



FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 54

[WC Docket Nos. 10-90, 23-328, 16-271, 14-58, and 09-197; WT Docket No. 10-208; FCC 25-61; FR ID 320214]

Connect America Fund, Alaska Connect Fund, Connect America Fund—Alaska Plan et al.

AGENCY: Federal Communications Commission.

ACTION: Final rule.

SUMMARY: In this document, the Federal Communications Commission (Commission) further refines the Alaska high-cost mobile-support programs to ensure efficient use of scarce universal service funds that will bring 5G-NR to Americans living, working, and traveling in Alaska. This document grants in part a Petition for Reconsideration and Clarification by GCI Communications Corp. (GCI) of the Alaska Connect Fund (ACF), granting it in part by modifying and clarifying several of its rules. These actions help better realign the requirements and expectations of the ACF with its intended universal service goals. This document also makes a clarifying correction to one ACF rule to better reflect its purpose expressed in the *Alaska Connect Fund Order*.

DATES: Effective [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

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SUPPLEMENTARY INFORMATION: This is a summary of the Commission's *Order on Reconsideration and Clarification and Order* in WC Docket Nos. 10-90, 23-328, 16-271, 14-58, 09-197; and WT Docket No. 10-208; FCC 25-61; adopted on September 25, 2025, and released on September 26, 2025. The full text of this document is available at <https://docs.fcc.gov/public/attachments/FCC-25-61A1.pdf>.

Final Regulatory Flexibility Analysis. As required by the Regulatory Flexibility Act of 1980, as amended (RFA), the Federal Communications Commission published an Initial Regulatory Flexibility Analysis (IRFA) in the Alaska Connect Fund Notice of Proposed Rulemaking (*Alaska Connect Fund NPRM*), released in October 2023. The Commission sought written public comment on the proposals in the *Alaska Connect Fund NPRM*, including comment on the IRFA. No comments were filed addressing the IRFA. In November 2024, the Commission released the Alaska Connect Fund Report and Order and Further Notice of Proposed Rulemaking (*Alaska Connect Fund Order*) and published a FRFA, as well as an IRFA for the Further Notice of Proposed Rulemaking (*FNPRM*). On January 5, 2025, GCI Communication Corp. (GCI) filed a Petition for Clarification and Reconsideration of the Alaska Connect Fund Order (GCI ACF Petition), which included issues impacting small entities. The Wireless Telecommunications Bureau (WTB) then sought public comment on GCI's petition in a *Public Notice* released March 19, 2025. One party filed comments in response to the GCI ACF Petition. No relevant issues impacting small entities were raised in comments to the GCI ACF Petition. This Final Regulatory Flexibility Analysis (FRFA) incorporates the FRFA for the *Alaska Connect Fund Order*, and reflects the actions the Commission takes in the *Order on Reconsideration and Clarification* to revise certain rules established by the *Alaska Connect Fund Order*, conforms to the RFA, and it (or summaries thereof) will be published in the *Federal Register*.

Paperwork Reduction Act. This document does not contain new or modified information collection requirements as required by the Paperwork Reduction Act of 1995, Public Law 104-13. In addition, the Commission notes that pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, *see* 44 U.S.C. 3506(c)(4), we previously sought specific comment on how the Commission might further reduce the information collection burden for small business concerns with fewer than 25 employees.

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 this Order on Reconsideration and Clarification, Waiver Order, and Order to Congress and the Government Accountability Office pursuant to 5 U.S.C. 801(a)(1)(A).

I. INTRODUCTION

In this Order, the Commission further refines its Alaska high-cost mobile-support programs to ensure efficient use of scarce universal service funds that will bring 5G-NR to Americans living, working, and traveling in Alaska. To this end, the item addresses a Petition by GCI Communication Corp. (GCI) seeking reconsideration and clarification of various aspects of the *Alaska Connect Fund Order*, which the Commission adopted last year. Like its Alaska Plan predecessor, the *Alaska Connect Fund Order* established a high-cost universal service support program designed to address the distinct challenges of providing mobile voice and broadband service in the hard-to-serve rural and remote areas of Alaska. The Alaska Connect Fund (ACF) will provide ongoing and certain support through 2034 to mobile wireless providers that currently receive high-cost support pursuant to the Alaska Plan. The refinements to the ACF adopted will better ensure the continued deployment of affordable and reliable high-speed broadband services to communities throughout Alaska.

The Commission grants in part and denies in part the GCI ACF Petition by making certain modifications and providing further clarification of ACF rules and requirements for mobile providers. Specifically, the Commission (1) clarifies certain details of mobile providers' performance plan requirements and commitments; (2) provides additional clarification regarding the deployment goals of 5G-NR at 35/3 Mbps for single-support areas and 5/1 Mbps for duplicate-support areas, while denying GCI's request to limit the ACF deployment goals solely to areas with Broadband Serviceable Locations (BSLs); (3) clarifies the extent of the Wireless Telecommunications Bureau's (WTB's or Bureau's) discretion to determine a mobile provider's ineligibility for the ACF due to noncompliance with its Alaska Plan commitments; (4) modifies and clarifies rules governing the categorization of eligible and ineligible areas; (5) clarifies that providers have no service obligations for areas that are deemed ineligible for ACF support; (6) eliminates and modifies several compliance obligations regarding the annual infrastructure data filing requirement for ACF mobile providers, the ACF speed test data submission deadline, and the reasonably comparable rate requirement; and (7) addresses the extent to which ACF support and obligations will transfer as a result of mergers or other transactions among participating providers. Finally, the Commission corrects one rule to better reflect the *Alaska Connect Fund Order*.

II. BACKGROUND

In 2016, the Commission adopted the Alaska Plan, establishing flexible universal service rules in order to account for distinct conditions in Alaska, in recognition that rural and high-cost areas of Alaska are some of the hardest and most costly to serve in the country. The Alaska Plan—built on a proposal submitted by the Alaska Telephone Association (ATA)—addressed support for both fixed and mobile voice and broadband service in high-cost areas in the state of Alaska. Given the distinct climate and geographic conditions of Alaska, the Commission found it to be in the public interest to offer Alaska providers the option of receiving fixed amounts of high-cost support over ten years in exchange for participants' individualized commitments to maintain or improve fixed and mobile broadband service in the state. The Alaska Plan was expected to bring broadband to as many as 111,302 fixed locations and 133,788 mobile consumers by the end of the 10-year term on December 31, 2026.

Due to the approaching end of support under the Alaska Plan, on January 4, 2023, ATA petitioned for the next version of the Alaska Plan to ensure ongoing support and help bring 5G to remote Alaska. On November 1, 2024, the Commission adopted the *Alaska Connect Fund Order*, establishing a new high-cost support program—the ACF—that would provide ongoing and certain support for mobile wireless services in Alaska through 2034. The ACF will play an important role in ensuring that Alaskans have access to reliable, advanced mobile service, particularly in upgrading networks to 5G and encouraging deployment to unserved and underserved areas. The Commission adopted a two-phase approach for mobile service. The approach balanced the importance of giving mobile providers certainty of funding in particular areas to help meet the Commission's goals of 5G deployment, with the need to ensure funding is not being used for last generation technologies (e.g., 2G and 3G). It also targeted funding to areas where it is needed the most and addressed concerns of duplicate support. The framework the Commission adopted 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 the most comprehensive picture to date of where mobile broadband service is and is not available across the country, including Alaska.

The Commission extended support for a set period for mobile providers that: (1) participated in the Alaska Plan and (2) choose to opt into the ACF, subject to conditions set forth in the *Alaska Connect*

Fund Order. The terms and goals for mobile support under the ACF are based on whether an eligible area has only one subsidized provider (single-support areas) or multiple subsidized providers (duplicate-support areas). For eligible areas where there is a single subsidized provider, the current provider will continue receiving support through the end of 2034 and will be expected to enter into a new performance plan providing for 5G service where technically and financially feasible. For eligible areas with multiple subsidized providers, the Commission adopted a two-phase approach to resolve the problem of duplicative support: (1) an 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 ACF Mobile Phase II that would provide a single provider in those areas with support through the end of 2034. The Commission delegated authority to the WTB to implement and administer various components of the mobile portion of the ACF. For example, the Commission delegated authority to WTB to review and approve performance plans for mobile ACF support. The Commission also delegated authority to WTB in coordination with the Office of Economics and Analytics (OEA) to develop and publish a map of areas eligible to receive ACF mobile support. Finally, the Commission delegated authority to WTB to implement accountability and oversight measures for mobile-support recipients.

On January 30, 2025, GCI filed the GCI ACF Petition, seeking guidance and adjustments to various aspects of the mobile portion of the *Alaska Connect Fund Order*. WTB sought public comment on the GCI ACF Petition in a Public Notice released March 19, 2025. In its subsequent filings, GCI both proposed specific edits to the Commission’s rules consistent with its reconsideration petition and included additional changes to the rules. One other party—the Alaska Remote Carrier Coalition (ARCC)—filed comments in response to the GCI ACF Petition.

III. ALASKA CONNECT FUND ORDER ON RECONSIDERATION AND CLARIFICATION

The Commission grants in part and denies in part the relief requested in the GCI ACF Petition, as provided below.

A. Performance Plan Deployment Goals and Commitments

A competitive eligible telecommunications carrier (ETC) previously receiving support under the Alaska Plan must be subject to a performance plan approved by WTB in order to continue receiving support as part of the ACF (extended support). In the performance plan, the provider must commit to

specific deployment obligations and performance requirements sufficient to demonstrate that support is being used in the public interest and in accordance with § 54.318(f) of the Commission's rules and the requirements adopted by the Commission for the ACF.

In the *Alaska Connect Fund Order*, the Commission established different performance goals for single-support and duplicate-support areas. For single-support areas, mobile wireless providers are expected to use ACF support to upgrade service to 5G-New Radio (NR) at 35/3 megabits per second (Mbps), where technically and financially feasible, by the end of December 2034. For duplicate-support areas, mobile wireless providers are expected to use ACF support to work on extending service to 4G LTE at 5/1 Mbps, where technically and financially feasible, by the end of December 2029 (i.e., by the end of ACF Mobile Phase I). Providers are required to submit performance plans no later than September 1, 2026, based on BDC data standards and availability data as of December 31, 2024.

1. Clarifications of Performance Plan Requirements

In the GCI ACF Petition, GCI requests that the Commission clarify several aspects of the performance plan requirements adopted in the *Alaska Connect Fund Order*. Specifically, GCI requests: (i) clarification that performance plans may include multiple technology and speed commitments within a census tract; (ii) clarification that performance plans may include older technologies, at least for interim goals, and (iii) clarification that performance plans and service requirements may take into account available backhaul capacity for fixed and mobile performance goals. The Commission addresses these issues in turn.

Multiple technology and speed commitments within a census tract. GCI requests clarification that performance plans do not need to include the same technology and speed throughout a census tract. To the extent necessary, the Commission clarifies accordingly. In the *Alaska Connect Fund Order*, the Commission stated that ACF performance plans 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 language does not require performance plans to include only a single technology and speed throughout a census tract. To the contrary, multiple references to “the committed- to technology and speed levels” for hex-9s within each census tract indicate that a provider may have multiple technology and speed commitments in a given census tract. Consistent with the intent of the *Alaska Connect Fund Order* and language in § 54.318(f)(1), the Commission clarifies that a single census tract may have multiple areas and commitments. In such cases, a mobile provider would list the same census tract separately in its performance plan for each differing technology and speed commitment. Individual hex-9s, however, will be limited to a single technology. WTB will release a Public Notice providing guidance on what to include in the performance plans and their format.

Use of older technologies. Additionally, GCI requests that the Commission clarify whether performance plans can include older technologies, at least for interim milestones, to accommodate the time and expense needed to deploy 5G. The Commission makes this clarification, with certain adjustments below. As noted in the *Alaska Connect Fund Order*, the Commission delegated authority to WTB to negotiate individualized performance plans with each mobile provider. Section 54.318(f)(7) of the Commission’s rules further provides that WTB “may approve lower technology . . . than the minimum technology . . . specified in this section, in some areas[,] as warranted on a case-by-case basis.” As part of these negotiations, WTB can consider all relevant and practical circumstances, including middle-mile mapping data and backhaul capacity. The *Alaska Connect Fund Order* also states that “[w]here 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.”

The Commission clarifies that, while WTB in its discretion may approve a lower technology than the minimum specified in § 54.318 of the Commission’s rules on a case-by-case basis, a mobile provider must demonstrate to WTB why upgrading to 5G-NR at 35/3 Mbps (for single-support areas) or extending to 4G at 5/1 Mbps (for duplicate-support areas) is not technically or financially feasible and articulate the reasons warranting an exception as a notation under the proposed performance plan for each census tract. Where WTB approves a lower technology commitment in a provider’s performance plan, the mobile provider also must annually certify, by census tract, that the basis on which it qualified for a lower technology commitment still applies in the previous calendar year and to describe on FCC Form 481 the

efforts that it has taken to improve conditions that served as the basis for the lower technology commitment.

WTB will prioritize those commitment areas that did not receive an upgrade during the Alaska Plan in providers' ACF performance plans, with a presumption against approving older technology in those areas at the interim milestone. The Commission finds this additional clarification from WTB to be necessary because some areas with 2G and 3G commitments may remain underserved without an upgrade to their mobile service for an extended duration—from January 2017, when the Alaska Plan began, through the interim milestone for single-support areas of the ACF, which does not end until December 31, 2031. Such a 15-year trajectory would be unacceptable given the Commission's adoption of the *Alaska Plan Order* and *Alaska Connect Fund Order* dedicated to bringing advanced telecommunications capability universally to remote, high-cost areas of Alaska during that time. WTB will have a strong presumption against approving a technology commitment lower than 4G LTE at 5/1 Mbps for any milestone. Should any technology concerns remain following these clarifications, providers may raise them with WTB in the course of their negotiations over their individual performance plans.

Monthly Usage Goals Accounting for Available Backhaul Capacity. GCI requests that the Commission follow its precedent in the Alaska Plan and clarify that performance plans and service requirements may take into account available backhaul capacity for fixed and mobile performance goals. The Commission grants GCI's request to the extent that the Commission clarifies that WTB will consider available backhaul capacity when negotiating individualized performance plans with each mobile provider; however, while this consideration is consistent with the Alaska Plan, the Commission denies GCI's request to the extent that it seeks to have the ACF follow how the Alaska Plan operates.

GCI requests that the ACF, "like the Alaska Plan, must recognize simultaneous capacity limitations of microwave and satellite backhaul and permit providers that must use such facilities to commit to lower monthly usage allowances." In its request for clarification on this issue, GCI contends that the amount of available throughput in Alaska is limited by the state's middle mile infrastructure, so that providers cannot meet the national standard for monthly usage allowances in all areas. GCI notes that microwave and satellite facilities typically have less capacity than fiber facilities because throughput must be shared simultaneously by multiple users, including higher-priority users such as health care

providers, schools, libraries, and government entities. GCI urges that fixed and mobile providers need flexibility in their performance obligations to account for these limitations.

The Commission grants GCI's request in part and clarify that WTB may accept lesser commitments taking into account available backhaul capacity for mobile provider performance goals. The *Alaska Connect Fund Order* permits WTB to approve performance plans with lesser commitments than the minimum technology and speeds on a case-by-case basis. WTB can negotiate individualized performance plans with each mobile provider, and 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 mobile provider's proposed commitment in single-support areas at the ACF support levels.

While its action is consistent with Alaska Plan precedent, the Commission denies GCI's request to the extent that GCI is requesting that the ACF process work the same as the Alaska Plan process. Performance plans for the Alaska Plan explicitly list the backhaul available and often allowed ubiquitous, extensive leeway for microwave backhaul. Due to current middle mile map information available to it from the Alaska Plan, the Commission now has more information than it had when the Alaska Plan was adopted in 2016, and staff can use that information to assess which providers have fiber and microwave backhaul that reach competitive transport areas. Moreover, the middle-mile information indicates the capacity on each link. A blanket, lesser standard for microwave transport, as was typical in the Alaska Plan, would not be appropriate for the ACF where there may be a multiple gigabits per second (Gbps) link within reach of a rural community.

2. 5G Deployment Goals for Areas with Broadband Serviceable Locations

GCI requests that the Commission clarify that 5G-NR at 35/3 Mbps will not be the speed goal for all areas covered by a provider under the ACF and amend § 54.318(f)(2) to limit the 35/3 Mbps goal to eligible hex-9s in a mobile provider's support area with a BSL. The Commission grants GCI's petition in part to reconsider the 5G-NR at 35/3 Mbps deployment goals set forth in the *Alaska Connect Fund Order*, but declines GCI's request to limit deployment goals solely to areas with BSLs.

The *Alaska Connect Fund Order* requires mobile providers to improve upon and extend their Alaska Plan coverage. In the Alaska Plan, providers committed to cover a specified number of Alaskans.

However, in the ACF, the Commission found 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” and instead adopted an area-based approach. Specifically, the Commission directed that in their single-support coverage areas, mobile providers “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 . . . where technically and financially feasible, by the end of December 2034.” In their duplicate-support areas, providers are expected to use ACF support to work on extending service to 4G LTE at 5/1 Mbps, where technically and financially feasible, by the end of December 2029 (i.e., by the end of ACF Mobile Phase I).

GCI argues that the goal for all areas cannot reasonably be 5G at 35/3 Mbps due to “fall-off” in speeds in the farthest reaches of the mobile signal from the broadband cell site, and it petitions for a reduction of the 35/3 Mbps service goal coverage area. GCI argues that the ACF’s approach “spreads support over a much broader area, including areas with low or no population density.” Because cell site signals weaken the farther the signal gets from the cell site, GCI argues that “[s]ome outlying areas will be covered at data speeds even below 7/1 Mbps, and some will only have coverage sufficient for voice or text.” GCI argues that “[e]xtending 35/3 Mbps to every location that has voice service today, many of which areas have only light or occasional levels of human activity, would require providers to build more infrastructure than necessary to provide the basic connectivity those areas need, such as to summon help if needed.” ARCC observes that the Commission has an “unrealistic expectation of 35/3 speed at every hex edge.” In its *GCI ACF Petition Reply*, GCI asks the Commission to amend § 54.318(f)(2) such that only hex-9s with BSLs would be subject to the 35/3 Mbps goal.

The Commission dismisses GCI’s requested amendment to § 54.318(f)(2) of the Commission’s rules on procedural grounds. As an initial matter, GCI failed to raise this request for an amendment of the rule in its Petition. Under the Commission’s rules, petitions for reconsideration in rulemaking proceedings must be filed within 30 days of publication of the final rule in the Federal Register. In its GCI ACF Petition, GCI requests the Commission to “clarify or reconsider the [5G-NR 35/3 Mbps] goal for ‘all areas’ and provide that in considering performance plans, it recognizes that performance decreases with distance from the cell site and that it may not be cost-effective to add cell sites.” Thus, the GCI ACF

Petition merely asks for the “flexibility to propose, and have the Wireless Telecommunications Bureau . . . approve, performance plans that provide for less than 35/3 Mbps service at the [cell] edge.” GCI did not raise its request for a rule amendment of § 54.318(f)(2) to eliminate the ACF’s technology and speed requirements for hex-9s without BSLs until its Petition Reply, submitted on April 29, 2025. Thus, because GCI failed to request the partial elimination of the technology and speed commitments until April 29—almost three months after the statutory deadline for filing a petition for reconsideration (i.e., January 30)—the Commission must dismiss the request as untimely. In addition, the Commission finds that GCI’s Petition Reply arguments were fully considered and rejected by the Commission in the *Alaska Connect Fund Order* and are therefore not properly before the Commission for reconsideration.

Procedural deficiencies aside, the Commission denies GCI’s proposed change to limit deployment goals to areas with BSLs because it would ultimately amount to less service for the same amount of support, undermining the goals of the program. GCI’s proposed modification of the goals is not needed to ensure BSLs are covered, nor is it necessary for hex-9s without BSLs to be allowed lesser or no commitments. BSLs, especially in areas with a high density of BSLs, are more likely to be targeted for coverage due to the economic incentives of covering BSLs and the availability of high-cost support for providing fixed service to BSLs. Although the presence of BSLs is a relevant consideration when evaluating where mobile coverage needs to improve, it is not the *only* relevant consideration. Many areas where Americans work and travel do not have BSLs. If the Commission limited mobile providers’ service commitments to hex-9s with BSLs, then valuable areas where Americans work and travel—such as roads—may not see any service improvements by the end of 2034. As observed in the *Alaska Connect Fund Order*, “[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.” In explicitly rejecting the approach that GCI advocates, the Commission observed that “[t]hough 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.” The Commission also emphasized that “covering certain bodies of water is important to meet the ‘work and travel’ aspect of our universal service goals for Alaskans,” and those areas do not have BSLs. Finally, the Commission observes that

GCI seemingly appended to its request for reconsideration of the 5G-NR 35/3 Mbps single-support goal a similar request for reconsideration of the 5/1 Mbps goal for duplicate support areas. The Commission interprets GCI's language as such, and deny this request for the same reasons as discussed above.

While the Commission denies GCI's specific relief as requested, it amends § 54.318(f)(6) of the Commission's rules and offers mobile providers additional clarification of the "technically and financially feasible" standard. The mobile providers have expressed concern that the "technically and financially feasible" standard does not provide enough guidance for them to determine where WTB will expect 35/3 Mbps service. The Commission believes that this uncertainty could impede performance plan negotiations, and therefore, the Commission provides additional clarification regarding where it expects providers to commit to providing 35/3 Mbps service. The Commission begins by reiterating that mobile providers must maintain and improve their Alaska Plan service. In single-support areas, the Commission expects providers to provide 5G-NR where infrastructure and transport pricing makes 5G-NR-based services technically and financially feasible. Based on its internal staff analysis of provider spectrum holdings, link budget, and a standard ITU-R propagation model (Sub-6 GHz), the Commission generally expects a provider to extend 5G-NR at 35/3 Mbps to all portions of its service areas within a 1.5-mile radius of its cell sites unless it can otherwise demonstrate that doing so is technically and financially infeasible, as described below. This expectation is only applicable where the provider has access to fiber or microwave backhaul and to competitive transport pricing rates. This 5G-NR at 35/3 Mbps expectation is also subject to the consideration of other circumstances as warranted and agreed to by WTB. Where a mobile provider previously committed to cover an area in the Alaska Plan, it is expected to upgrade that area to at least 5G-NR at 7/1 Mbps in eligible areas of the ACF. The Commission finds this standard will add clarity to mobile providers' planning and is achievable within the budget and timeline of the ACF, while building upon the success of the Alaska Plan.

Although the Commission finds it adequately addresses ARCC's concerns about the 5G deployment obligations with the amendments and clarifications it makes to the "technically and financially feasible" standard as described above, the Commission rejects the argument that 5G-NR provides inherently less coverage than 4G LTE when controlling for all other variables.

The Commission also amends 54.318(f)(6) to clarify instances where 5G-NR is not required.

ACF is a broadband plan, but as a user gets farther away from the cell site, the mobile data service becomes slower and a voice-only service area exists between the broadband data service area and the area where there is no service at all—i.e., voice-only areas that exist beyond the cell edge of a provider’s broadband data commitment area, based on Alaska Plan service areas. These areas are important for public safety, but are not a part of the broadband data commitments. Accordingly, for voice-only areas that exist beyond the cell edge of the mobile commitment areas—based on Alaska Plan service areas—mobile providers do not need to upgrade those areas to 5G-NR or commit to a minimum data speed and may maintain the facilities and voice service already in place, unless otherwise committed to in the ACF. These public safety voice-only areas are distinguishable from the 2G/voice-only areas that were part of some mobile providers’ commitments in the Alaska Plan, the latter of which are required to be upgraded as part of mobile providers’ ACF commitments. Mobile providers will be able to demonstrate to WTB other reasons why it is not technically and financially feasible to meet these expectations during performance plan discussions, and may propose alternatives. The Commission also reiterates that “[w]here 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” than 5G-NR. In addition, mobile providers providing support in duplicate-support areas do not need to commit to 5G-NR upgrades. WTB also may approve lower technology and speeds than the minimum technology and speeds specified in § 54.318, as warranted, on a case-by-case basis.

B. Standards for Determining Ineligibility for ACF Support Due to Alaska Plan Noncompliance

GCI asserts that WTB has too much discretion to determine ineligibility for ACF support based on Alaska Plan noncompliance and requests that the Commission make two key changes. First, GCI requests that the Commission “clarify that using the ‘cure year’ to come into full compliance with Alaska Plan commitments is not grounds to eliminate a mobile provider from ACF eligibility or reduce its support, even if some support is delayed pending verification of compliance.” Second, GCI requests that the Commission modify the rule to “establish a *de minimis* threshold [of 5 percent] for meeting the 10-year performance commitments, below which an Alaska Plan provider will not be disqualified.” The Commission grants GCI’s petition with respect to limiting WTB’s delegated authority to determine

ineligibility for the ACF until after the cure year of the Alaska Plan and grants GCI's petition in part regarding the *de minimis* threshold.

The *Alaska Connect Fund Order* states that WTB may deem an Alaska Plan mobile provider ineligible for the ACF if it determines that the mobile provider failed to comply with its public interest obligations or other terms and conditions of the Alaska Plan, failed to satisfy its other Alaska Plan commitments, or failed to meet a build-out milestone. The *Alaska Connect Fund Order* also allows WTB to determine whether an Alaska Plan mobile provider is ineligible for the ACF for specific coverage areas, or to delay its ACF support until the provider meets its outstanding obligations under the Alaska Plan or BDC.

GCI claims that the *Alaska Connect Fund Order* lacks guidance about when a failure to complete Alaska Plan commitments by the 2026 deadline will result in ineligibility for the ACF. GCI expresses concern that WTB's authority would permit it to "disqualify GCI or any other potential ACF participant from ACF participation for missing Alaska Plan commitments by even one [population count]," or "disqualify that provider from the later competitive selection processes, even if the Commission decides to permit bids from entities with no proven track record of deploying mobile service in Alaska." GCI argues that its requested changes would "ensure that the most qualified providers will be able to continue to work to expand mobile coverage, while still maintaining the Alaska Plan's enforcement regime." ARCC "supports [Commission] clarification when the [Commission] can exercise its best and reasoned judgment on the issue."

The Commission grants GCI's request regarding use of the cure year and clarifies that WTB is not to make a determination on ACF eligibility until after the cure year of the Alaska Plan. Under the Alaska Plan, upon notification that the mobile provider has not met its final milestone, the mobile provider has twelve months from the date of the final milestone deadline to come into full compliance (cure year). This cure year allows the Alaska Plan mobile provider to meet their final milestone commitments without being penalized for noncompliance during that twelve-month period. Under the ACF, an Alaska Plan mobile provider may be deemed ineligible to participate in the ACF if WTB determines that the provider has failed to comply with its Alaska Plan obligations, including failing to meet its Alaska Plan build-out milestones. WTB may determine whether an Alaska Plan mobile provider

is ineligible for ACF based on the mobile provider's compliance with its Alaska Plan and Broadband Data Collection obligations. The Commission reads these provisions together as authorizing WTB to determine an Alaska Plan mobile provider's eligibility based on its compliance with, among other things, its Alaska Plan final milestone commitments, and that Alaska Plan mobile providers cannot be penalized (and thus found noncompliant) for failing to meet their final milestone commitments until after the expiration of the twelve-month period from the final milestone deadline. The Commission therefore finds that a reasonable interpretation of the Alaska Plan and ACF rules together supports the clarification that WTB will refrain from determining an Alaska Plan mobile provider's ACF eligibility until after the twelve-month cure period. While the Commission expects mobile providers to fulfill their commitments, given that the penalties under the Alaska Plan are not assessed until after the cure year concludes on December 31, 2027, it finds that date to be an appropriate time for WTB to initiate its determination of whether a mobile provider is ineligible for the ACF. As such, the Commission clarifies that WTB will not determine whether an Alaska Plan provider is ineligible for the ACF until after December 31, 2027. WTB therefore will have until December 15, 2028—subject to reasonable extensions by WTB, not to go beyond July 1, 2029—to notify mobile providers that they are ineligible for the ACF due to Alaska Plan noncompliance. If WTB determines that an Alaska Plan mobile provider did not meet its Alaska Plan buildout obligations after the commencement of the ACF, and also determines that the mobile provider is not eligible to receive ACF mobile support, WTB can take all actions necessary to recover all ACF support dating back to January 1, 2027.

The Commission also grants in part GCI's request to limit ACF ineligibility to mobile providers that miss more than a *de minimis* amount of their Alaska Plan commitments. While mobile providers are expected to fully meet their Alaska Plan commitments, ineligibility for the ACF is a serious additional penalty that is reserved only for the mobile providers that WTB finds to have more than *de minimis* noncompliance. If a mobile provider misses any of its Alaska Plan commitments, the Universal Service Administration Company (USAC) will recover 1.89 times for each equivalent person for which the mobile provider has missed providing the committed-to service. This penalty remains unchanged and applies to *de minimis* noncompliance at the final Alaska Plan milestone. However, WTB's delegation of authority *could* allow it to limit eligibility in ACF if a compliance gap in Alaska Plan is greater than *de*

minimis. While the Commission limits WTB’s authority to find a mobile provider to be ineligible to situations in which the provider has greater than *de minimis* noncompliance in the Alaska Plan, it does not define that threshold as 5% noncompliance as GCI requests. The Commission leaves that determination to WTB based on its assessment of the circumstances after the cure year concludes.

C. Clarification and Reconsideration of Eligible Areas Designations

1. Modification of Areas Eligible for ACF Support to Make Untestable Hexes Eligible

GCI requests that the Commission reconsider the requirement that hex-9s that cannot be tested are ineligible for ACF support. The Commission denies GCI’s request and affirms its determination that areas that are untestable are not eligible for ACF support, but it clarifies that this ineligibility determination applies only to areas that are permanently untestable and not to areas that are only temporarily untestable.

In the *Alaska Connect Fund Order*, the Commission explained that areas that are inaccessible or unsafe for testing are ineligible for ACF support in order to “ensure that support is targeted to areas where it is needed the most while maintaining accountability for how funds are used.” GCI requests that the Commission reconsider its decision to eliminate eligibility for untestable hex-9s, arguing that there is no rationale for eliminating support for those areas when hexes covered by the same cell sites are eligible. ARCC agrees that “hex testing challenges should not eliminate hexes from inclusion” and contends that finding inaccessible hexes ineligible for support misses the point with the goal of ubiquitous mobile service.

GCI claims that the large number of hex-9s in its current Alaska Plan service area makes it impossible to assess whether every hex-9 is testable. GCI further argues the Commission should not eliminate support for those areas because the testability of a hex-9 is not a proxy for whether that area is where Alaskans “live, work, or travel”—i.e., areas without any human activity. GCI adds that a number of hexes may be practically difficult to test for security and safety reasons, weather events, or objections from local communities. Though it acknowledges that the *Alaska Connect Fund Order* offers the possibility of performing testing using an uncrewed aircraft (UA), or drone, as an alternative to on-the-ground-testing, GCI maintains that there will still be areas where this alternative will not be a viable

option. GCI also argues that to the extent that untestable hexes are not areas with human activity, the Commission should find these areas to be eligible for ACF support anyway because “[s]uch areas are incidentally covered[] and excluding them as ineligible does not reduce the cost to serve adjacent, supported areas.” To this end, GCI proposes the amendment of § 54.318(c)(2) and the deletion of §§ 54.318(c)(1)(iii) and 54.318(i)(4) of the Commission’s rules. GCI also asks the Commission to clarify that the speed testing conducted will be outdoors/stationary, consistent with the BDC.

The Commission reaffirms the fundamental principle in its rules that areas that are untestable are not eligible for ACF support and clarifies how this principle would apply. Generally, if a mobile provider cannot prove it is providing service, then it cannot receive support for that service. The Commission reiterates, however, that the principle applies to areas that are not available for testing on a permanent basis except as described below. In the *Alaska Connect Fund Order*, the Commission stated that “[h]ex-9s that are inaccessible *during all seasons* or are a safety hazard to test *at all times of the year* are ineligible for support.” As such, temporarily blocked trails, the inability to test due to weather events, or the presence of construction projects do not render an area ineligible because those areas would become testable at a later date. If an area can be tested using a UA, then such areas would be deemed eligible for ACF support. If an area is permanently restricted from speed testing and a UA also cannot be used to test the area, but the area is nonetheless an area where people live, work, or travel and would use the service, then the Commission directs WTB to work with the ACF participant about the specific areas of concern (e.g., military bases) to determine whether they should be considered eligible for support. The Commission also clarifies that any hex-9 with a BSL would be defined as accessible. Finally, the Commission responds to GCI’s request and confirms that outdoor/stationary data sets will be used for speed tests.

2. Categorization of Areas as Ineligible, Single-, or Duplicate-Support Areas Based on Broadband Data Collection Availability Data as of December 31, 2024

In its Petition, GCI requests that the Commission confirm that the categorization of hex-9s as ineligible, single-, or duplicate-support areas will be fixed based on BDC availability data as of December 31, 2024. The Commission grants the GCI ACF Petition in part, and will base its determination of all

ineligible and duplicate-support areas on BDC availability data as of December 31, 2024. Given that single-support areas may evolve over the course of the ACF, the Commission declines to determine single-support areas based solely on BDC availability data as of December 31, 2024.

The Commission's rules provide that all areas of Alaska are eligible for ACF support except: (1) areas previously ineligible under the Alaska Plan; (2) "competitive areas" based on mobile providers' BDC availability data as of December 31, 2024; and (3) "[a]reas deemed inaccessible or unsafe for testing by [WTB], in coordination with [OEA], and reflected in the Eligible-Areas Map." Section 54.318(c)(2) permits WTB to "periodically update the map(s) throughout the course of the Alaska Connect Fund, as necessary." The *Alaska Connect Fund Order* requires 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 [from the Alaska Plan] are maintained or improve in all previously served areas." The Commission notes that the Alaska Plan does not end until December 31, 2026, and the cure period does not end until December 31, 2027. WTB can require the filing of updated performance plans and resolve Eligible-Areas classifications of hexes throughout the life of the ACF, as needed.

In its Petition, GCI argues that it is critical for the Commission to clarify that "an area cannot become ineligible, or become 'duplicate,' based on BDC availability data for service initiated after December 31, 2024." GCI contends that "if BDC updates can . . . convert a single-support area into a duplicate-support area, the planning basis for the two-support-area structure is lost" and hinders multi-year investment recovery planning. GCI explains that providers plan deployments and order equipment upgrades up to five years in advance and need certainty as to the ACF support they will receive for serving specific areas.

ARCC supports GCI's request for a firm date in determining the eligibility status of hexes, although ARCC states it is still evaluating whether December 31, 2024, is the best date for the Commission to establish as the fixed date. ARCC asserts that providers need certainty to support efforts to invest and maintain facilities and be confident that the amount of support will not change over time. Responding to ARCC, GCI states there is no clear alternative date to December 31, 2024, "if the Eligible-Areas Map(s) will be published with the relevant categorization by October 2025." GCI notes that June 30, 2025 BDC data is filed September 1, 2025, leaving Commission staff little time to analyze and vet the

data, and create the maps.

Based on its review of the record, the Commission grants in part GCI's request and amends § 54.318(c)(1)(iii) and (d)(1)(ii) to set a firm date for determining all ineligible—including “untestable hexes”—and duplicate-support areas. The Commission also grants GCI's request in part that the Commission determine all untestable areas using BDC availability data as of December 31, 2024. All ineligible areas and duplicate-support areas would be determined using BDC availability data as of December 31, 2024. Additionally, any area that is discovered to be “untestable” after the initial Eligible-Areas Map is finalized will count against the provider achieving its commitments, as all eligible areas of the ACF will be formally established after the initial Eligible-Areas Map is finalized. The Commission is persuaded by GCI's and ARCC's arguments that providers need certainty in the amount of support they will receive and which areas are eligible for that support for their future network planning. Most of the types of ineligible areas were already locked as of December 31, 2024, and with the addition of the untestable areas, which were the only ineligible areas that were previously not locked using BDC availability data as of December 31, 2024, all of the ineligible areas will be known when the ACF begins for network planning purposes. While duplicate-support areas will be set using BDC availability data as of December 31, 2024, these areas could become single-support areas after December 31, 2029, after the Commission takes action on the Further Notice. The Commission finds that setting all ineligible areas and duplicate support areas with BDC availability data as of December 31, 2024, removes the possibility of the hex-9s where a provider could lose support from becoming subject to change or found ineligible during the course of the ACF. For example, a provider could plan deployments only to later find some of its support threatened based on the subsequent change of a hex-9 from eligible to ineligible, or find that an area is ineligible or unexpectedly included in the competitive process because of information revealed later. Ultimately, as most ineligible areas were either known from the Alaska Plan or set with December 31, 2024 data, the Commission finds that adding the financial certainty of setting a firm date for the only two remaining types of areas where a provider could lose support—untestable areas and duplicate support areas—outweighs the advantages of allowing classifications of those hex-9s to remain subject to change.

Finally, because the Commission grants GCI's request, it deletes § 54.318(i)(4), and it amends §§ 54.318(h)(6) and 54.318(k)(3) of its rules. It will no longer be possible for untestable areas to become

ineligible after the ACF begins. The Commission deletes § 54.318(i)(4) because that paragraph wholly addressed a situation which can no longer arise: areas found to be ineligible because they were found to be untestable after the ACF had begun. The Commission amends § 54.318(h)(6) by deleting the sentence: “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.” This language is part of the comparable area process that allowed providers to retain support if they were serving areas that later became ineligible. Because all untestable areas will now be defined before the ACF begins, this language is no longer necessary. The Commission amends § 54.318(k)(3) to allow for areas that are later discovered to be untestable to be deemed noncompliant without also becoming ineligible. While § 54.320(d), which mandates loss of support for the failure of an eligible telecommunications carrier to meet build-out milestones, remains applicable to any noncompliance, a potential permanent reduction of support can no longer be triggered by an area becoming ineligible after the ACF begins.

The Commission, however, denies GCI’s request with respect to single-support areas. ACF single-support areas will need to be updated with more recent data, given that the initial map of a mobile provider’s Alaska Plan coverage may not be known until December 31, 2026, or later, at which point “uncovered areas [which could] become ‘single-support areas’ under the comparable service area mechanism” may also need to be adjusted as mobile providers cannot claim as comparable areas the areas they were already covering pursuant to the Alaska Plan. As such, the Commission does not affix the single-support areas to use of BDC availability data as of December 31, 2024.

3. Modifications to “Competitive Areas” Eligible for Support

The ACF has two types of “competitive areas”—i.e., 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—and mobile providers are prohibited from using ACF support in those competitive areas. GCI requests that the Commission make competitive areas with unsubsidized 4G and areas served by AT&T’s FirstNet eligible to use ACF support. The Commission denies GCI’s petition to reconsider the ineligibility of competitive areas and reaffirms the decision in the *Alaska Connect Fund Order* to deem “competitive areas” ineligible for use of extended support.

a. Areas with Three 4G LTE Providers with At Least One Unsubsidized Provider

For competitive 4G LTE areas, GCI argues that one unsupported 4G LTE provider should not render a hex-9 ineligible because the Commission's *5G Fund Second Report & Order* did not similarly make 4G areas ineligible. The Commission in the *Alaska Connect Fund Order* determined that competitive areas should be ineligible because they would receive mobile service without any ACF support. The Commission reaffirms the Commission's decision, and it denies GCI's request to deem these hex-9s eligible for ACF support.

The *Alaska Connect Fund Order* deems "competitive," and thus ineligible for use of support, "[a]reas 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."

GCI asks the Commission to "modify eligibility to consider only whether a hex-9 is already served by unsubsidized 5G at 7/1 Mbps or was ineligible under the Alaska Plan." GCI argues that, in the *Alaska Connect Fund Order*, the Commission "does not explain why it deviates from the approach the Commission recently took in the *5G Fund 2d Report and Order*, . . . nor does the *Order* explain why Alaska would require a different approach," but the Commission notes that the 5G Fund follows a different approach. The 5G Fund considers 4G LTE service in weighing bids during the auction and, most importantly, determined that the Commission should not provide high-cost support for the deployment of 4G LTE networks, which is not the case in Alaska. Unlike the 5G Fund, the ACF supports 4G LTE deployments by extending support of the Alaska Plan, which supports 4G LTE service through December 31, 2026. Moreover, the ACF, unlike the 5G Fund, supports 4G LTE commitments. These are material differences from the *5G Fund Second Report and Order* that warrant exclusion of areas with 4G LTE competition from eligibility for ACF support.

GCI's argument that "[a] single, unsupported 4G provider should not render a hex ineligible," misstates the ACF "competitive area" rule. If an ACF provider and a "single, unsupported 4G LTE provider" both provide service to a hex-9, and no other mobile provider offers service to that hex, then the

hex-9 would not meet the definition of “competitive area” and could be eligible for support. The area is deemed competitive, and therefore ineligible for support, if at least *three* providers serve that hex-9, with each providing at least 4G LTE service at 5/1 Mbps and one being an unsubsidized mobile provider. The presence of several mobile providers, including at least one unsubsidized mobile provider, providing at least 4G LTE at 5/1 Mbps is evidence that there is a private-sector case for the area. The *Alaska Connect Fund Order* reasoned that where “three mobile providers of at least 4G LTE service at 5/1 Mbps in an area—with at least one of those mobile providers being unsubsidized—there are private sector incentives to offer advanced mobile services to those areas.” For these reasons, the Commission denies GCI’s request.

b. Classification of AT&T’s FirstNet Areas

GCI asks the Commission to make areas served by AT&T’s FirstNet network eligible to use ACF support by treating the areas as “subsidized.” As explained below, the Commission believes GCI’s request would frustrate the goals outlined in the *Alaska Connect Fund Order*. The Commission affirms that FirstNet is considered “unsubsidized” for purposes of the ACF and denies GCI’s request.

In the *Alaska Connect Fund Order*, the Commission stated that “[f]or purposes of the Alaska Connect Fund an ‘unsubsidized provider’ is one that does not receive Alaska Plan support.” Even though the Commission has never defined AT&T’s FirstNet service areas as “subsidized” for high-cost purposes, GCI contends that the Commission’s decision is arbitrary and capricious for concluding that such areas should be deemed “unsubsidized” for purposes of the ACF because FirstNet was constructed with public funds and receives uniform nationwide user fees as implicit support. GCI also argues that FirstNet should not be considered to be an unsubsidized provider because its service would be potentially unavailable in the case of emergencies, given that first responders receive priority access to the network over consumers. ARCC supports GCI’s position, stating that GCI “corrects a misunderstanding in Alaska with the assertion that ‘FirstNet should not be considered “unsubsidized” or otherwise remove an area from eligibility.’”

The Commission denies GCI’s request to deem FirstNet areas “subsidized” and, thus, continues to prohibit the use of ACF support in areas where AT&T provides FirstNet service, including 5G-NR service. First and most simply, these areas would receive service without ACF support, so making them

eligible for support is not a prudent use of high-cost support. Second, allowing ACF support to be used in FirstNet areas would effectively allow high-cost support to subsidize ACF mobile providers' competition with AT&T, and, as the Commission observed in the *Alaska Connect Fund Order*, "the universal service program [is] not intended to subsidize competition." Finally, if the Commission considered AT&T's FirstNet areas to be "subsidized" for the ACF, it would entirely undermine the 5G-NR "competitive areas" exclusion, which excludes all areas with an unsubsidized mobile provider offering 5G-NR at minimum speeds of 7/1 Mbps based on mobile providers' BDC availability data as of December 31, 2024, because AT&T was the only unsubsidized mobile provider of 5G-NR at 7/1 Mbps service in Alaska as of December 31, 2024. For all of these reasons, the Commission denies GCI's request.

4. No Removal of Support in Newly Ineligible Areas Until the Commission Adopts the Methodology for Support Per Hexagon

GCI requests that the Commission reconsider and not direct the removal of any portion of mobile providers' support attributed to hex-9s determined to be ineligible due to the presence of an unsubsidized competitor, as it is premature until the Commission adopts a deaveraging methodology to determine the support-per-hex-9 for such areas. To clarify that the Commission will delay the removal of support until it adopts a deaveraging methodology, GCI requests a revision to the comparable areas requirement by amending § 54.318(h) and deleting § 54.318(i)(3) in order to make the comparable areas requirement permissive instead of mandatory. The Commission grants GCI's requests in part and denies in part as follows.

In the *Alaska Connect Fund Order*, the Commission determined that it would allow mobile-provider participants that will no longer receive support for a newly ineligible area to continue receiving the same level of support if they cover a comparable number of hex-9s elsewhere. Mobile providers that are unable to have comparable areas approved by WTB through their performance plans will have a proportional amount of the support that the mobile provider was receiving in the newly ineligible areas phased down. In the *Alaska Connect Fund FNPRM*, the Commission sought comment on a methodology to determine a support amount for areas where more than one mobile provider had been receiving support for overlapping areas. The Commission also noted that this methodology could be used to determine support amounts to claw back for areas that it deemed ineligible in the event that support did not shift to a

comparable area. The Commission delegated authority to WTB to resolve support amounts per area after the comment cycle of the *FNPRM* concluded, which occurred on March 4, 2025. WTB has not yet resolved this issue.

GCI states that the Commission “should not direct removal of support for hexes that become ineligible due to unsubsidized competitors,” “[p]ending determination of the deaveraging methodology in the *FNPRM*.” GCI also states, “the Commission also should not eliminate support from Alaska as a result of competitive selection among duplicate providers.”

The Commission does not prejudge the outcome of the Further Notice, and WTB cannot remove support before the support amounts per hex-9 are known. The Commission grants GCI’s petition to the extent that it asks for a delay in the removal of support for newly ineligible areas until the Commission adopts a deaveraging methodology to determine the support-per-hex-9 for such areas. The Commission agrees with GCI that such a delay is reasonable because the Commission will need to know the amount of support per hex before it can direct that such support be removed. The Commission also partially grants GCI’s recommended addition to the comparable areas rule—i.e., § 54.318(h)—because it clarifies that the only support that will be subject to claw back is the support attributed to areas deemed newly ineligible. GCI’s edits make explicit that the rule only applies to support that the mobile provider was receiving in the areas deemed newly ineligible for the mobile provider.

The Commission denies GCI’s other suggested edits to the Commission’s rules related to its request for reconsideration. GCI recommends deleting the rule that would phase down support if a mobile provider’s comparable areas are not approved—§ 54.318(i)(3)—and GCI also recommends changing the word “must” to “may” in the comparable areas rule. The Commission finds that these changes would upend the ACF comparable areas process, making the need to provide service to comparable areas in the ACF optional in order to receive the same level of support. If the Commission were to delete § 54.318(i)(3), then a mobile provider would not have its support phased down if it did not have comparable areas approved in its performance plan. GCI’s proposed change would allow the mobile provider to retain its Alaska Plan support and allow it to provide less service and coverage for the same amount of support. Moreover, because GCI did not adequately raise the issue of effectively eliminating or making permissive the comparable areas regime in its Petition, the Commission also dismisses this

request as untimely. The Commission accordingly denies the request to delete 54.318(i)(3) of the Commission's rules. GCI's proposed edit to the comparable areas rule, changing "must" to "may" in § 54.318(h) is also an attempt to make the comparable areas process optional instead of mandatory, and the Commission denies that requested change as well. These changes are also unnecessary to effectuate grant of GCI's request to delay any phase down in support until the methodology for determining each mobile provider's support per hex-9 is determined.

D. Clarification Regarding Service Obligations for Areas Ineligible for ACF Support

GCI requests clarification that mobile providers do not have ACF service obligations in areas where they are prohibited from using ACF support. GCI recommends that the Commission make clear that the *Alaska Connect Fund Order* does not require a mobile provider to continue to serve areas where it is not eligible for ACF support, and it argues that removal of this requirement would comport with the Commission's recent practice for other high-cost programs. The Commission grants GCI's request for clarification that mobile providers do not have service obligations for areas where they cannot use ACF support.

Under the *Alaska Connect Fund Order*, mobile support recipients must continue to maintain the minimum service levels—to the same areas—that they achieved under the Alaska Plan, in order to maintain the progress made under the Alaska Plan. This requirement includes all Alaska Plan public interest obligations, such as continuing to provide voice service, as required by all ETCs, to maintain at least the same 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 ACF. Where mobile providers no longer receive support, they are to remove those areas from their performance plans.

In its Petition, GCI expresses confusion about whether the *Alaska Connect Fund Order* imposes any obligation on a mobile provider to continue serve areas where it no longer receives support. GCI states that although the *Alaska Connect Fund Order* "implies that it does not impose any obligation on a mobile provider to continue to serve areas for which it no longer receives support," it also "suggests that a provider electing to receive ACF support must 'continue to maintain the minimum service levels—to the same areas—that they achieved under the Alaska Plan.'" GCI argues the Commission should follow its

practice with other high-cost initiatives and expressly state that a provider is not required to continue serving areas where it no longer receives support.

The Commission agrees with GCI that mobile providers do not have ACF service obligations in areas where they are prohibited from using ACF support and find that clarification to be in the public interest by resolving any confusion on the part of ACF mobile providers. Accordingly, the Commission amends § 54.308(e) of its rules to clarify that mobile providers that receive ACF support “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. For areas supported under the Alaska Plan that are ineligible for support under the Alaska Connect Fund, providers must continue to provide service to the extent of their Alaska Plan commitments, but do not have Alaska Connect Fund service obligations for those areas and are prohibited from using Alaska Connect Fund support to serve those areas.” The Commission also amends its rules to add a new sentence to the end of § 54.318(e), stating: “A mobile provider does not have Alaska Connect Fund obligations in areas where it is prohibited from using Alaska Connect Fund support for service, and it is prohibited from using Alaska Connect Fund support to provide service in areas other than its own single-support or duplicate-support areas or other eligible areas, as defined in paragraph (d)(1)(iii) of this section.”

E. Modification of Implementation and Compliance Obligations of the ACF

1. Elimination of Annual Infrastructure Data Filing Requirement

GCI requests modification of the ACF rules to eliminate the annual infrastructure data filing requirement for ACF mobile providers. The Commission finds elimination of this requirement to be in the public interest and thus grants GCI’s request. The *Alaska Connect Fund Order* requires recipients of mobile support to annually submit all the infrastructure data that providers would submit as part of the BDC mobile verification process to verify their coverage in areas for which they receive support. GCI asks the Commission to reconsider this annual requirement because it “is unduly burdensome” and the *Alaska Connect Fund Order* does not justify the requirement other than citing “FCC staff’s experience in implementing the mobile BDC processes” and “accountability of high-cost funds.” GCI argues that, “if these reasons justified the annual [data submission] requirement, the Commission would also have

adopted the requirement for the 5G Fund, which it did not.” To effectuate this request, GCI recommends that the Commission either amend the language of § 54.318(j)(1) to accord with § 1.7006(c) of the Commission’s rules—i.e., to state that a mobile service provider must submit infrastructure information only in response to a verification request from the Commission—or delete § 54.318(j) in its entirety. GCI asserts that the “upon request” approach under the BDC rules already permits Commission staff to request verification data if there is a concern about a provider’s coverage.

After considering GCI’s proposals, the Commission grants GCI’s request and deletes § 54.318(j) of the Commission’s rules. The Commission finds that modifying the language of 54.318(j) to use the “upon request” approach of § 1.7006(c) as GCI proposes simply restates the authority Commission staff already has to request data from broadband mobile providers subject to BDC audits and verifications. The Commission believes that the more prudent approach is to delete § 54.318(j) to eliminate the annual filing requirement for ACF mobile providers. In addition, granting GCI’s request to delete § 54.318(j) is consistent with the spirit of the Commission’s *Delete, Delete, Delete* proceeding, which the Commission initiated to alleviate duplicative or unnecessary regulations that impose disproportionate costs on businesses, particularly small businesses.

2. Reconsideration of the ACF Mobile Speed Test Deadline

GCI asks the Commission to modify the ACF speed test requirement by adjusting the deadline to submit speed test data to five months after providers receive their sample grid cells to be tested. The Commission grants GCI’s petition to adopt language clarifying that the deadline for providers to submit required mobile speed test data under the ACF is no later than five months from the date they receive their final hex-9 grid samples.

Pursuant to the *Alaska Connect Fund Order*, mobile providers receiving more than \$5 million annually in ACF funds are required to conduct drive tests and submit those data to the Commission when they submit their required milestone certifications, which are due no later than 60 days after the end of each mobile provider’s commitment milestone deadline. GCI petitions the Commission to instead “requir[e] speed tests results to be submitted five months after providers receive their samples.” GCI notes that it would be impossible for providers to submit their speed test results “along with” their milestone certifications, given that certifications are required no later than two months after milestones

are due, but the hex-9 samples needed to begin testing may be provided up to four months after milestones are due. To effectuate this request, GCI asks the Commission to amend § 54.318(k)(1) of its rules as follows: “A mobile provider receiving more than \$5 million annually in Alaska Connect Fund support must submit speed test data within five months of receipt of the final sample grid cells for speed testing.”

The Commission agrees that adopting GCI’s proposed language for mobile speed tests, making the deadline for submitting speed test data five months after obligated providers receive their hex-9 samples, is in the public interest, and it grants reconsideration on this point. The Commission finds that a five-month deadline will ensure mobile providers obligated to meet this requirement have the time they need to adequately perform their drive tests without prejudicing the Commission’s ability to assess carriers’ compliance. Further, the Commission finds that GCI’s proposed amendment to § 54.318(k) of its rules is consistent with the speed testing requirement process that was carried out in the Alaska Plan. Though the Commission adopted an identical speed testing requirement in the *Alaska Plan Order*, WTB subsequently waived the original March 1, 2022 deadline for submitting Alaska Plan drive-test data and extended it six months to September 30, 2022, in response to arguments that providers would not have enough time to test their random sample of grids once WTB provided them. The Commission notes that several circumstances were present that contributed to the six-month extension in the *Alaska Drive Test Extension Order* that do not apply here, and therefore agrees with GCI that five months is a more appropriate deadline in this case. The Commission avoids that result here by granting GCI’s request and adopting its suggested amendment to § 54.318(k).

3. Reconsideration of the Reasonably Comparable Price Requirement To Permit Providers to Use Their Own Anchorage Plans to Meet the Comparable Pricing Benchmark

GCI seeks reconsideration of the prohibition on ACF mobile providers citing their own service plans in Anchorage as evidence of their compliance with the reasonably comparable rate requirement. GCI claims that this prohibition effectively only applies to GCI, as it is the only Alaska Plan mobile carrier that serves Anchorage, and requests an amendment to § 54.308(f)(4) to remove this prohibition. The Commission grants the request to remove the prohibition.

In the *Alaska Connect Fund Order*, providers are prohibited from citing their own plans in Anchorage as evidence that they are providing reasonably comparable rates. Section 254(b)(3) of the Communications Act of 1934, as amended, establishes 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. In the *Alaska Connect Fund Order*, the Commission required every participating mobile provider to certify its compliance with this statutory obligation in annual compliance filings and to demonstrate its 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. However, the Commission included the caveat that providers could not cite to their own plans in Anchorage as evidence of meeting the reasonably comparable rate condition.

GCI argues that prohibiting a mobile provider from citing to its own plans as evidence of compliance with the reasonably comparable requirement is inconsistent with other high-cost support programs, such as the Alaska Plan, as well as the requirements for ACF fixed providers. GCI claims that this prohibition effectively only applies to GCI, as it is the only Alaska Plan mobile carrier that serves Anchorage. GCI also argues that the prohibition is unneeded, considering Anchorage market conditions are highly competitive. GCI maintains that its plans “are offered statewide, so by definition its rates in supported areas are the same as its rates in Anchorage.” The Commission received no other feedback on this prohibition or GCI’s proposal.

The Commission grants GCI’s request to reconsider the prohibition on mobile providers citing their own plans in Anchorage as evidence of compliance with the reasonably comparable rate condition. To the extent that the Commission was concerned with incentivizing artificially high pricing throughout the state, any mobile provider’s plan will face competitive pressures in Anchorage. If a mobile provider were to raise its rates in Anchorage, which contains more than one third of Alaska’s population, then it increases the risk of losing subscribers in Alaska’s most populated market. As evidence that competition in the Anchorage market is sufficient to restrain prices, when the reasonably comparable rate

demonstration was due in the Alaska Plan in 2022, GCI could have cited to its own plan, but instead, demonstrated that it was offering plans with reasonably comparable rates by submitting a competitor's Anchorage mobile-service plans. Moreover, while the first reasonably comparable rate demonstration is not due until December 31, 2029, at the moment, GCI, as it observes, is the only mobile provider affected by this rule and may continue to be the only mobile provider affected by this condition throughout the course of the ACF. Consequently, the Commission finds persuasive GCI's arguments permitting mobile providers to use their own Anchorage service plans as evidence of compliance with the reasonably comparable requirements and grants GCI's request for reconsideration of this condition. Accordingly, the Commission strikes this requirement from § 54.308(f)(4).

F. Treatment of Transactions Between ACF Supported Providers

GCI seeks clarification of how ACF support will be impacted by transactions among ACF mobile providers, and requests that the acquiring mobile provider be guaranteed to receive the acquired mobile provider's ACF support. Specifically, GCI argues that the Commission should make two clarifications to give mobile providers certainty to make performance commitments and ensure that there is a continuation of service after the transaction. First, GCI proposes that for situations "where a transaction closes before the resolution of a duplicate-support area, the acquiring company should continue to receive all of the ACF support for the formerly duplicate-support area." GCI claims that this proposal would be consistent with the Commission's approach for the Alaska Plan. GCI also proposes that "if duplicate-support areas are eliminated due to a merger or other transaction, the area should be reclassified as [a] single-support [area]" because it no longer needs a competitive selection process to determine a single mobile provider. Under this proposal, the provider would submit a revised performance plan that reflects the requirements for the reclassified areas. Second, for situations where "a transaction closes after the competitive selection process," GCI proposes that "the successor mobile provider should be permitted to continue to receive ACF support at the competitively selected level, subject to the commitments entered into by its predecessor." To effectuate these clarifications, GCI proposes adding a new paragraph at the end of § 54.318 of the Commission's rules. The Commission denies GCI's request to provide blanket guarantees of post-transaction support transfers. It, instead, maintains that such transfers of ACF support between participating Alaska ETCs will be addressed on a case-by-case basis as such transactions come before the

Commission for review.

Although the Commission had considered the effects of transactions between participating mobile providers on their Alaska Plan support, the *Alaska Connect Fund Order* was silent on the matter. Under the Alaska Plan, WTB was authorized to permit a participating provider transferring some or all of its Alaska customers to another ETC to also transfer a “proportionate amount of its Alaska Plan support” to that ETC, and to determine the extent of the proportionate amount of support and specific performance obligations to be transferred.

The Commission denies GCI’s request and finds no need to amend the rules for transactions involving the potential transfer of ACF support and obligations, as the Commission’s statutory transaction review authority already provides the means to sufficiently address these matters as they arise. Unlike the Alaska Plan, the ACF does not just acknowledge that there could be duplicate support, but makes different rules for duplicate-support areas. As part of this different treatment, there are unresolved issues regarding how to address duplicate-support in the *FNPRM* that could be affected if the Commission were to grant GCI’s request. Given the different regulatory regime of the duplicate support areas and the unsettled resolution of the related issues from the Further Notice, the Commission denies GCI’s request for clarification regarding transactions between ACF providers. As such, the Commission emphasizes that it will determine the extent to which ACF support and obligations will transfer among providers on a fact-specific, case-by-case basis for each transaction.

IV. ORDER

Section 54.318(d)(1)(i) of the Commission’s rules currently reads: “Support areas are areas covered by one Alaska Plan mobile-provider participant.” The *Alaska Connect Fund Order*, however, specifically defined areas that are covered by only one Alaska Plan mobile-provider participant in Alaska as “single-support areas.” The text of § 54.318(d)(1)(i), in its current form, is inconsistent with the Commission’s intent and the structure and content of § 54.318(d). Section 54.318 also generally does not employ the term “support area” in other paragraphs, without a modifier, but rather uses either “single-support area,” or “duplicate-support area.” Further, the *Alaska Connect Fund Order* comprehensively articulates the geographic-area approach to ACF mobile support and uses specific modifiers for the three types of areas.

To ensure that the existing rule is fully consistent with the text and intent of the *Alaska Connect Fund Order*, the Commission finds good cause to amend it without notice and comment by adding the inadvertently omitted word “single” before “support.” The revised rule would read: “Single-support areas are areas covered by one Alaska Plan mobile-provider participant.” Because the rule as currently codified has been interpreted consistently with the text of the *Alaska Connect Fund Order* since its adoption, the Commission finds that this change would be of negligible impact.

V. FINAL REGULATORY FLEXIBILITY ANALYSIS

As required by the Regulatory Flexibility Act of 1980, as amended (RFA), the Federal Communications Commission (Commission) published an Initial Regulatory Flexibility Analysis (IRFA) in the Alaska Connect Fund Notice of Proposed Rulemaking (*Alaska Connect Fund NPRM*), released in October 2023. The Commission sought written public comment on the proposals in the *Alaska Connect Fund NPRM*, including comment on the IRFA. No comments were filed addressing the IRFA. In November 2024, the Commission released the Alaska Connect Fund Report and Order and Further Notice of Proposed Rulemaking (*Alaska Connect Fund Order*) and published a FRFA, as well as an IRFA for the Further Notice of Proposed Rulemaking (*FNPRM*). On January 5, 2025, GCI Communication Corp. (GCI) filed a Petition for Clarification and Reconsideration of the Alaska Connect Fund Order (GCI ACF Petition), which included issues impacting small entities. The Wireless Telecommunications Bureau (WTB) then sought public comment on GCI’s petition in a *Public Notice* released March 19, 2025. One party filed comments in response to the GCI ACF Petition. No relevant issues impacting small entities were raised in comments to the GCI ACF Petition. This Final Regulatory Flexibility Analysis (FRFA) incorporates the FRFA for the *Alaska Connect Fund Order*, and reflects the actions the Commission takes in the *Order on Reconsideration and Clarification* to revise certain rules established by the *Alaska Connect Fund Order*, conforms to the RFA, and it (or summaries thereof) will be published in the Federal Register.

A. Need for, and Objectives of, the *Order on Reconsideration and Order*

In the *Alaska Connect Fund Order*, the Commission adopted new rules establishing a new high-cost support program—Alaska Connect Fund (ACF)—that would provide ongoing and certain support for fixed and mobile wireless services in Alaska through 2034. For mobile service, the Commission adopted

two separate approaches, which set goals and terms based on whether an area eligible for funding has one single or multiple subsidized providers. The ACF initially extends support for a set period for mobile providers that (1) participated in the prior high-cost funding program, the Alaska Plan, and (2) choose to opt into the ACF, subject to conditions set forth in the *Alaska Connect Fund Order*. 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 providing for 5G service where technically and financially feasible. For eligible areas with multiple subsidized providers (duplicate-support areas), the Commission adopted a two-phased approach to resolve duplicative support: (1) an 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 ACF Mobile Phase II that would provide a single provider in those areas with support through the end of 2034. The *Alaska Connect Fund Order* also delegated authority to the Wireless Telecommunications Bureau (WTB) to implement and administer various components of the mobile portion of the ACF. These actions were taken to address the inherent challenges in providing service to remote areas of Alaska. The Commission also recognized 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. This framework allows for a period of certainty of support so that the mobile-provider participants of the Alaska Plan can continue their network planning and making their contractual arrangements in the short term, thereby continuing to build on the progress and momentum of the Alaska Plan.

In response to GCI's requests, the *Order on Reconsideration and Clarification* modifies and provides further clarification on the ACF rules for mobile providers. The Commission clarifies several aspects of mobile providers' performance plan requirements and commitments, including: whether providers can have multiple technology and speed commitments within a census tract; the circumstances where WTB may approve the use of older technologies in a provider's performance plan; and whether and to what extent WTB will consider the availability of backhaul capacity when negotiating individualized performance plans with providers. The Commission grants GCI's requests in part to reconsider the deployment goals of 5G-NR at 35/3 Mbps for single-support areas and 5/1 Mbps for

duplicate-support areas by providing additional clarification on the expectations for meeting these goals and on exceptions allowing for lesser commitments. The Commission also clarifies WTB's delegated authority to find a provider ineligible for ACF participation due to noncompliance with its Alaska Plan commitments. In addition, the *Order on Reconsideration and Clarification* modifies and clarifies rules governing the categorization of eligible and ineligible areas, and confirms that providers have no service obligations for areas that are determined to be ineligible for ACF support. The Commission also addresses GCI's requests to modify several compliance obligations by eliminating the annual infrastructure data filing requirement for ACF mobile providers, revising the ACF speed test data submission deadline to the date five months after a provider receives its sample grid cells to be tested, and removing a prohibition on the reasonably comparable rate requirement to allow ACF providers to cite their own Anchorage plans as evidence of compliance with the reasonably comparable rate requirement. Finally, the *Order on Reconsideration and Clarification* clarifies that the Commission will consider how ACF support and obligations are affected by transactions between ACF supported providers on a case-by-case basis for each transaction. These modifications and clarifications to the Commission's rules will meet the its long-standing objectives of alleviating confusion and reducing difficulties resulting from participating in or complying with the ACF and its requirements, while still ensuring the continued deployment of affordable, reliable, high-speed broadband services to communities throughout Alaska in a fiscally responsible manner. Additionally, this item also furthers the Commission's overarching goal to reduce regulatory burden on telecommunications providers.

B. Summary of Significant Issues Raised by Public Comments in Response to the IRFA and Public Notice

No comments were filed addressing the impact of the proposed rules on small entities.

C. Response to Comments by the Chief Counsel for Advocacy of the Small Business Administration

Pursuant to the Small Business Jobs Act of 2010, which amended the RFA, the Commission is required to respond to any comments filed by the Chief Counsel for Advocacy of the Small Business Administration (SBA), and provide a detailed statement of any change made to the proposed rules as a result of those comments. The Chief Counsel did not file any comments in response to the proposed rules

in this proceeding.

D. Description and Estimate of the Number of Small Entities to Which the Amended Rules Will Apply

The RFA directs agencies to provide a description of, and where feasible, an estimate of the number of small entities that may be affected by the rules adopted herein. The RFA generally defines the term “small entity” as having the same meaning as under the Small Business Act. In addition, the term “small business” has the same meaning as the term “small business concern” under the Small Business Act.” A “small business concern” is one which: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the SBA.

The Commission’s actions, over time, may affect small entities that are not easily categorized at present. The Commission therefore describes three broad groups of small entities that could be directly affected by its actions. In general, a small business is an independent business having fewer than 500 employees. These types of small businesses represent 99.9% of all businesses in the United States, which translates to 34.75 million businesses. Next, “small organizations” are not-for-profit enterprises that are independently owned and operated and not dominant their field. While the Commission does not have data regarding the number of non-profits that meet that criteria, over 99 percent of nonprofits have fewer than 500 employees. Finally, “small governmental jurisdictions” are defined as cities, counties, towns, townships, villages, school districts, or special districts with populations of less than fifty thousand. Based on the 2022 U.S. Census of Governments data, the Commission estimates that at least 48,724 out of 90,835 local government jurisdictions have a population of less than 50,000.

The actions taken in the *Order on Reconsideration and Clarification* will apply to small entities in the industries identified in the chart below by their six-digit North American Industry Classification System codes and corresponding SBA size standard.

Regulated Industry	NAICS Code	SBA Size Standard	Total Firms	Small Firms	% Small Firms in Industry
All Other Information Services	519190	1,500 employees	704	556	78.98
All Other Telecommunications	517810	\$40 million	1,079	1,039	96.29

Regulated Industry	NAICS Code	SBA Size Standard	Total Firms	Small Firms	% Small Firms in Industry
Cable and Other Subscription Programming	515210	\$47 million	378	149	39.42
Media Streaming Distribution Services, Social Networks, and Other Media Networks and Content Providers	516210	\$47 million	6,417	5,710	88.98
Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing	334220	1,250 employees	656	624	95.12
Satellite Telecommunications	517410	\$47 million	275	242	88.00
Telecommunications Resellers	517121	1,500 Employees	1,386	1,375	99.21
Wired Telecommunications Carriers	517111	1,500 employees	3,054	2,964	97.05
Wireless Telecommunications Carriers (except Satellite)	517112	1,500 employees	2,893	2,837	98.06

Based on currently available U.S. Census data regarding the estimated number of small firms in each identified industry, the Commission concludes that the adopted rules will impact a substantial number of small entities. Where available, the Commission provides additional information regarding the number of potentially affected entities in the above identified industries, and information for other affected entities, as follows.

2024 Universal Service Monitoring Report Telecommunications Service Provider Data (Data as of December 2023)	SBA Size Standard (1500 Employees)		
	Affected Entity	Total # FCC Form 499A Filers	Small Firms
Competitive Local Exchange Carriers (CLECs)	3,729	3,576	95.90
Incumbent Local Exchange Carriers (Incumbent LECs)	1,175	917	78.04
Interexchange Carriers (IXCs)	113	95	84.07
Local Exchange Carriers (LECs).	4,904	4,493	91.62
Local Resellers	222	217	97.75
Other Toll Carriers	74	71	95.95
Prepaid Card Providers	47	47	100.00
Toll Resellers	411	398	96.84
Telecommunications Resellers	633	615	97.16
Wired Telecommunications Carriers	4,682	4,276	91.33
Wireless Telecommunications Carriers (except Satellite)	585	498	85.13

Cable Companies and Systems (Rate Regulation). The Commission has developed its own small business size standard for the purpose of cable rate regulation. Under the Commission’s rules, a “small cable company” is one serving 400,000 or fewer subscribers nationwide. Based on industry data, there are about 420 cable companies in the U.S. Of these, only seven have more than 400,000 subscribers. In addition, under the Commission’s rules, a “small system” is a cable system serving 15,000 or fewer subscribers. Based on industry data, there are about 4,139 cable systems (headends) in the U.S. Of these,

about 639 have more than 15,000 subscribers. Accordingly, the Commission estimates that the majority of cable companies and cable systems are small under this size standard.

Cable System Operators (Telecom Act Standard). The Communications Act of 1934, as amended, contains a size standard for a “small cable operator,” which is “a cable operator that, directly or through an affiliate, serves in the aggregate fewer than one percent of all subscribers in the United States and is not affiliated with any entity or entities whose gross annual revenues in the aggregate exceed \$250,000,000.” For purposes of the Telecom Act Standard, the Commission determined that a cable system operator that serves fewer than 498,000 subscribers, either directly or through affiliates, will meet the definition of a small cable operator. Based on industry data, only six cable system operators have more than 498,000 subscribers. Accordingly, the Commission estimates that the majority of cable system operators are small under this size standard.

Wired Broadband Internet Access Service Providers (Wired ISPs). According to Commission data on Internet access services as of June 30, 2024, nationwide there were approximately 2,204 providers of connections over 200 kbps in at least one direction using various wireline technologies.

Wireless Broadband Internet Access Service Providers (Wireless ISPs or WISPs). According to Commission data on Internet access services as of June 30, 2024, nationwide there were approximately 1,157 fixed wireless and 52 mobile wireless providers of connections over 200 kbps in at least one direction.

E. Description of Economic Impact and Projected Reporting, Recordkeeping, and Other Compliance Requirements for Small Entities

The RFA directs agencies to describe the economic impact of proposed rules on small entities, as well as projected reporting, recordkeeping and other compliance requirements, including an estimate of the classes of small entities which will be subject to the requirement and the type of professional skills necessary for preparation of the report or record.

The reconsiderations and clarifications to the *Alaska Connect Fund Order* that the Commission makes in today’s *Order on Reconsideration and Clarification* will modify the reporting, recordkeeping, and/or other compliance obligations on small entities. The *Alaska Connect Fund Order*, in part, adopted public interest obligations, performance requirements, and reporting and certification requirements for

small and other mobile participants of the ACF that are described in the FRFA published with the *Alaska Connect Fund Order*. The Commission incorporates those requirements, with the following modifications. While recipients of ACF 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), 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 no longer 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 ACF mobile support recipient's supported area for coverage. Further, ACF mobile participants are no longer prohibited from citing to their own plans in Anchorage as evidence of compliance with the reasonably comparable rate requirement. An Alaska Plan mobile provider that opts into the ACF may have its fund support delayed, or may be deemed ineligible to participate in the ACF, if the WTB determines, after December 31, 2027 but before December 15, 2028 (subject to reasonable extensions by WTB, not to go beyond July 1, 2029), 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 its Alaska Plan build-out final milestone by greater than a *de minimis* amount. Additionally, mobile providers required to submit speed test data for ACF support must submit such data within five months of receipt of the final sample grid cells for speed testing.

Accordingly, the modifications to the requirements and rules of the ACF made in this *Order on Reconsideration and Clarification* did not change or impact the cost of compliance analysis and estimates for small and other providers made in the *Alaska Connect Fund Order*. As such, the Commission anticipates that the modifications to be implemented will have minimal cost implications, because the Commission expects that much of the required information is already collected to ensure compliance with the terms and conditions of support for other high-cost programs. The Commission further notes that at this time, the record does not provide sufficient information to allow it to determine whether small entities will be required to hire additional attorneys, engineers, consultants or other professionals to comply with the modified rules adopted today.

F. Discussion of Steps Taken to Minimize the Significant Economic Impact on Small Entities, and Significant Alternatives Considered

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.”

The Commission has taken several steps in the *Order on Reconsideration and Clarification* to minimize the economic impact of compliance with the *Alaska Connect Fund Order* for small entities. The Commission provides further clarification on several ACF requirements for mobile providers, thereby reducing potential confusion on the part of small and other providers that may have occurred if the requests were denied. These include clarification on performance plan goals and obligations, eligibility standards for ACF participation, categorization of support areas, service obligations for areas deemed ineligible for support, and treatment of transactions between ACF supported providers. Additionally, the Commission modifies the existing ACF rules to make compliance easier for providers, by eliminating the infrastructure annual data filing requirement, providing a reasonable deadline for the mobile speed test requirements, and also allowing an additional category of evidence to be used to demonstrate compliance with the reasonably comparable price requirement. Alternatively, the Commission considered, for example, retaining the existing rules regarding the filing requirement, however, its decision to eliminate this requirement reduces compliance burdens for small and other entities and is also in keeping with the objectives of the Commission’s *Delete, Delete, Delete* initiative to reduce unnecessary regulations that would strain the limited resources of ACF mobile providers. The updated rules have thus reduced the compliance burden for small and other providers, particularly when compared to taking the alternative of maintaining the rules that were originally adopted in the *Alaska Connect Fund Order*. The system adopted for the ACF was inherently designed with consideration to small businesses, as the eligible participants for ACF extended support fall under the SBA size standard for small businesses as wireless telecommunications carriers.

VI. ORDERING CLAUSES

Accordingly, IT IS ORDERED that, pursuant to the authority contained in sections 1-5, 254, 301, 332, and 405 of the Communications Act of 1934, as amended, 47 U.S.C. 151-155, 254, 301, 332, 405, and § 1.429 of the Commission's rules, 47 CFR 1.429, that the Petition for Clarification and Reconsideration filed by GCI Communications Corp. IS GRANTED IN PART, DENIED IN PART, AND DISMISSED IN PART, to the extent described herein.

IT IS FURTHER ORDERED that, pursuant to the authority contained in sections 1-5, 254, 301, and 332 of the Communications Act of 1934, as amended, 47 U.S.C. 151-155, 254, 301, 332, and 5 U.S.C. 553(b), that the *Order on Reconsideration and Clarification and Order*, IS ADOPTED.

IT IS FURTHER ORDERED that the amendments part 54 of the Commission's rules, 47 CFR part 54, ARE ADOPTED, and effective thirty (30) days after publication in the *Federal Register*.

IT IS FURTHER ORDERED that the Office of the Secretary SHALL SEND a copy of the *Order on Reconsideration and Clarification and Order*, including the Final Regulatory Flexibility Analysis, to the Chief Counsel for Advocacy of the Small Business Administration.

IT IS FURTHER ORDERED that the Commission SHALL SEND a copy of the *Order on Reconsideration and Clarification and Order* to Congress and the Government Accountability Office pursuant to the Congressional Review Act, see 5 U.S.C. 801(a)(1)(A).

List of Subjects in 47 CFR Part 54

Alaska, Communications common carriers, Internet, Reporting and recordkeeping requirements, Telecommunications, Telephone, Universal service.

Federal Communications Commission.

Marlene Dortch,

Secretary.

Final Rules

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 § 54.308 by revising the introductory text of paragraph (e) and paragraph (f)(4) to read as follows:

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

* * * * *

(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. For areas supported under the Alaska Plan that are ineligible for support under the Alaska Connect Fund, providers must continue to provide service to the extent of their Alaska Plan commitments, but do not have Alaska Connect Fund service obligations for those areas and are prohibited from using Alaska Connect Fund support to serve those areas.

* * * * *

(f) * * *

(4) The Wireless Telecommunications Bureau may employ alternative benchmarks or dates appropriate for specific competitive Eligible Telecommunications Carriers in assessing carrier offerings.

* * * * *

3. Amend § 54.318 by revising paragraphs (a)(1), (c)(1)(iii), (d)(1)(i) and (ii), (e), (f)(6), (h) introductory text, (h)(6), removing and reserving paragraphs (i)(4) and (j), and revising paragraphs (k)(1) and (3) to read as follows:

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

(a) * * *

(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, after December 31, 2027, but before December 15, 2028—subject to reasonable extensions by WTB, not to go beyond July 1, 2029—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 its Alaska Plan build-out final milestone by greater than a *de minimis* amount.

* * * * *

(c) * * *

(1) * * *

(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, based on mobile providers' Broadband Data Collection availability data as of December 31, 2024.

* * * * *

(d) * * *

(1) * * *

(i) Single-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, based on mobile providers' Broadband Data Collection availability data as of December 31, 2024.

* * * * *

(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 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. A mobile provider does not have Alaska Connect Fund obligations in areas where it is prohibited from using Alaska Connect Fund support for service, and it is prohibited from using Alaska Connect Fund support to provide service in areas other than its own single-support or duplicate-support areas or other eligible areas, as defined in paragraph (d)(1)(iii) of this section.

(f) * * *

(6) Alaska Connect Fund mobile providers are required to maintain and improve upon their Alaska Plan service in eligible single- and duplicate-support areas. Subject to exceptions, where a mobile provider previously committed to cover an area in the Alaska Plan, it is expected to upgrade that area to at least 5G-NR at 7/1 Mbps in areas that remain eligible in the Alaska Connect Fund. In addition, mobile providers in single-support areas are expected to provide 5G-NR at speeds of 35/3 Mbps only to portions of their anticipated coverage area that are within a 1.5-mile radius around their cell sites and only where the provider has access to fiber- or microwave-based backhaul and competitively priced transport rates. Further, for voice-only areas that exist beyond the cell edge of the mobile commitment areas—based on Alaska Plan service areas—mobile providers do not need to upgrade those areas to 5G-NR or commit to a minimum data speed and may maintain the facilities and voice service already in place, unless otherwise committed to in the Alaska Connect Fund. 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. Providers in duplicate-support areas are expected to work to extend at least 4G LTE at 5/1 Mbps in an outdoor stationary environment to areas where they do not currently offer it by the end of December 2029.

During performance plan discussions, mobile providers may also demonstrate to WTB other reasons why it is not technically and financially feasible to meet these expectations and may propose alternatives. Where cell sites are more than 50 miles away from a fiber or microwave node, this factor weighs heavily in favor of allowing a lesser commitment.

* * * * *

(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, for any support attributed to such newly ineligible areas, 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.

* * * * *

(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.

* * * * *

(k) * * *

(1) A mobile provider receiving more than \$5 million annually in Alaska Connect Fund support must submit speed test data within five months of receipt of the final sample grid cells for speed testing.

* * * * *

(3) If a hex-9 is determined to be untestable and this is discovered during speed testing of a

provider's commitments, the hex-9—and any hex-9s represented by that hex-9—will be counted as noncompliant with the provider's commitments.

* * * * *

[FR Doc. 2025-22437 Filed: 12/9/2025 8:45 am; Publication Date: 12/10/2025]