

Alaska Rural Communications Service (ARCS) FCC License Surrenders and Renewals Update

FY2023 Request: \$0
Reference No: 63842

AP/AL: Appropriation

Project Type: Information Technology / Systems / Communication

Category: Development

Location: Statewide

House District: Statewide (HD 1-40)

Impact House District: Statewide (HD 1-40)

Contact: Leslie Isaacs

Estimated Project Dates: 07/01/2021 - 06/30/2026

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Brief Summary and Statement of Need:

Continue digital upgrades to 15 analog sites in the Alaska Rural Communications System and renew eight-year licenses for an estimated 100 operational sites.

| Funding: | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 | Total |
|-----------------|--------------------|---------------|------------------|---------------|---------------|---------------|--------------------|
| 1002 Fed Rcpts | \$1,130,000 | | | | | | \$1,130,000 |
| 1004 Gen Fund | \$500,000 | | \$250,000 | | | | \$750,000 |
| Total: | \$1,630,000 | \$0 | \$250,000 | \$0 | \$0 | \$0 | \$1,880,000 |

| | | | | |
|-----------------------------------------------|------------------------------------------------------|---------------------------------------|---------------------------------------------|----------------------------------|
| <input type="checkbox"/> State Match Required | <input checked="" type="checkbox"/> One-Time Project | <input type="checkbox"/> Phased - new | <input type="checkbox"/> Phased - underway | <input type="checkbox"/> Ongoing |
| 0% = Minimum State Match % Required | | <input type="checkbox"/> Amendment | <input type="checkbox"/> Mental Health Bill | |

Operating & Maintenance Costs:

| | <u>Amount</u> | <u>Staff</u> |
|----------------------|---------------|--------------|
| Project Development: | 0 | 0 |
| Ongoing Operating: | 0 | 0 |
| One-Time Startup: | 0 | |
| Totals: | 0 | 0 |

Prior Funding History / Additional Information:

SFinCS1 moved project to FY23

<http://www.legfin.state.ak.us/BudgetReports/LY2022/Capital/SenateFinanceCS1/CapitalProjectDetailByAgency.pdf>

SFinSupCS2 moved project back to FY22

<http://www.legfin.state.ak.us/BudgetReports/LY2022/Capital/SenateFinanceCS2/CapitalProjectDetailByAgency.pdf>

Project Description/Justification:

The Department of Administration has an existing contract with Alaska Public Media (APM) to begin the conversion of 15 Alaska Rural Communications Service (ARCS) sites to digital infrastructure. The available capital funds are insufficient to complete these upgrades and APM has submitted a plan suggesting over \$1 million will be needed to complete upgrades on the 15 currently operational analog sites that have been granted time extensions by the FCC.

In late July 2021 the FCC contacted DOA requesting individual status reports on the remaining 63 Construction Permits (CP) the state holds for non-operational analog stations. DOA had no funding or ability to comply with this FCC request and the current plan is to let FCC cancel these permits.

Some states receive federal funding for state operated educational television, and the Department is exploring opportunities for federal funding for the over \$1 million annual operating costs of ARCS.

Additionally, all existing ARCS FCC Broadcast Station Licenses (about 100) must be renewed by February 2023 for another eight years. This funding is required to ensure these renewals.

ADDITIONAL INFORMATION

An FY2022 capital appropriation of \$500,000 will provide for continuing digital upgrades, system repairs, seeking alternative Federal financing and FCC broadcast station eight-year license renewals of operational sites.

An FY2024 capital appropriation of \$250,000 will be needed for completing digital upgrades, system repairs, and seeking alternative Federal financing.

Continued Operating Budget funding of satellite contract (\$730,000) and ARCS operations contract (\$401,000).