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FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE
FORM 159

STAMP
AND
RETURN
OMB
Page No. 1 of 1

(1) LOCKBOX # 979091		SPECIAL USE ONLY	
		FCC USE ONLY	
SECTION A - PAYER INFORMATION			
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) Alaska Communications Systems Group, Inc.		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$965.00	
(4) STREET ADDRESS LINE NO. 1 600 Telephone Ave.			
(5) STREET ADDRESS LINE NO. 2			
(6) CITY Anchorage		(7) STATE AK	(8) ZIP CODE 99503
(9) DAYTIME TELEPHONE NUMBER (include area code) (907) 297-3000		(10) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) 0007226723		(12) FCC USE ONLY	
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME			
(14) STREET ADDRESS LINE NO. 1			
(15) STREET ADDRESS LINE NO. 2			
(16) CITY		(17) STATE	(18) ZIP CODE
(19) DAYTIME TELEPHONE NUMBER (include area code)		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN)		(22) FCC USE ONLY	
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE CUT	(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) \$965.00	(27A) TOTAL FEE \$965.00	FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2	
SECTION D - CERTIFICATION			
CERTIFICATION STATEMENT I, <u>Oliver D. Hill</u> , certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.			
SIGNATURE <u>Oliver D. Hill</u>		DATE <u>4/22/08</u>	
SECTION E - CREDIT CARD PAYMENT INFORMATION			
MASTERCARD _____ VISA _____ AMEX <u>X</u> DISCOVER _____			
ACCOUNT NUMBER <u>[REDACTED]</u>		EXPIRATION DATE <u>[REDACTED]</u>	
I hereby authorize the FCC to charge my credit card for the service(s)/authorization herein described.			
SIGNATURE <u>Richard Cameron</u>		DATE <u>4/22/08</u>	

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FCC FORM 159

JULY 2005

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of

**Northstar License Corporation
Northern Lights Holdings, Inc.**

Application for Approval of a Transfer of Control
Pursuant to the Act Relating to the Landing and
Operation of Submarine Cables in the United States,
47 U.S.C. §§ 34-39 and Section 1.767 of the
Commission's Rules, 47 C.F.R. § 1.767

File No. _____

APPLICATION FOR TRANSFER OF CONTROL OF CABLE LANDING LICENSEES
(STREAMLINED PROCESSING REQUESTED)

Pursuant to the provisions of the Act Relating to the Landing and Operation of Submarine Cables in the United States, 47 U.S.C. §§ 34-39, Executive Order 10530, and Section 1.767 of the rules of Federal Communications Commission ("FCC" or "Commission"), 47 C.F.R. § 1.767, Northstar License Corporation ("Northstar License") and Northern Lights Holdings, Inc. ("Northern Lights") hereby request consent to the transfer of control of their ultimate parent corporation, Crest Communications Corporation ("Crest") from Crest's shareholders (the "Transferors") to Alaska Communications Systems Group, Inc. ("ACS" or "Transferee," and together with Northstar License, Northern Lights, Crest, and the Transferors, the "Applicants"). As set forth below, the Applicants request streamlined processing of this application pursuant to Section 1.767(i-k) of the Commission's rules, 47 C.F.R. § 1.767(i-k).

On April 1, 2008, ACS, Crest, and the Transferors entered into a Stock Purchase Agreement (the "Agreement") under which ACS agreed to acquire all outstanding shares of

Crest's capital stock (the "Transaction"). The closing of the Transaction is subject to certain regulatory approvals, including the consent requested in this application. A description of each party to the Transaction and the details of the proposed Transaction are provided below.

As described below, the proposed transaction serves the public interest, convenience and necessity, and this application meets the eligibility requirements for streamlined processing. Accordingly, the Applicants request that the Commission grant this application pursuant to the streamlined processing procedures set forth in Section 1.767(i-k) of the Commission's rules, 47 C.F.R. § 1.767(i-k). In the event the Commission denies the Applicants' request for streamlined processing, the Applicants request that the Commission expeditiously consent to the proposed transfer of control, to permit them to close this transaction no later than the third calendar quarter of 2008.

I. DESCRIPTION OF THE PARTIES

A. Crest and the Transferors

Crest is a facilities-based provider of high-bandwidth, fiber optic communications infrastructure for communications between Alaska and the lower 48 states. Crest was formed in 2002 to purchase WCI Cable, Inc. ("WCI") and certain affiliated entities, out of bankruptcy.¹ As a result of Crest's purchase, WCI became a direct and wholly-owned subsidiary of Crest.

Currently, a majority/controlling ownership interest of Crest is held by Carlyle Venture Partners

¹ At the time of the bankruptcy of WCI Cable and its affiliated entities, approval was sought and obtained for the transfer of control of the relevant licenses, including the Northstar License cable landing licenses that are the subject of this application (the Northern Lights cable landing license was obtained after the transfer). See Cable Landing Licenses Granted, DA 02-762 (April 4, 2002) (File Nos. SCL-T/C-20020123-0002, SCL-ASG-20020123-00003). A transfer of control was granted to Crest's (at the time) parent company Neptune Communications LLC ("Neptune"). Neptune was shortly thereafter merged into Crest. See Letters from Donald Schroeder (President and CEO of Northstar License and Northern Lights) to Marlene H. Dortch (January 23, 2003) (providing notice of *pro forma* transfer of control of the cable landing licenses).

II, L.P. and CVP II Coinvestment, L.P. (funds of The Carlyle Group). TNG Partners LLC and certain management members currently hold the balance of Crest's stock. A diagram of the current ownership structure and relative ownership interests is set forth at Exhibit A.

Through its purchase of WCI and its affiliated companies, Crest acquired and now controls an integrated terrestrial and submarine fiber optic network that links the Alaskan market to interconnection points in Portland, Oregon and Seattle, Washington. Crest is authorized to operate the cable portion of its network, known as the Northstar network, through two non-common carrier submarine cable licenses issued to Northstar License. Northstar License is an indirect subsidiary of WCI.

Pursuant to the licenses issued to Northstar License (File Nos. SCL-LIC-19940617-00002 and SCL-LIC-19960308-00001), the Northstar network includes an undersea connection from Whittier, Alaska, to Valdez, Alaska, and an undersea connection from Whittier, Alaska to both Lena Point, Alaska, and Nedonna Beach, Oregon. The Northstar network interconnects with WCI's terrestrial segment running from Nedonna Beach, Oregon, through Hillsboro, Oregon, to Portland, Oregon, and Seattle, Washington. The Northstar system also connects the Alaska Fiber Star intra-Alaska terrestrial network, currently owned by ACS, to Valdez, Alaska, to Lena Point, Alaska and to the Continental U.S.²

In addition to the Northstar network, Crest, through its direct wholly-owned subsidiary Northern Lights, owns two branching units in the northern segment of the transpacific

² Concurrently with this application, the parties are filing applications to transfer control over Crest subsidiaries that hold international Section 214 Authority (Northstar License Corporation, File No. ITC-214-20000330-00209), and one private land mobile radio license (Northstar License Corporation, Call Sign WPMR316).

cable system to Japan owned and operated by VSNL International (US) Inc.³ Northern Lights is also authorized (File Nos. SCL-LIC-20020807-00066 and SCL-AMD-20020808-00067) to construct and operate cable segments from: (i) the western branching unit to a cable landing station at Shemya, Aleutian Islands, Alaska; and (ii) the eastern branching unit to Seward, Alaska and Kodiak, Alaska. Neither cable segment of the authorized Northern Lights system, however, has been built as of the date of this application.

B. ACS (Transferee)

ACS is a corporation organized under the laws of Delaware, with its headquarters in Anchorage, Alaska, and whose stock is publicly traded under the symbol "ALSK." Through its operating subsidiaries, ACS offers local telephone service, wireless, Internet, and long-distance services to business and residential customers throughout Alaska. ACS provides customer-focused, facilities-based integrated telecommunications services, including local and long distance telephone, Internet, and wireless services. ACS and its subsidiaries operate the largest local telephone network in Alaska. ACS, through its subsidiaries, provides wholesale and retail services in the diverse communities within the state, including many small communities and villages. ACS and its operating subsidiaries hold FCC authorizations to provide telecommunications services, including blanket domestic Section 214 authorizations, international Section 214 authorizations, commercial mobile radio and other wireless service licenses, and one cable landing license.⁴

II. DESCRIPTION OF THE PROPOSED TRANSACTION

³ VSNL International (US) Inc., File No. SCL-LIC-20000717-00026.

⁴ Additional information about ACS is available on its website:
<http://www.acsalaska.com>.

Under the terms of the Agreement, ACS will purchase all outstanding shares of Crest. Following consummation of the Transaction, Crest will become a direct, wholly-owned subsidiary of ACS. Crest's subsidiaries, including Northstar License and Northern Lights, will continue to operate as indirect, wholly-owned subsidiaries of ACS. A post-transaction ownership diagram is attached as Exhibit B. The Transaction will affect only the ultimate ownership and control of Crest and its subsidiaries, and will be transparent to customers of Crest and its subsidiaries.

III. PUBLIC INTEREST STATEMENT

The Commission should approve the proposed sale of Crest because it offers significant public interest benefits with no countervailing public interest harms. *First*, the Transferee, ACS, is an experienced, Alaska-based telecommunications provider that offers a wide array of services to customers throughout Alaska. Alaska's large geographic size and uneven population density present difficult challenges with respect to provision of telecommunications service. ACS offers local and long distance, wireless and Internet services to a substantial number of customers. ACS provides local telephone service to approximately 253,000 access lines, wireless service to 134,000 wireless subscribers, with wireless networks covering approximately 81% of the state's population, and Internet access services to approximately 57,000 subscribers. ACS combines its ability to provide reasonably priced, high-quality and innovative telecommunications services and products with its local perspective on Alaska consumers' needs.

Second, the proposed transaction will better enable ACS to offer its telecommunications customers more cost effective route diversity for their traffic. Many ACS customers, including those from the United States Department of Defense, request or require

diverse routing for their traffic. Today, ACS purchases capacity on the Crest system to serve its long haul customers between points connected by the Crest system. Customers requiring higher degrees of service reliability, however, must purchase additional service from General Communication, Inc. ("GCI"), which operates the only other submarine cable connecting points in Alaska with the lower 48 states. Because the Crest and GCI cables follow similar routes (sometimes crossing one another), however, the customer cannot achieve all the benefits of true route diversity, even if it purchases capacity on both cables.

With the acquisition of Crest, ACS is poised to offer its customers a one-stop shopping alternative that will provide true route diversity for telecommunications within Alaska, as well as connectivity to the lower 48 states. On December 5, 2007, the Commission granted ACS a license to construct an additional submarine cable linking Anchorage, Homer, Juneau and Nikiski, Alaska and Florence, Oregon.⁵ The new ACS cable will follow wholly different routing from the Crest and GCI cables. As a result, when the new ACS cable begins operating, ACS will, for the first time, be able to offer Alaska customers one-stop options for true route and facilities diversity for carriage of their traffic.

Third, the transaction will unite under a single owner Crest's submarine fiber optic cable facilities and ACS's extensive local and long distance terrestrial fiber optic and copper cable transport and distribution network. Today, while Crest is one of only two owners of submarine fiber optic cable facilities connecting Alaska to the lower 48 states, it does not own any terrestrial transport facilities in Alaska. Conversely, while ACS owns an extensive terrestrial transport and distribution network in Alaska, it lacks ownership of submarine cable facilities to

⁵ Public Notice, Actions Taken under Cable Landing License Act, Report No. SCL-00046, DA No. 07-4892, 22 FCC Rcd 20987 (2007).

connect its network to the lower 48 states. This Transaction, therefore, will enable ACS to offer its long distance customers more efficient connectivity, as well as diverse and redundant routing, between Alaska and the rest of the nation, using facilities under its own ownership and control, than either ACS or Crest can provide today.

Fourth, there will be no harm to competition. ACS does not currently operate any other submarine cables, so there can be no reduction in the number of providers of submarine cable capacity on the affected routes. GCI and ACS are already both strong and vigorous competitors in numerous Alaskan telecommunications markets. Placing the Crest cable system under the ownership and management of ACS will enhance this competition by permitting ACS to offer its customers facilities-based transmission services in direct competition to GCI.⁶ ACS will assume all existing Crest customer contracts, and those customers will benefit from having a large and well-respected provider – ACS – as the cable operator.

IV. INFORMATION REQUIRED BY 47 C.F.R. § 1.767(a)

Pursuant to section 1.767(a) of the Commission's rules, the Applicants provide the following information in response to items (1)-(3) for the transferor and transferee, and items (8)-(9) for the transferee:

1. The name, address, and telephone number of each applicant.

Licensees Northstar License Corporation and Northern Lights Holdings, Inc. may be contacted using the following information:

⁶ See, e.g., *Applications for Consent to the Transfer of Control of Licenses and Section 214 Authorizations by Time Warner Inc. and America Online Inc., Transferors, to AOL Time Warner Inc., Transferee*, Memorandum Opinion and Order, 16 FCC Rcd 6547 ¶ 21 (2001) ("To find that a merger is in the public interest, therefore, the Commission must 'be convinced that it will enhance competition,'" (quoting *Applications of NYNEX Corp., Transferor, and Bell Atlantic Corp., Transferee, for Consent to Transfer Control of NYNEX Corp. and its Subsidiaries*, Memorandum Opinion and Order, 12 FCC Rcd 19985 ¶ 2 (1997))).

Northstar License Corporation
19720 NW Tanasbourne Drive, Suite 100
Hillsboro, OR 97124-9073
Telephone: (503) 466-8500
Attn: Mr. Donald J. Schroeder, President and CEO

Northern Lights Holdings, Inc.
19720 NW Tanasbourne Drive, Suite 100
Hillsboro, OR 97124-9073
Telephone: (503) 466-8500
Attn: Mr. Donald J. Schroeder, President and CEO

Crest Communications Corporation and the Transferors may be contacted using the following information:

Crest Communications Corporation
19720 NW Tanasbourne Drive, Suite 100
Hillsboro, OR 97124-9073
(503) 466-8500
Attn: Mr. Donald J. Schroeder, President and CEO

Legal Counsel:
Philip Malet
Marc A. Paul
Steptoe & Johnson LLP
1330 Connecticut Avenue NW
Washington, DC 20036
(202) 429-3000

Transferee ACS may be contacted using the following information:

Alaska Communications Systems Group, Inc.
600 Telephone Ave.
Anchorage, AK 99503-001
(907) 297-3000
Attn: Leonard A. Steinberg, General Counsel and Corporate Secretary

Legal Counsel:
Karen Brinkmann
Richard R. Cameron
Latham & Watkins LLP
555 Eleventh Street, N.W., Suite 1000
Washington, DC 20004
(202) 637-2200

2. The Government, State, or Territory under the laws of which each corporate or partnership applicant is organized.

Each of the corporate applicants is organized under the laws of the State of Delaware.

3. Legal counsel to whom correspondence concerning the application is to be addressed.

Please see response to Item (1), above.

8. Certification and Ownership Information Requested of the Transferee, ACS, by Sections 63.18(h)-(k) and (o) of the Commission's Rules

Information requested by Section 63.18(h):

Alaska Communications Systems Group, Inc.
600 Telephone Ave.
Anchorage, AK 99503

Citizenship: United States/Delaware
Principal Business: Telecommunications

Based on a review of public filings with the Securities and Exchange Commission, no person or entity holds a ten percent or greater ownership interest in ACS. Patrick Pichette, a director of ACS, is also President-Operations of Bell Canada, a foreign carrier.

Information requested by Section 63.18(i) (A certification as to whether of not the applicant is, or is affiliated with, a foreign carrier. The certification shall state with specificity each foreign country in which the applicant is, or is affiliated with, a foreign carrier.):

ACS certifies that it is not a foreign carrier within the meaning of Section 63.09(d) of the Commission's rules, nor is it affiliated, within the meaning of Section 63.09(e) of the Commission's rules, with any foreign carrier. Following consummation of this transaction, therefore, neither Northern Lights nor Northstar License will be a foreign carrier, nor will either become affiliated with any foreign carrier.

Information requested by Section 63.18(j) (A certification as to whether of not the applicant seeks to provide international telecommunications services to any destination country for which any of the following is true. The certification shall state with specificity the foreign carriers and destination countries: (1) The applicant is a foreign carrier in that country; or (2) The applicant controls a foreign carrier in that country; or (3) Any entity that owns more than 25 percent of the applicant, or that controls the applicant, controls a foreign carrier in that country; or (4) Two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than 25 percent of the applicant and are parties to, or the beneficiaries of, a contractual relation (e.g., a joint venture or market alliance) affecting the provision or marketing of international basic telecommunications services in the United States.):

ACS certifies that, following the consummation of the proposed transaction, it will not seek to provide international telecommunications services to any such destination country.

Information requested by Section 63.18(k):

Not applicable.

Information requested by Section 63.18(o) (A certification pursuant to §§ 1.2001 through 1.2003 of this chapter that no party to the application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. See 21 U.S.C. 853a.):

Applicants certify, pursuant to sections 1.2001 through 1.2003 of the Commission's rules, that they are not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853a.

9. Routine Conditions Specified in Section 1.767(g) of the Commission's Rules, 47 C.F.R. § 1.767(g).

ACS certifies that it accepts and will abide by the routine conditions specified in Section 1.767(g) of the Commission's rules, 47 C.F.R. § 1.767(g).


V. ELIGIBILITY FOR STREAMLINED PROCESSING—47 C.F.R. § 1.767(k)

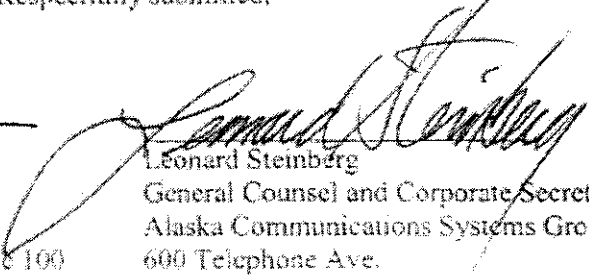
ACS certifies that it is not a foreign carrier and is not affiliated with any foreign carriers, consequently, it qualifies for streamlined processing pursuant to section 1.767(k)(1) of the Commission's rules, 47 C.F.R. § 1.767(k)(1).

VI. CONCLUSION

For the reasons set forth above, Northern Lights, Northstar License, Crest, the Transferors, and ACS hereby request that the Commission promptly grant this Application for permanent authorization for transfer of control of Northstar License and Northern Lights, and their corresponding non-common carrier cable landing licenses (file numbers set forth in Exhibit C).

Respectfully submitted,


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Counsel to Crest Communications Corporation, Northstar License Corporation, and Northern Lights Holding, Inc., and the Transferors

Counsel to Alaska Communications Systems Group, Inc.

Dated: April 22, 2008

EXHIBIT A

Pre-Transaction Corporate Structure

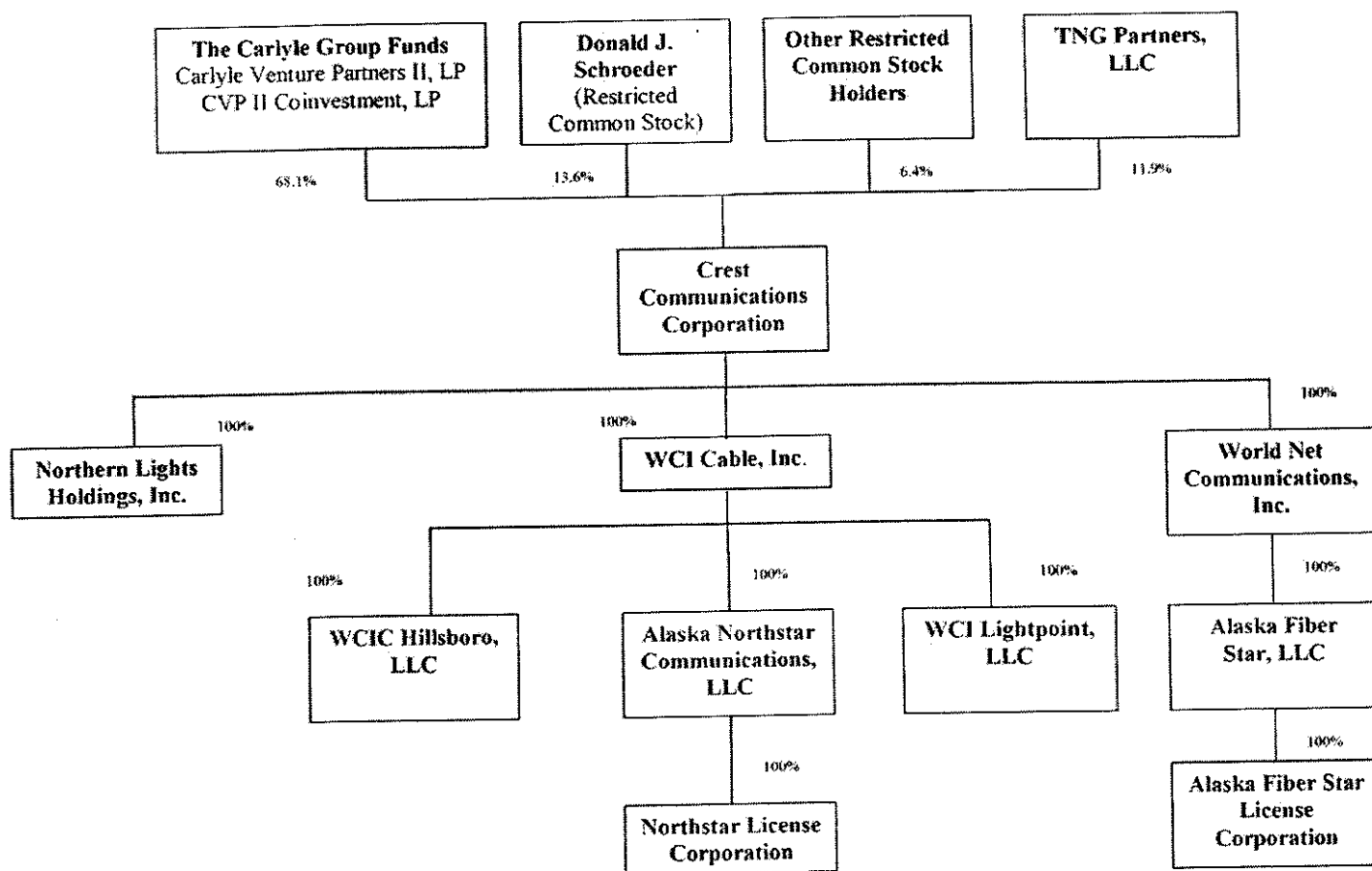


EXHIBIT B

Post-Transaction Corporate Structure

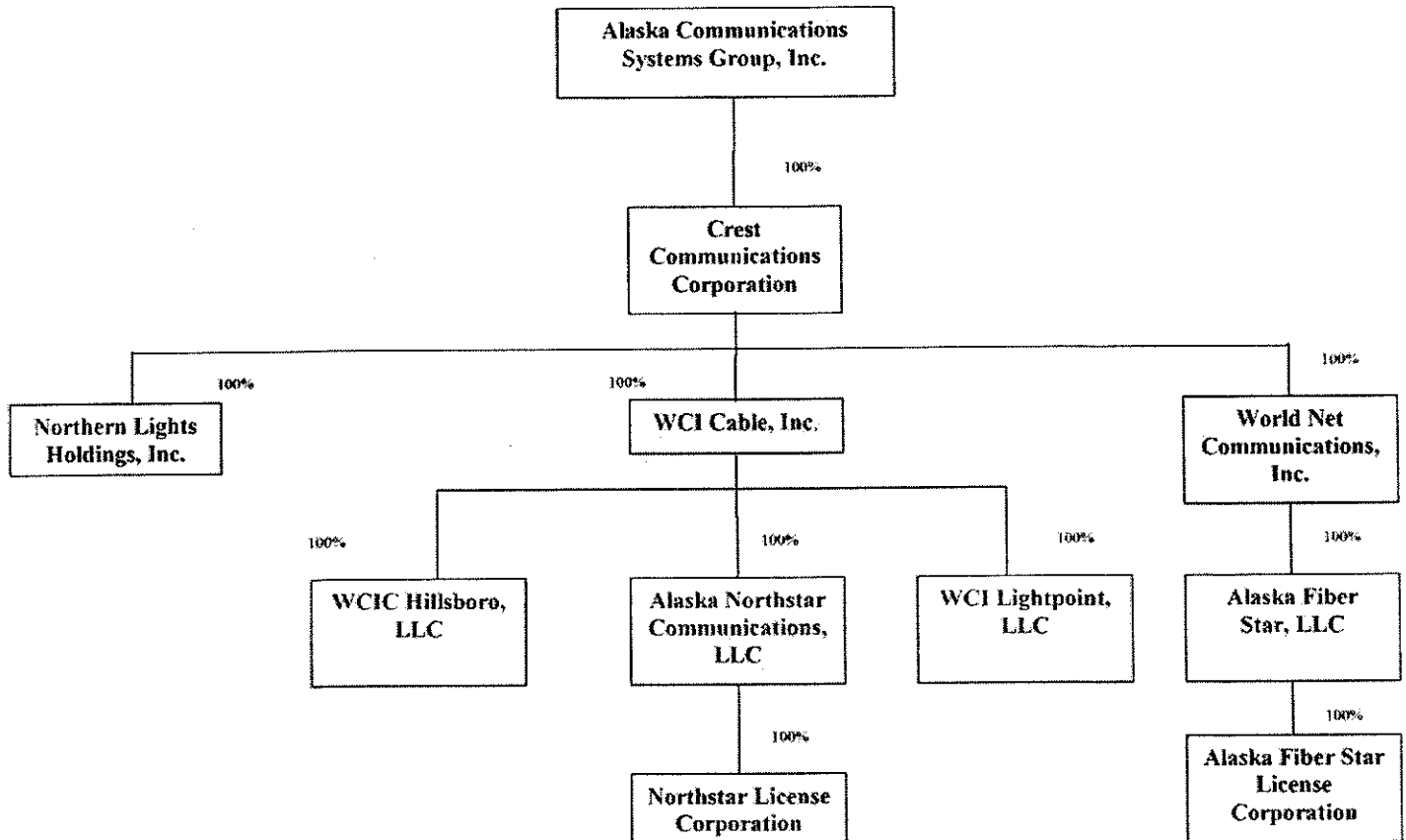


EXHIBIT C

List of Submarine Cable Landing Licenses Subject to Transfer of Control

File Number	Licensee
SCL-LIC-20020807-00066 (SCL-AMD-20020808-00067)	Northern Lights Holdings, Inc.
SCL-LIC-19940617-00002	North Star License Corporation
SCL-LIC-19960308-00001	North Star License Corporation

CERTIFICATE OF SERVICE

I hereby certify that on this nd 20 day of April 2008, a copy of the foregoing application to transfer control was served via first class mail upon the following:

Mr. Steven Lett
Deputy U.S. Coordinator
EB/CIP
U.S. Department of State
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Washington, D.C. 20230

Ms. Kathy Smith
Office of Chief Counsel
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Ms. Hillary Morgan
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