

FCC Order Secures Long-Term Funding for Alaska Communications Towards Expanding Broadband Deployment

ANCHORAGE, Alaska--(BUSINESS WIRE)-- <u>Alaska Communications</u> (NASDAQ: ALSK) announced today that the Federal Communications Commission (FCC) has issued its order relating to the expansion of the Connect America Fund Phase II (CAF II) program in Alaska.

Under the terms of the order, the FCC will provide approximately \$19.7 million per year for 10 years to assist Alaska Communications in deploying broadband to an aggregate of about 31,500 locations in Alaska. The number of unserved locations expected to be served under this program are estimated to be between 25,000 and 26,000.

Alaska Communications will bring internet service with speeds of at least 10 Mbps download and 1 Mbps upload to rural locations in Alaska approved by the FCC.

"Alaska Communications is pleased to reach this important milestone with the FCC, setting the stage for the single largest deployment of affordable broadband under any one program in Alaska," said Leonard Steinberg, Alaska Communications senior vice president, legal, regulatory and government affairs. "We thank Senator Murkowski, Senator Sullivan and Congressman Young for their support bringing this important infrastructure to our state."

The CAF II funding will support expanded broadband capability to rural communities along Alaska's highway system. The funding does not address the significant middle mile needs for deploying affordable broadband in Alaska Bush communities that are not accessible by road.

The Alaska Communications CAF II order is the only CAF order for Alaska that establishes broadband obligations for a specific number of customer locations. The next step in the process is for Alaska Communications to develop a build-out plan for the deployment of these new broadband services over the next ten years.

The FCC created the CAF II program in 2011 to facilitate the deployment of high-speed internet access in high-cost locations by transitioning Universal Service Fund money that was supporting rural landline voice service to the build-out of broadband infrastructure in rural communities.

About Alaska Communications

Alaska Communications (NASDAQ: ALSK) is the leading provider of advanced broadband and managed IT services for businesses and consumers in Alaska. The company operates a highly reliable, advanced statewide data network with the latest technology and the most diverse undersea fiber optic system connecting Alaska to the contiguous U.S. For more information, visit www.AlaskaCommunications.com or www.alsk.com.

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