support in high-cost areas through December 31, 2034, extending support for previous recipients of high-cost mobile support in Alaska that opt in to receive the Alaska Connect Fund, subject to conditions. For areas with a single supported provider, support received by that provider will be extended through December 31, 2034, with limited exceptions and conditioned on improved performance plans consistent with BDC data. For duplicate-support areas, or areas covered by two or more Alaska Plan mobile-provider participants, the Commission adopts a 2-phased approach: an ACF Mobile Phase I that extends support for the mobile providers receiving support in these duplicate-support areas through December 31, 2029, and an ACF Mobile Phase II, the mechanics of which the Commission seeks comment in the concurrently adopted FNPRM. This document delegates to WTB the authority to extend ACF Mobile Phase I as needed, or until December 31, 2034, in the event that a ACF Mobile Phase II is not implemented.

This framework allows for a period of certainty of support so that the mobile-provider participants of the Alaska Plan can continue network planning and making contractual arrangements in the short term, thereby continuing to build on the progress and momentum of the Alaska Plan.

Small entities potentially affected by the rules herein include Wired Telecommunications Carriers, Local Exchange Carriers, Incumbent Local Exchange Carriers, Competitive Local Exchange Carriers, Interexchange Carriers, Local Resellers, Toll Resellers, Other Toll Carriers, Prepaid Calling Card Providers, Fixed Microwave Services, Cable and Other Subscription Programming, Cable Companies and Systems (Rate Regulation), Cable System Operators (Telecom Act Standard), Satellite Telecommunications, Wireless Telecommunications Carriers (except Satellite), All Other Telecommunications, Wired Broadband internet Access Service Providers, Wireless Broadband internet Access Service Providers, internet Service Providers (Non-Broadband), All Other Information Services.

Small and other recipients of ACF Transition support for fixed services are already subject to the reporting obligations set forth in §§ 54.313, 54.314, and 54.316 of the Commission's rules, which include broadband deployment reporting and certification requirements for high-cost recipients, and are subject to requirements in §§ 54.9, 54.10, and 54.11 of the Commission's rules, which include prohibited uses of funds. Small and other recipients of Fixed ACF support are also subject to the reporting obligations set forth in §§ 54.313, 54.314, and 54.316 of the Commission's rules, and are subject to requirements in §§ 54.9, 54.10, and 54.11 of the Commission's rules.

WCB may adopt network performance testing methodologies and non-compliance measures that account for unique aspects of service in Alaska. Until WCB adopts such methodologies, recipients of Fixed ACF shall comply with methodologies and non-compliance measures in effect as of the date this order was adopted.

Consistent with the cyber requirements in the Enhanced A–CAM and BEAD programs, the Commission requires small and other Fixed ACF support recipients to implement operational cybersecurity and supply chain risk management plans and certify that they have been submitted to USAC by January 1, 2029. The Commission does not expect that implementing these plans will be expensive or time consuming for small providers because they are appropriately tailored to mitigate burdens on small entities while maintaining the integrity of our nation's networks. The Commission allows providers the flexibility to include standards and controls in their cybersecurity management plans that are reasonably tailored to their business needs. The Commission expects that its approach will reduce compliance costs by allowing carriers that have already implemented the NIST Framework for Improving Critical Infrastructure Cybersecurity to comply with this requirement without revising their plan so long as they implement an established set of cybersecurity best practices. Small Fixed ACF recipients may take advantage of existing Federal government and other online resources to facilitate the creation of cybersecurity and supply-chain risk management plans.

Small and other recipients of Fixed ACF support are subject to the compliance measures, recordkeeping requirements, and audit requirements for high-cost program recipients set forth in § 54.320(a) through (c) of the Commission's rules. Small and other recipients of Fixed ACF support are also subject to the non-compliance measures set forth in § 54.320(d) of the Commission's rules, which includes notifying the Commission, USAC, and relevant state, territory, and Tribal governments of any failure to meet build-out milestones.

This document adopts public interest obligations, performance requirements, and reporting and certification requirements for small and other mobile participants of the Alaska Connect Fund. Eligible participants are initially limited to existing mobile participants of the Alaska Plan.

As with the Alaska Plan, the Alaska Connect Fund participants are required to submit performance plans, which must be filed for WTB approval no later than September 1, 2026. Mobile Alaska Connect Fund performance plans are required to be based on the BDC standards and coverage as of December 31, 2024. The performance plans must be at the census tract level, and must: (1) include the name of the census tract that the provider commits to serve; (2) include the minimum technology level and speed in an outdoor stationary environment that the provider commits to provide; (3) specify the number of hex-9s committed to be covered within each census tract at the committed-to technology and speed levels, which shall be no less than the provider's coverage in the Alaska Plan, minus any ineligible areas; and (4) specify how many additional hex-9s committed to within each census tract at the committed-to technology and speed levels are comparable hex-9s. The Commission delegates authority to WTB to adopt requirements and develop data

specifications, after appropriate public process, concerning the format and method of uploading the performance plans. Mobile participants must certify that they have met the obligations in their performance plans no later than 60 days after the end of their commitment deadlines. Those Alaska Connect Fund mobile recipients that receive annual support of more than $5 million must submit with their certification data conforming to the BDC Data Specifications for Mobile Speed Test Data received or used from speed tests analyzing network coverage for mobile service covering the hex-9s for which support was received and showing mobile transmissions to and from the carrier's network meeting or exceeding the minimum expected download and upload speeds in the approved performance plan.

Small and other mobile participants are required to continue to meet all of the public interest obligations of the Alaska Plan, including minimum provision of service and reasonably comparable services and rates. Where WTB approves lesser commitments in a provider's performance plan, the mobile provider must certify, by census tract, that the basis for which it qualified for lesser commitments still applies in the previous calendar year and to describe on its FCC Form 481 the efforts it has taken to improve conditions that served as the basis for the lesser commitments. When the basis for the lesser commitments has changed in the previous calendar year, allowing the minimum commitments to be achieved in the census tract, the mobile provider must certify to this in FCC Form 481. Where a provider certifies on FCC Form 481 that conditions have changed such that it no longer qualifies for lesser commitments in a census tract, the provider must submit additional information and updated performance plans into the Alaska Connect Fund docket. Where conditions have changed, the mobile provider must submit, for the affected census tracts: (i) a description of the change; (ii) the date on which the change occurred; (iii) the hex-9s within the census tract that could be served as a result of the changed conditions; and (iv) revised performance commitments factoring in the change. These filings must be made simultaneously with the submission of the FCC Form 481.

Additionally, similar to the compliance obligations for fixed providers mentioned in this document, all mobile providers must implement operational cybersecurity and supply chain risk management plans by December 31, 2029, or within 30 days after approval under the PRA, whichever is later. Plans must be submitted to USAC, WTB, and the PSHSB by December 31, 2029; and must reflect established cybersecurity best practices that address each of the Core Functions described in the NIST Framework, such as the standards and controls set forth in the CISA CPGs or the CIS Controls. The Commission delegates authority to WTB in consultation with PSHSB to update these requirement through notice and comment process.

Alaska Connect Fund mobile providers are also required to submit information about all backhaul and middle mile, regardless of technology, and the name of the middle mile provider(s) from which the last-mile Alaska Connect Fund mobile provider leases links. Providers will be allowed but not required to submit data regarding the price the provider pays per Mbps along each link.

In addition, small and other recipients of Alaska Connect Fund support for mobile services shall continue to be subject to the reporting obligations set forth in §§ 54.308, 54.313, 54.314, 54.320(d), and 54.321 of the Commission's rules, as amended, § 54.318, and be subject to the requirements in §§ 54.9, 54.10, and 54.11 of the Commission's rules. Such recipients are also required to submit on an annual basis all of the infrastructure data that providers would submit as part of the BDC mobile verification process for all cell sites and antennas that serve an Alaska Connect Fund mobile support recipient's supported area for coverage as of December 31 of each year. These Alaska Connect Fund recipients of mobile support must submit these data to WTB by the following March 1 based on their instructions and specifications.

The RFA requires an agency to provide ''a description of the steps the agency has taken to minimize the significant economic impact on small entities . . . including a statement of the factual, policy, and legal reasons for selecting the alternative adopted in the final rule and why each one of the other significant alternatives to the rule considered by the agency which affect the impact on small entities was rejected.''

In reaching its final conclusions and through its actions in this proceeding, the Commission has considered the economic impact of, and alternatives to, proposals that may affect small entities. The rules that the Commission adopts in this document will benefit small and other entities by balancing its requirement to provide support that is sufficient to achieve the Commission's universal service goals, while also providing appropriate incentives for prudent and efficient expenditures. The Commission adopts a two-phase Alaska Connect Fund, in which ACF Transition support increases current funding and extends funding to harmonize the end point of multiple current funding programs, providing certainty and increased funding for current recipients, including small entities. The Commission considered alternatives for raising support amounts annually but declined this approach to ensure certainty and predictability in funding for carriers. Fixed ACF will establish a future funding mechanism to support the continued provision of broadband services in Alaska by all providers, including small entities. For mobile providers, this document adopts a two-area solution, extending support with updated performance obligations for single-support areas, while considering alternatives for and extending support for areas with duplicate support in the short term, and seeking comment on the appropriate methodology for eliminating duplicative support for these areas in the FNPRM. The updated support system will improve upon the successes of the Alaska Plan while addressing many concerns that diminished providers' efficient use of their support to serve their existing networks and expand their coverage areas. As the majority of the eligible participants for ACF extended support meet fall under the SBA size standard for small businesses as wireless telecommunications carriers, the adopted system was inherently designed with consideration to those entities.

The Commission considered alternatives raised by commenters to eliminate the requirement that providers must be an ETC, consistent with the existing rules, to be eligible to receive Alaska Connect Fund support, but instead retain this requirement for statutory reasons. Some commenters expressed concerns that requiring cybersecurity and risk management plans may be too costly and burdensome for small rural carriers. As discussed in this document, the rules provide flexibility for small providers to design these plans and various resources are available to reduce the cost of developing these plans. Further, the cybersecurity and risk management compliance obligations are similar to those for existing support programs and necessary to maintain the integrity of our nation's networks.

To the extent the Commission retains certification and reporting requirements, it finds that the importance of monitoring the use of the public's funds outweighs the burden of filing the

required information on small and other entities, particularly because much of the information that the Commission requires them to report is information it expects they already collect to ensure they comply with the existing terms and conditions of support.

III. Ordering Clauses

Accordingly, *it is ordered* that, pursuant to the authority contained in sections 4(i), 5, 201, 205, 214, 254, 303(r), 403, and 1302 of the Communications Act of 1934, as amended, 47 U.S.C. 154(i), 155, 201, 205, 214, 254, 303(r), 403, and 1302 the Order *is adopted.* The Order *shall be effective* thirty days after publication in the **Federal Register.**

It is further ordered that part 54 of the Commission's rules, 47 CFR pt. 54, *is amended* as set forth in this document.

List of Subjects in 47 CFR Part 54

Communications common carriers, Health facilities, Infants and children, internet, Libraries, Alaska, Reporting and recordkeeping requirements, Schools, Telecommunications, Telephone, High-Cost, Broadband.

Federal Communications Commission.

Marlene Dortch,

Secretary.

For the reasons discussed in the preamble, the Federal Communications Commission amends 47 CFR part 54 as follows:

PART 54—UNIVERSAL SERVICE

■ 1. The authority citation for part 54 continues to read as follows:

Authority: 47 U.S.C. 151, 154(i), 155, 201, 205, 214, 219, 220, 229, 254, 303(r), 403, 1004, 1302, 1601–1609, and 1752, unless otherwise noted.

■ 2. Amend § 54.306 by revising paragraph (c) introductory text and adding paragraph (e) to read as follows:

§ 54.306 Alaska Plan for Rate-of-Return Carriers Serving Alaska.

* * * * *

(c) *Support amounts and support term.* For a period of 8 years beginning on or after January 1, 2017, at a date set by the Wireline Competition Bureau, each Alaska Plan participant shall receive monthly Alaska Plan support in an amount equal to:

* * * * *

(e) *Alaska Connect Fund Transition support.* Beginning January 1, 2025, and ending December 31, 2028, an Alaska Plan rate-of-return carrier (as that term is defined in § 54.5) serving Alaska that elected support pursuant to paragraph (a) of this section shall be authorized to receive an amount of monthly support during the Alaska Connect Fund Transition equal to the amount authorized as of December 1, 2024, multiplied by 1.30.

■ 3. Amend § 54.308 by revising paragraph (c), redesignating paragraph (e) as paragraph (g), and adding new paragraph (e) and paragraphs (f) and (h) to read as follows:

§ 54.308 Broadband public interest obligations for recipients of high-cost support.

* * * * *

(c) *Alaska Plan recipients.* Alaskan rate-of-return carriers receiving support from the Alaska Plan pursuant to § 54.306 are exempt from paragraph (a) of this section and are instead required to offer voice and broadband service with latency suitable for real-time applications, including Voice over internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas, at rates that are reasonably comparable to rates for comparable offerings in urban areas, subject to any limitations in access to backhaul as described in § 54.313(g). Alaska Plan recipients' specific broadband deployment and speed obligations shall be governed by the terms of their approved performance plans as described in § 54.306(b). Alaska Plan recipients must also comply with paragraph (b) of this section.

* * * * *

(e) *Minimum provision of service.* Mobile providers receiving support from the Alaska Connect Fund must provide service at the same minimum service levels as required under the Alaska Plan and may not provide less coverage or provide service using a less advanced technology than the provider committed to under the Alaska Plan.

(1) This includes continuing to provide voice service, maintaining at least the level of data service the mobile provider offered to its previous coverage area as of the end of the Alaska Plan, and improving service consistent with the mobile provider's approved performance plan through the end of Alaska Connect Fund.

(2) The Wireless Telecommunications Bureau in coordination with the Office of Economics and Analytics have authority to compare Broadband Data Collection availability data as of December 31, 2026, with subsequent Broadband Data Collection availability data to ensure that mobile voice and mobile broadband service levels and coverage are maintained or improved in all previously served areas.

(f) *Reasonably comparable services and rates.* A mobile provider that is receiving support from the Alaska Connect Fund pursuant to § 54.318 shall certify in its annual compliance filings that its rates are reasonably comparable to rates for comparable offerings in the Cellular Market Area (CMA) for Anchorage, Alaska. An Alaska Connect Fund mobile provider must also demonstrate compliance in duplicate-support areas by December 31, 2029, and in single support areas by December 31, 2029, December 31, 2031, and December 31, 2034, by showing that it publishes, on its publicly accessible website at least one mobile broadband plan and at least one stand-alone voice plan that meets the following requirements:

(1) Is substantially similar to a service plan offered by at least one different mobile provider in the CMA for Anchorage, Alaska, and

(2) Is offered for the same or a lower rate than the matching plan in the CMA for Anchorage.

(3) This demonstration must include usage allowances for the comparable plans in Anchorage.

(4) The Wireless Telecommunications Bureau may employ alternative benchmarks or dates appropriate for specific competitive Eligible Telecommunications Carriers in assessing carrier offerings. Participants in the Alaska Connect Fund may not cite their own plans in Anchorage as evidence of meeting the reasonably comparable rate condition.

* * * * *

(h) *Alaska Connect Fund mobile provider cybersecurity and supply chain risk management requirements.* (1) An Alaska Connect Fund mobile support recipient must implement operational cybersecurity and supply chain risk management plans meeting the requirements of this section as a condition of receiving Alaska Connect Fund support. All mobile provider recipients must implement their cybersecurity and supply chain risk management plans by December 31, 2029.

(2) An Alaska Connect Fund mobile support recipient must certify that it has implemented the plans required under paragraph (h)(1) of this section and must submit the plans to the Administrator by December 31, 2029, or within 30 days of approval under the Paperwork Reduction Act, whichever is later.

(3) An Alaska Connect Fund mobile support recipient that fails to comply with any Alaska Connect Fund cybersecurity or supply chain risk management requirement is subject to the following non-compliance measures:

(i) The Wireless Telecommunications Bureau shall direct the Administrator to

withhold 25 percent of the Alaska Connect Fund support recipient's monthly support for failure to comply with paragraphs (h)(1) and (2) of this section until the support recipient comes into compliance.

(ii) At any time during the support term, if an Alaska Connect Fund mobile support recipient does not have in place operational cybersecurity and supply chain risk management plans meeting the requirements of this section, the Wireless Telecommunications Bureau shall direct the Administrator to withhold 25 percent of the support recipient's monthly support.

(iii) Once the Alaska Connect Fund mobile support recipient comes into compliance, the Administrator shall stop withholding support, and the support recipient will receive all of the support that had been withheld pursuant to this section.

(4) An Alaska Connect Fund mobile support recipient's cybersecurity risk management plan must reflect at least the National Institute of Standards and Technology (NIST) Framework for Improving Critical Infrastructure Cybersecurity v.1.1 (2018) (NIST Framework) or any successor version of the NIST Framework, that may be adopted by the Wireline Competition Bureau, the Wireless Telecommunications Bureau, and the Public Safety and Homeland Security Bureau after notice and comment, and must reflect established cybersecurity best practices that address each of the Core Functions described in the NIST Framework, such as the standards and controls set forth in the Cybersecurity & Infrastructure Security Agency (CISA) Cybersecurity Cross-sector Performance Goals and Objectives or the Center for internet Security Critical Security Controls.

(5) An Alaska Connect Fund mobile support recipient's supply chain risk management plan must reflect the key practices discussed in NISTIR 8276, Key Practices in Cyber Supply Chain Risk Management: Observations from Industry, and related supply chain risk management guidance from NIST 800–161.

(6) If an Alaska Connect Fund mobile support recipient makes a substantive modification to a plan under this section, the provider must file an updated plan with the Administrator within 30 days of making the modification. A modification to a plan under this section is substantive if at least one of the following conditions apply:

(i) There is a change in the plan's scope, including any addition, removal, or significant alteration to the types of risks covered by the plan (*e.g.,* expanding a plan to cover new areas, such as supply chain risks to Internet of Things devices or cloud security, could be a substantive change);

(ii) There is a change in the plan's risk mitigation strategies (*e.g.,* implementing a new encryption protocol or deploying a different firewall architecture);

(iii) There is a shift in organizational structure (*e.g.,* creating a new information technology department or hiring a Chief Information Security Officer);

(iv) There is a shift in the threat landscape prompting the organization to recognize that emergence of new threats or vulnerabilities that were not previously accounted for in the plan;

(v) Updates are made to comply with new cybersecurity regulations, standards, or laws;

(vi) Significant changes are made in the supply chain, including offboarding major suppliers or vendors, or shifts in procurement strategies that may impact the security of the supply chain; or

(vii) A large-scale technological change is made, including the adoption of new systems or technologies, migrating to a new information technology infrastructure, or significantly changing the information technology architecture.

■ 4. Amend § 54.310 by adding paragraph (i) to read as follows:

§ 54.310 Connect America Fund for Price Cap Territories—Phase II.

* * * * *

(i) *Alaska Connect Fund Transition support.* Beginning January 1, 2025 and ending December 31, 2028, any price cap carrier serving Alaska that elected to receive Connect America Phase II frozen support amounts in lieu of model-based support, and is authorized to receive support as of December 31, 2024, shall be authorized to receive an amount of monthly support during the ACF Transition equal to the amount of monthly support authorized as of December 1, 2024, multiplied by 1.30.

■ 5. Amend § 54.311 by adding paragraph (g) to read as follows:

§ 54.311 Connect America Fund Alternative-Connect America Cost Model Support.

* * * * *

(g) *Alaska Connect Fund Transition support.* Beginning January 1, 2025, and ending December 31, 2028, an A–CAM carrier that serves the State of Alaska that has made an election of support pursuant to paragraph (a) of this section and is authorized to receive support as of December 31, 2024, shall be authorized to receive an amount of monthly support during the ACF Transition equal to the amount of monthly support authorized as of December 1, 2024, multiplied by 1.30.

■ 6. Amend § 54.313 by revising paragraph (f)(3) and adding paragraph (r) to read as follows:

§ 54.313 Annual reporting requirements for high-cost recipients.

* * * * *

(f) * * *

(3) Rate-of-return carriers participating in the Alaska Plan must certify as to whether any terrestrial backhaul or other satellite backhaul became commercially available in the previous calendar year in areas that were previously served exclusively by performance-limiting satellite backhaul. To the extent that such new terrestrial backhaul facilities are constructed, or other satellite backhaul becomes commercially available, or existing facilities improve sufficiently to meet the relevant speed, latency and capacity requirements then in effect for broadband service supported by the Alaska Plan, the funding recipient must provide a description of the backhaul technology, the date at which that backhaul was made commercially available to the carrier, and the number of locations that are newly served by the new terrestrial backhaul or other satellite backhaul. Within twelve months of the new backhaul facilities becoming commercially available, through December 31, 2026, funding recipients must certify that they are offering broadband service with latency suitable for real-time applications, including Voice over internet Protocol, and with usage capacity that is reasonably comparable to comparable offerings in urban areas. Funding recipients' minimum speed deployment obligations will be reassessed as specified by the Commission.

* * * * *

(r) In addition to the information and certifications in paragraph (a) of this section, any competitive eligible telecommunications carrier participating in the mobile portion of the Alaska Connect Fund must provide the following:

(1) Where WTB, in coordination with OEA, has approved lesser commitments in a mobile provider's performance plan than the minimum deployment goals under the mobile portion of the Alaska Connect Fund, as set forth in § 54.318(f)(5), for all or a certain portion of the provider's service area, the provider must certify, by census tract, that the basis for which it qualified for lesser commitments still applies in the previous calendar year and describe on

FCC Form 481 the efforts it has taken to improve conditions that served as the basis for the lesser commitments. When the basis for the lesser commitments has changed in the previous calendar year, allowing the minimum commitments to be achieved in the census tract, the mobile provider must certify to this in FCC Form 481.

(2) Where a provider certifies on FCC Form 481 that conditions have changed such that it no longer qualifies for lesser commitments in a census tract, the provider must submit additional information and updated performance plans into the Alaska Connect Fund docket via the FCC Electronic Comment Filing System. Where conditions have changed, the mobile provider must submit, for the affected census tracts:

(i) A description of the change;

(ii) The date on which the change occurred;

(iii) The resolution 9 hexagons (hex-9s) using the H3 standardized geospatial indexing system as defined in 47 CFR 1.7001(a)(20) within the census tract that could be served as a result of the changed conditions; and

(iv) Revised performance commitments factoring in the change. These filings must be made simultaneously with the submission of the FCC Form 481. A mobile provider may seek confidential treatment of information required in this section if the conditions for confidentiality are met.

■ 7. Amend § 54.316 by revising paragraph (a) introductory text, adding a reserved paragraph (a)(9) and paragraph (a)(10), and revising paragraph(c)(1) introductory text to read as follows:

§ 54.316 Broadband deployment reporting and certification requirements for high-cost recipients.

(a) *Broadband deployment reporting.* Rate-of Return ETCs, ETCs that elect to receive Connect America Phase II model-based support, competitive ETCs receiving mobile support from the Alaska Connect Fund, and ETCs awarded support to serve fixed locations through a competitive bidding process shall have the following broadband reporting obligations:

* * * * *

(9) [Reserved]

(10) Mobile providers subject to the requirements of § 54.318 shall submit backhaul and middle mile maps covering eligible areas. At the end of any calendar year for which backhaul and middle-mile facilities were deployed, these recipients shall also submit updated maps showing backhaul and middle-mile facilities that are or will be used to support their services in eligible areas. Where the recipient leases links, the recipient must provide the name of the middle-mile provider(s) that the recipient leases links from per area.

* * * * *

(c) * * *

(1) Price cap carriers that accepted Phase II model-based support, rate-of-return carriers, ETCs receiving Alaska Connect Fund mobile support, and recipients of Rural Digital Opportunity Fund support must submit the annual reporting information required by March 1 as described in paragraphs (a) and (b) of this section. Eligible telecommunications carriers that file their reports after the March 1 deadline shall receive a reduction in support pursuant to the following schedule:

* * * * *

■ 8. Add § 54.318 to read as follows:

§ 54.318 Alaska Connect Fund for competitive eligible telecommunications carriers receiving mobile support.

(a) *Carriers eligible for extended support.* A competitive eligible telecommunications carrier previously receiving support for remote Alaska pursuant to § 54.317(e) shall be eligible for extended support, if in compliance with other eligibility requirements.

(1) An Alaska Plan mobile provider that opts into the Alaska Connect Fund may have its Alaska Connect Fund support delayed, or may be deemed ineligible to participate in the Alaska Connect Fund, if the Wireless Telecommunication Bureau determines that the mobile provider has failed to comply with the public interest obligations or other terms and conditions of the Alaska Plan or its Alaska Plan commitments, or failed to meet an Alaska Plan build-out milestone.

(2) The Wireless Telecommunications Bureau may determine whether an Alaska Plan mobile provider is ineligible for the Alaska Connect Fund, ineligible for specific coverage areas, or will have its Alaska Connect Fund support delayed until it meets its outstanding obligations, based on the mobile provider's compliance with Alaska Plan and Broadband Data Collection obligations.

(b) *Election of extended support.* Subject to the requirements of this section, competitive eligible telecommunications carriers receiving support for mobile service pursuant to § 54.317(e) may opt into an extension of that support under the Alaska Connect Fund by submitting their performance plans, consistent with the requirements of this section, on or before September 1, 2026, to the Wireless Telecommunications Bureau for approval. Mobile providers exercising this option with approved performance plans shall have extended support beginning on January 1, 2027. Mobile providers receiving support pursuant to § 54.317(e) that do not opt into extended ACF support will have their support end with the Alaska Plan on December 31, 2026, as set forth in paragraph (i) of this section.

(c) *Eligible areas*—(1) *Areas eligible for support.* Extended support under the Alaska Connect Fund may be used to support mobile service in all of Alaska, except:

(i) Previously ineligible areas under the Alaska Plan

(A) Nonremote areas, as defined in § 54.307(e)(3)(i);

(B) Areas as of December 31, 2014, that received 4G LTE service directly from mobile providers that were either unsubsidized or ineligible to claim the delayed phase down under § 54.307(e)(3) and covering, in the aggregate, at least 85 percent of the population of the census block;

(ii) Competitive areas, as defined as:

(A) Areas with an unsubsidized mobile provider offering 5G–NR service at minimum speeds of 7/1 Mbps in an outdoor stationary environment based on mobile providers' Broadband Data Collection availability data as of December 31, 2024; or

(B) Areas with three or more mobile providers—with at least one of those mobile providers being unsubsidized—offering at least 4G LTE service at minimum speeds of 5/1 Mbps in an outdoor stationary environment based on mobile providers' Broadband Data Collection availability data as of December 31, 2024.

(iii) Areas deemed inaccessible or unsafe for testing by the Wireless Telecommunications Bureau, in coordination with the Office of Economics and Analytics, and reflected in the Eligible-Areas Map, as described in paragraph (c)(2) of this section.

(2) *Eligible-areas map.* The Wireless Telecommunications Bureau in coordination with the Office of Economics and Analytics will publish a map or maps of which areas are eligible and ineligible for Alaska Connect Fund mobile support, and of those that are eligible, which are in duplicate-support areas, single-support areas, or other eligible areas, as defined in paragraph (d)(1) of this section. The map or maps will identify all such areas on a resolution 9 hexagon (hex-9) basis using the H3 standardized geospatial indexing system as defined in 47 CFR

1.7001(a)(20). Competitive eligible telecommunications carriers seeking mobile support under the Alaska Connect Fund must use the Eligible-areas map to determine the areas in Alaska that are eligible for support. The Wireless Telecommunications Bureau in coordination with the Office of Economics and Analytics may resolve any disputes that may arise over the classification of an area and may periodically update the map(s) throughout the course of the Alaska Connect Fund, as necessary. Providers are to communicate which areas should be deemed ineligible by emailing *ACF@fcc.gov* as soon as such areas are known by the provider.

(d) *Support amounts and support term.* Support for Alaska Connect Fund will begin January 1, 2027, and the initial support under the Alaska Connect Fund will act as an extension of support (extended support) to Alaska Connect Fund single- and duplicate-support areas after the Alaska Plan ends.

(1) *Areas.* (i) Support areas are areas covered by one Alaska Plan mobile-provider participant.

(ii) Duplicate-support areas are areas covered by two or more Alaska Plan mobile provider participants.

(iii) Eligible areas that are not identified as a duplicate-support or single-support areas will be noted as ''other eligible areas,'' until otherwise classified throughout the course of the Alaska Connect Fund.

(iv) Areas that are ineligible under the Alaska Connect Fund are not considered to be single- or duplicate-support areas, and mobile participants under the Alaska Connect Fund cannot use their support to provide mobile service in these areas.

(2) *Extended support.* (i) Single-support areas will receive extended support until December 31, 2034.

(ii) Duplicate-support areas will receive extended support until December 31, 2029, unless otherwise extended by the Wireless Telecommunications Bureau.

(e) *Use of support.* Support allocated through the Alaska Connect Fund may only be used to provide mobile voice and mobile broadband service in eligible areas. Alaska Connect Fund recipients may use their support for both operating expenses and capital expenses for deploying, upgrading, and maintaining mobile voice and broadband-capable networks, including middle-mile improvements needed to those ends. As long as an Alaska Connect Fund recipient is providing service to its awarded area consistent with its public interest obligations service expenditures in that area will be eligible for support. Expenditures for middle-mile facilities may occur outside of eligible areas, so long as they are necessary to provide mobile voice and broadband service in the areas where the Alaska Connect Fund recipient receives support.

(f) *Performance plans.* In order to receive extended support pursuant to this section, a competitive eligible telecommunications carrier must be subject to a performance plan approved by the Wireless Telecommunications Bureau. The performance plan must indicate specific deployment obligations and performance requirements sufficient to demonstrate that support is being used in the public interest and in accordance with this section and the requirements adopted by the Commission for the Alaska Connect Fund.

(1) Performance plans must:

(i) Include the name of the census tract(s) the mobile provider commits to serve;

(ii) Include the minimum technology level and speed in an outdoor stationary environment the mobile provider commits to provide;

(iii) Specify the number of hex-9s committed to be covered within each census tract at the committed-to technology and speed levels, which shall be no less than the mobile provider's coverage in the Alaska Plan, minus any ineligible areas; and

(iv) Specify the number of additional hex-9s committed to within each census tract at the committed-to technology and speed levels that are comparable hex-9s as described in paragraph (h) of this section.

(2) A mobile provider must commit to cover any eligible hex-9 in its support area and may commit to cover any eligible hex-9 not covered by other mobile providers.

(3) Providers are to reflect the additional coverage that is required to retain support due to areas being deemed ineligible solely in the comparable hex-9 category of their performance plans, consistent with paragraph (h) of this section.

(4) The Wireless Telecommunications Bureau will adopt requirements and develop data specifications, after appropriate public process, concerning the format and method of uploading Alaska Connect Fund performance plans.

(5) Alaska Connect Fund performance plan submissions are due September 1, 2026. Separate performance plans are required for single-support areas and for duplicate-support areas. A mobile provider's Alaska Connect Fund support may not begin until the Wireless Telecommunications Bureau approves the performance plan of the mobile provider. The Wireless Telecommunications Bureau may require the filing of revised commitments at other times if justified by developments that occur after the approval of the initial performance commitments, including requiring, after notice and comment, additional commitments in duplicate-support areas that must be met by December 31, 2034, if Alaska Connect Fund Mobile Phase I is extended in those areas.

(6) Where technically and financially feasible, providers in single-support areas are expected to extend 5G service to populations who are currently served by 4G LTE or less, and providers in duplicate-support areas are expected to work to extend by the end of December 2029 at least 4G LTE at 5/1 Mbps in an outdoor stationary environment to areas where they do not currently offer it. For single-support areas, providers participating in the Alaska Connect Fund are expected to use Alaska Connect Fund support to upgrade service beyond the service commitment level they made in the Alaska Plan, with an ultimate goal of achieving 5G NR at 35/3 Mbps in single-support areas, where technically and financially feasible, by the end of December 2034. Providers in single-support areas are to report to WTB the progress they have made beyond Alaska Plan service levels by December 31, 2029, and to meet their commitments by the December 31, 2031, interim milestone and the December 31, 2034, final milestone.

(7) The Wireless Telecommunications Bureau may approve lower technology and speeds than the minimum technology and speeds specified in this section, in some areas as warranted on a case-by-case basis. A mobile provider must explicitly state the reason it cannot commit to the minimum deployment requirement as a notation under the proposed performance plan for each census tract. The Wireless Telecommunications Bureau has discretion to determine whether the request is adequately justified and if so, to approve the performance plan. If conditions change such that a mobile provider no longer qualifies for lesser commitments in a census tract, the provider must submit additional information and updated performance plans into the Alaska Connect Fund docket via the FCC Electronic Comment Filing System. Where conditions have changed, the mobile provider must submit, for the affected census tracts:

(i) A description of the change;

(ii) The date on which the change occurred;

(iii) The resolution 9 hexagons (hex-9s) using the H3 standardized geospatial indexing system as defined in 47 CFR 1.7001(a)(20) within the census tract that could be served as a result of the changed conditions; and

(iv) Revised performance commitments factoring in the change. These filings must be made simultaneously with the submission of the FCC Form 481. A mobile provider may seek confidential treatment of information required in this section if the conditions for confidentiality are met.

(8) Initial Alaska Connect Fund performance plans must rely on Broadband Data Collection availability data and data standards on which the National Broadband Map is based and on mobile providers' availability data in Alaska as of December 31, 2024. Consistent with Broadband Data Collection requirements, as provided in 47 CFR 1.7004, all Alaska Connect Fund mobile support recipients must show that consumers can receive the minimum technology level and speed with a cell edge probability of not less than 90% and a cell loading of not less than 50%.

(9) If any mobile providers do not have their performance plans approved by the Wireless Telecommunications Bureau by December 31, 2026, those mobile providers' support may be delayed.

(10) No later than 60 days after the end of each participating mobile provider's commitment (milestone) deadline, it must submit a certification that it has met the obligations contained in the performance plan approved by the Wireless Telecommunications Bureau, including any obligations pursuant to a revised approved performance plan, and that it has met the requisite public interest obligations contained in the Alaska Connect Fund Order.

(11) The Wireless Telecommunications Bureau may raise the technology and performance floor, as appropriate, after opportunity for public notice and comment, during the course of the Alaska Connect Fund.

(g) *Deemed covered.* The geographic areas identified as eligible for support for Alaska Connect Fund mobile recipients will be made available by the Wireless Telecommunications Bureau in coordination with the Office of Economics and Analytics in the Eligible-Areas Map defined in paragraph (c)(2) of this section in the form of hexagons at the resolution 9 level (hex-9s) using the H3 standardized geospatial indexing system as defined in 47 CFR 1.7001(a)(20).

(1) Hex-9s will be deemed covered using the following process:

(i) Overlay resolution 11 hexagons (hex-11s) on the ''raw'' mobile coverage polygons submitted in the Broadband Data Collection in Alaska. If the centroid (*i.e.,* the geographic center point) of the hex-11 overlaps any of those boundaries, then the entire hex-11 is considered covered by that boundary and ''served''.

(ii) Divide the number of served grandchild hex-11s belonging to the grandparent hex-9 by the total number of grandchild hex-11s belonging to the grandparent hex-9 to determine the percentage of the hex-9 that is considered served. The centroid of a hex-11 must fall within the boundary of Alaska to be included in this calculation.

(iii) If at least 70% of the grandchild hex-11s belonging to a grandparent hex-9 are served, then the entire hex-9 will be considered served.

(h) *Comparable areas.* Mobile providers that received support under the Alaska Plan for coverage of newly ineligible areas and that wish to retain their support level must use their Alaska Connect Fund support to cover a comparable number of otherwise uncovered hex-9s elsewhere, subject to claw back in their support if they do not do so. Mobile providers must incorporate their comparable areas into their performance plans under the Alaska Connect Fund for Wireless Telecommunications Bureau approval. Specifically, each mobile provider must remove the ineligible hex-9s from its commitment, and in a separate category in the performance plan, specify how many comparable hex-9s it commits to cover, by census tract.

(1) For areas where a mobile provider may lose support because an area is deemed ineligible after the provider's Alaska Connect Fund performance plan has been approved, the mobile provider will have an opportunity to retain support by committing to cover a comparable number of uncovered hex-9s elsewhere. As mobile providers discover ineligible hex-9s after their performance plans are approved, they must remove those ineligible hex-9s from their hex-9 commitments in their performance plans and reflect the new number of comparable hex-9s in the comparable hex-9 commitments category in their new, proposed performance plans. The mobile provider must submit new performance plans whenever they need new comparable hex-9s approved. The mobile provider must provide a notation in the performance plan for the comparable hex-9s, identifying which census tracts the ineligible hex-9s are located and how many of those hex-9s are being replaced by any particular group of comparable hex-9s. The Wireless Telecommunications Bureau, in coordination with the Office of Economics and Analytics, may require additional clarifying information that allows identification and determination of which comparable hex-9s are replacing which group of ineligible hex-9s. All inaccessible hex-9s and updated performance plans must be reported before their buildout milestones.

(2) Where a mobile provider commits to cover the same number of uncovered hex-9s as the area that was newly deemed ineligible, the coverage shall be deemed comparable.

(3) Where a mobile provider claims that fewer uncovered hex-9s should be deemed as comparable to the number of hex-9s deemed ineligible, the provider must provide justification that the smaller number of hex-9s is comparable to the number of hex-9s that the provider was using support to cover. The Wireless Telecommunications Bureau, in coordination with the Office of Economics and Analytics, may determine whether a mobile provider is covering a comparable number of hex-9s.

(4) Once approved, comparable areas will be treated as part of the mobile provider's single-support areas, subject to the deployment obligations and performance requirements that apply for those areas.

(5) Where an Alaska Connect Fund mobile support recipient covers a new, uncovered hex-9, it will be considered a single-support area attributed to the mobile provider that showed coverage to that hex-9 first, based on Broadband Data Collection availability data, or, in case more than one mobile provider provided coverage for the same area in the same data set or one provider's earlier filed data is deemed inaccurate, whichever provider has its updated performance plan accepted first. Where two providers cover the same hex-9 and one provider claims that the area is inaccessible for testing, but the other provider does not, the area would become a part of the latter provider's single-support area, and the former provider would have to cover the same number of hex-9s elsewhere.

(6) If a mobile provider discovers that some areas are inaccessible during required speed testing or during an audit, the mobile provider will be in noncompliance for those hex-9s, and potentially additional hex-9s if the inaccessible hex-9s were selected through random sampling. If this noncompliance is discovered for the

interim milestone testing, the mobile provider may identify, in an updated performance plan, comparable hex-9s that it will serve.

(i) *Phase down.* Phase down schedule for mobile competitive eligible telecommunications carrier Alaska Connect Fund extended support.

(1) Mobile providers subject to phase down or proportional phase down shall have phase down occur on the following schedule:

(i) For the first twelve months after the phase down start date, each such competitive eligible telecommunications carrier shall receive two-thirds of the monthly support amount the carrier received pursuant to the Alaska Plan.

(ii) For the thirteenth through twenty-fourth months after the phase down start date, each such competitive eligible telecommunications carrier shall receive one-third of the monthly support amount the carrier received pursuant to the Alaska Plan.

(iii) By the twenty-fifth month, no such competitive eligible telecommunications carrier shall receive universal service support pursuant to this section.

(2) Competitive eligible telecommunications carriers providing mobile service that receive support under the Alaska Plan pursuant to § 54.317(e), and that are eligible to receive extended support under this section but do not opt in to receive extended support pursuant to paragraph (b) of this section, shall have their high-cost support end with Alaska Plan on December 31, 2026.

(3) Competitive eligible telecommunications carriers previously receiving mobile support pursuant to § 54.317(e) for an area newly ineligible under the Alaska Connect Fund that do not have an updated performance plan approved by the Wireless Telecommunications Bureau with comparable areas for the Alaska Connect Fund will have their proportional support phased down, beginning 90 days after being notified by the Wireless Telecommunications Bureau that they are receiving support in an ineligible area or by January 1, 2027, whichever is later. Competitive eligible telecommunications carriers that have new performance plans with comparable areas approved by the Wireless Telecommunications Bureau may receive restoration of the support that was phased down for the areas that the comparable areas replaced.

(4) If a mobile provider's updated performance plan is not approved within 90 days of the mobile provider being notified that it is covering ineligible hex-9s because those hex-9s cannot be tested, then the mobile provider will have a proportional amount of support phased down. If the mobile provider's updated performance plan for covering comparable hex-9s is approved after 90 days, it may have any support that was phased down restored.

(5) Competitive eligible telecommunication carriers providing mobile service that receive support under the Alaska Plan pursuant to § 54.317(e) but are found by the Wireless Telecommunications Bureau to be ineligible for extended support under the Alaska Connect Fund, shall not have their high cost support for mobile services phased down. Their support under the Alaska Plan will be terminated as of December 31, 2026. If the Wireless Telecommunications Bureau determines that an Alaska Plan mobile provider did not meet its Alaska Plan buildout obligations after the commencement of the Alaska Connect Fund, and also determines that the mobile provider is not eligible to receive Alaska Connect Fund mobile support, the Wireless Telecommunications Bureau can take all actions necessary to recover Alaska Connect Fund support, including those set forth in § 54.320(c) and (d). This does not impact any separate actions related to § 54.320(c) and (d) with respect to the Alaska Plan final milestone.

(j) *Annual submission of BDC infrastructure data.* (1) A mobile provider must submit, on an annual basis, all of the infrastructure data that it would submit as part of the Broadband Data Collection mobile verification process, as provided in 47 CFR 1.7006(c), for all infrastructure used to serve its supported area for coverage as of December 31 of each year, due by March 1 of the following year.

(2) Mobile providers must submit these infrastructure data to the Wireless Telecommunication Bureau, subject to any additional or amended instructions.

(k) *Submission of speed test data.* (1) A mobile provider receiving more than $5 million annually in Alaska Connect Fund support must submit speed test data along with its certification that it has met its milestone Alaska Connect Fund commitments.

(2) The speed test data must conform to the Broadband Data Collection Specifications for Mobile Speed Test Data, except that ''accessible'' hexes that are included in sampling for purposes of the Alaska Connect Fund must include any hexagon that is testable by at least an uncrewed Aircraft System.

(3) If a hex-9 is determined to be untestable and, thus, ineligible and this is discovered during speed testing of a provider's commitments, the hex-9—and any surrounding hex-9s also deemed to be untestable—will be counted as noncompliant with the provider's commitments. The provider's support may be reduced accordingly, consistent with the compliance tiers set forth in § 54.320(d).

(4) Some hexes may only be accessible by uncrewed aircraft systems (UAS). The Wireless Telecommunications Bureau in coordination with the Office of Economics and Analytics may consider under what circumstances alternatives to on-the-ground speed testing data are appropriate to validate coverage in such areas, including use of UAS and to make any other accommodations to the testing necessary to determine whether the providers have met their commitment or not. To the extent that a mobile provider is permitted to use UAs to conduct testing, it may do so if the allocation and service rules permit airborne use of the spectrum that will be used to provide the mobile service to be tested as part of the drive tests. Otherwise, the provider must additionally obtain a waiver from the Commission (pursuant to 47 CFR 1.925) of any airborne limitations. Where UAS are used for speed testing in the Alaska Connect Fund:

(i) UAS should mirror on-the-ground testing (outdoor stationary environment) and fly at the lowest, safest possible elevation, to best reflect on-the-ground usage.

(ii) UAS performing speed tests must:

(A) At all times operate at less than 200 feet above ground in remote areas of Alaska where road-based testing is impractical/impossible;

(B) Limit power to the minimum necessary to accomplish testing; and

(C) Upon receipt of a complaint of interference from a co-channel licensee, notify the Commission and either remedy the interference or cease operations.

(iii) There may be circumstances where other methods are equally safe to using UAS but may better reflect the on-the-ground user experience, in which case, the Wireless Telecommunications Bureau, in coordination with the Office of Economics and Analytics, may restrict the use of UAs in some hex-9s for speed testing purposes, even when UAS usage is otherwise permissible.

(l) *Point of contact information.* A mobile provider must provide the Wireless Telecommunications Bureau a point of contact for discussions regarding its performance plan and data submissions. Alaska Connect Fund recipients must notify the Wireless Telecommunications Bureau within 30

days whenever the point of contact changes at a company. All such notifications must be submitted to *ACF@fcc.gov.*

(m) *Reporting, recordkeeping and compliance obligations.* (1) Mobile providers receiving Alaska Connect Fund support shall be subject to the reporting, certification, and other obligations set forth in §§ 54.9, 54.10, 54.11, 54.313, and 54.314.

(2) Mobile providers receiving Alaska Connect Fund support shall be subject to the compliance measures, recordkeeping requirements, and audit requirements set forth in § 54.320. If specific performance obligations are not achieved in the time period identified in the approved performance plans or other obligations or terms and conditions for the receipt of funding under the Alaska Connect Fund are not met the mobile provider shall be subject to the penalties set forth in § 54.320(c) and (d). Audits may include speed tests tailored to the circumstances of the information that is to be verified; providers under other speed test obligations may also be subject to any and all audits, including speed test audits.

■ 9. Amend § 54.320 by adding paragraph (e) to read as follows:

§ 54.320 Compliance and recordkeeping for the high-cost program.

* * * * *

(e) Each hex-9 in the Alaska Connect Fund mobile provider's performance plan shall be considered a ''location'' for purposes of paragraph (d) of this section.

■ 10. Add subpart U, consisting of §§ 54.2100 through 54.2102, to read as follows:

Subpart U—Alaska Connect Fund for Fixed Services

Sec.
54.2100 Alaska Connect Fund Transition—ACF Transition.
54.2101 Alaska Connect Fund Fixed—Fixed ACF.
Phase down support for Alaska Connect Fund Transition.

Subpart U—Alaska Connect Fund for Fixed Services

§ 54.2100 Alaska Connect Fund Transition—ACF Transition.

Alaska Connect Fund Transition (ACF Transition), as discussed in FCC 24–116, refers to high-cost support for fixed services provided from January 1, 2025, through December 31, 2028, to carriers serving Alaska and authorized pursuant to §§ 54.306(e), 54.310(i), and 54.311(g).

§ 54.2101 Alaska Connect Fund Fixed—Fixed ACF.

(a) *Intended use of support.* Carriers receiving Alaska Connect Fund Fixed (Fixed ACF) support, as discussed in FCC 24–116, shall use the support to operate and maintain a network providing voice and broadband internet access service to all locations for which it is authorized to receive support consistent with the public interest obligations under paragraph (j) of this section;

(b) *Term of support.* Fixed ACF support shall be provided from January 1, 2029, through December 31, 2034.

(c) *Eligible carriers.* Fixed ACF support shall be available only to eligible telecommunications carriers in Alaska that have received or been awarded Federal or state government infrastructure support to deploy networks capable of providing voice service and broadband internet access service meeting the public interest obligations as described in paragraph (i) of this section but such eligible telecommunications carrier are not entitled to receive such support. The Wireline Competition Bureau shall determine carriers eligible to receive Fixed ACF support but may not authorize any carrier for Fixed ACF support that is not an eligible telecommunications carrier. The Wireline Competition Bureau shall use the Broadband Funding Map to assist in determining eligible carriers. The Wireline Competition Bureau shall determine, after opportunity for public notice and comment, whether additional financial or other requirements for participants in Fixed ACF are in the public interest.

(d) *Eligible location.* The Wireline Competition Bureau shall determine locations eligible for ACF Fixed support. In determining eligible locations, the Wireline Competition Bureau shall:

(i) Consider allocating Fixed ACF support based on the categories of locations as provided by the Alaska State Broadband Office for the purposes of the Broadband Equity, Access, and Deployment (BEAD) Program, authorized by the Infrastructure Investment and Jobs Act of 2021, Division F, Title I, section 60102, Public Law 117–58, 135 Stat. 429 (November 15, 2021); and

(ii) Not authorize Fixed ACF support for more than one carrier for any eligible location.

(e) *Support amounts.* The Wireline Competition Bureau shall determine an amount of annual support available for each eligible location.

(f) *Budget.* The total annual amount of support authorized may not exceed $107,600,000, the annual budget adopted by the Commission in FCC 24–116, or a budget adopted by the Wireline Competition Bureau pursuant to delegated authority. Any budget adopted pursuant to delegated authority may not exceed 15% above $107,600,000 per year.

(g) *Election of support.* The Wireline Competition Bureau shall adopt rules and provide guidance for the offer and election of Fixed ACF support no later than twelve months prior to the start of the Fixed ACF support term.

(h) *Disbursement of Fixed ACF support.* The Wireline Competition Bureau shall announce in a public notice when an eligible telecommunications carrier is authorized to receive Fixed ACF support. The public notice shall detail how disbursements will be made.

(i) *Public interest obligations.* The Wireline Competition Bureau shall adopt public interest obligations requiring the provision of voice service and broadband internet access service, requiring broadband speed of 100 Mbps download and 20 Mbps upload, with a round-trip latency of 100 ms or less, and usage capacity and rates that are reasonably comparable to comparable offerings in urban areas. The Wireline Competition Bureau may adopt public service obligations requiring broadband speeds below 100 Mbps download and 20 Mbps upload and/or round-trip latency greater than 100 ms to accommodate circumstances of specific locations. For purposes of determining reasonable comparable usage capacity, recipients are presumed to meet this requirement if they meet or exceed the usage level announced by public notice issued by the Wireline Competition Bureau and/or Office of Economics and Analytics. For purposes of determining reasonable comparability of rates, recipients are presumed to meet this requirement if they offer rates at or below the applicable benchmark to be announced annually by public notice issued by the Wireline Competition Bureau and/or the Office of Economics and Analytics, or no more than the non-promotional prices charged for a comparable fixed wireline service in urban areas in Alaska.

(j) *Reporting obligations, compliance, and recordkeeping.* (1) Recipients of Fixed ACF support shall be subject to the reporting obligations set forth in §§ 54.9, 54.10, 54.11, 54.313, and 54.314.

(2) Recipients of Fixed ACF support shall be subject to the reporting obligations set forth in § 54.316, to the

extent the recipient has defined broadband deployment obligations.

(3) Recipients of Fixed ACF support shall comply with methodologies and non-compliance measures adopted pursuant to § 54.313(a)(6), as of the date the Alaska Connect Fund Order, FCC 24–116 was adopted, unless and until the Wireline Competition Bureau adopts network performance testing methodologies and non-compliance measures that account for unique aspects of Alaska.

(4) Recipients of Fixed ACF support shall be subject to the compliance measures, recordkeeping requirements, and audit requirements set forth in § 54.320(a) through (c).

(5) Recipients of Fixed ACF support shall be subject to the non-compliance measures set forth in § 54.320(d).

(k) *Cybersecurity and supply chain risk management requirements.* (1) A Fixed ACF carrier shall implement operational cybersecurity and supply chain risk management plans meeting the requirements of this section by January 1, 2029.

(2) A Fixed ACF carrier shall certify that it has implemented plans required under paragraph (k)(1) of this section and submit the plans to the Administrator by January 2, 2029, or within 30 days of approval under the Paperwork Reduction Act, whichever is *later.*

(3) Fixed ACF carriers that fail to comply with the requirements set forth in paragraphs (k)(1) and (2) are subject to the following non-compliance measures:

(i) The Wireline Competition Bureau shall direct the Administrator to withhold 25 percent of the Fixed ACF carrier's monthly support for failure to comply with paragraph (k)(2) of this section until the carrier makes the required certification and submits the required plans.

(ii) At any time during the support term, if a Fixed ACF carrier does not have in place operational cybersecurity and supply chain risk management plans meeting the requirements of this section, the Wireline Competition Bureau shall direct the Administrator to withhold 25 percent of the carrier's monthly support.

(iii) Once the carrier comes into compliance, the Administrator shall stop withholding support, and the carrier will receive all of the support that had been withheld pursuant to this section.

(4) A Fixed ACF carrier's cybersecurity risk management plans shall reflect at least the National Institute of Standards and Technology's Framework for Improving Critical Infrastructure Cybersecurity v.1.1 (2018) (NIST Framework), or any successor version of the NIST Framework, and must reflect established cybersecurity best practices that address each of the Core Functions described in the NIST Framework, such as the standards and controls set forth in the Cybersecurity & Infrastructure Security Agency (CISA) Cybersecurity Cross-sector Performance Goals and Objectives (CISA CPGs) or the Center for internet Security Critical Security Controls (CIS Controls).

(5) A Fixed ACF carrier's supply chain risk management plans shall reflect the key practices discussed in NISTIR 8276, Key Practices in Cyber Supply Chain Risk Management: Observations from Industry, and related supply chain risk management guidance from NIST 800–161.

(6) If a Fixed ACF carrier makes a substantive modification to its plans under this section, the carrier shall file an updated plan with the Administrator within 30 days of making the modification. A modification to a plan under this section is substantive if at least one of the following conditions apply:

(i) There is a change in the plan's scope, including any addition, removal, or significant alternation to the types of risks covered by the plan (*e.g.,* expanding a plan to cover new areas such as supply chain risks to Internet of Things devices or cloud security could be a substantive change);

(ii) There is a change in the plan's risk mitigation strategies (*e.g.,* implementing a new encryption protocol or deploying a different firewall architecture);

(iii) There is a shift in organizational structure (*e.g.,* creating a new information technology department or hiring a Chief Information Security Officer);

(iv) There is a shift in the threat landscape prompting the organization to recognize the emergence of new threats or vulnerabilities that weren't previously accounted for in the plan;

(v) Any updates are made to comply with new cybersecurity regulations, standards, or laws;

(vi) Significant changes are made in the supply chain, including offboarding major suppliers or vendors, or shifts in procurement strategies that may impact the security of the supply chain; or

(vii) Any large-scale technological change is made, including the adoption of new systems or technologies, migrating to a new information technology infrastructure, or significantly changing the information technology architecture.

§ 54.2102 Phase down support for Alaska Connect Fund Transition.

(a) *Support amounts.* Beginning in January 2029, a carrier that receives support during ACF Transition and is not eligible for Fixed ACF support or will receive less Fixed ACF support than during ACF Transition, will receive the following high-cost support in addition to its Fixed ACF support, as applicable:

(1) The first 12 months (2029), the carrier will receive 60% of the difference between ACF Transition and Fixed ACF support;

(2) The second 12 months (2030), the carrier will receive 30% of the difference between ACF Transition and Fixed ACF support;

(3) The third 12 months (2031), the carrier will receive 15% of the difference between ACF Transition and Fixed ACF support;

(4) Thereafter, the carrier will receive whatever, if any, Fixed ACF support for the remainder of the support term.

(b) *Reporting obligations, compliance, and recordkeeping.* The Wireline Competition Bureau shall determine necessary reporting, compliance, and recordkeeping requirements in connection with phase down support.

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