

JUNE 22, 2012

SUPPLEMENT TO:

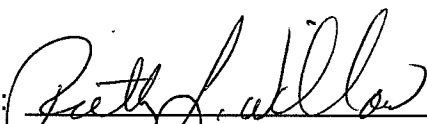
**ACS DESCRIPTION & JUSTIFICATION
F. USF/ICC Transformation Order**

DEMAND & BASE PERIOD REVENUE

Pursuant to section 51.915(c) of the Commission's rules ACS used fiscal year 2011 demand and revenue received by March 31, 2012 for terminating interstate end office switched access, interstate tandem-switch access transport, transitional intrastate access service and reciprocal compensation revenues.

ACS obtained the Fiscal Year 2011 billed access revenue, reciprocal compensation revenue and usage data from its customer billing system and carrier access billing systems for each rate element. Per ACS records all billed amounts for access and CMRS were received by March 31, 2012 thus no adjustment was required to fiscal year 2011 demand.

For ACS study areas the current intrastate transport rate structure differs from the current interstate structure. For this purpose ACS determined the functional equivalent demand by using underlying billing information for the tandem switched rate element and entrance facilities. For tandem switched transport ACS used a composite interstate rate to compare to its intrastate equivalent by using total interstate tandem switched revenue divided by total interstate switched minutes of use. For entrance facilities ACS used its underlying intrastate demand records to determine the functionally equivalent service, specifically for DS-1 service billed as intrastate four-wire service.

Signature:  Date: 06/22/2012
Ruth Willard

Director, Billing & Revenue Requirements
Alaska Communications Systems, Inc.