

EXHIBIT 1

Description of the Parties
Description of the Transaction
Public Interest Statement
Administrative Matters

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I. INTRODUCTION AND SUMMARY

Alaska Communications Systems Group, Inc. (“Alaska Communications” or “Transferor”) and Project 8 Buyer, LLC (“Project 8” or “Transferee”) (together, the “Applicants”) request Federal Communications Commission (“FCC” or “Commission”) consent under Sections 214(a) and 310(d) of the Communications Act of 1934, as amended (the “Communications Act”),¹ and An Act Relating to the Landing and Operation of Submarine Cables in the United States (the “Cable Landing License Act”),² to transfer control of the FCC licenses and authorizations (the “FCC Licenses”) held by Alaska Communications’ operating subsidiaries (“Operating Subsidiaries”) from Alaska Communications to Project 8. The Transaction contemplates the transfer of control of domestic and international Section 214 authorizations, terrestrial wireless licenses, cable landing licenses, and a non-common carrier earth station license.³

Alaska Communications is a publicly traded corporation that, through its Operating Subsidiaries, is a leading provider of telecommunications and broadband services in Alaska. Project 8, a newly formed holding company created by ATN International, Inc. (“ATN”) and its financial partner Freedom 3 Investments IV, LP (“Freedom”), is majority owned and controlled by ATN, which, like Alaska Communications, is a publicly traded corporation. Pursuant to an Agreement and Plan of Merger, Project 8 will acquire Alaska Communications and its Operating Subsidiaries (the “Transaction”). Thus, following consummation of the Transaction, control of

¹ 47 U.S.C. §§ 214, 310; *see also* 47 C.F.R. §§ 1.948, 25.119, 63.03, 63.24.

² 47 U.S.C. §§ 34-39, Executive Order No. 10530, reprinted as amended in 3 U.S.C. § 301; 47 C.F.R. § 1.767(a)(11).

³ Attachment A includes a list of the FCC applications that are being submitted in connection with the Transaction (“Applications”), as well as a list of the FCC Licenses subject to the Applications and the licensee of each such FCC License.

Alaska Communications will continue to be held by a widely dispersed group of public shareholders.

The public interest will be served by the Transaction. ATN is a financially sound company with a long and successful history of providing communications services to insular and underserved markets in the United States, the Caribbean region, South America, and Bermuda. Freedom, in turn, has extensive investment experience promoting the successful growth of companies. Alaska Communications' operations in Alaska will benefit from the additional financial and managerial resources brought by ATN and Freedom that will support the long-term growth and operations of Alaska Communications in a region that faces unique challenges to constructing networks and providing services.

The Transaction also will have no anticompetitive effects because Project 8, ATN, Freedom, and their affiliates do not provide telecommunications services in Alaska.⁴ To the contrary, the Transaction will likely spur competition in the telecommunications sector in Alaska. In addition, the Transaction will be seamless and transparent to Alaska Communications' customers. Because the Transaction will bring significant public interest benefits and will not result in any harm, the Commission should expeditiously approve it.

⁴ Project 8, ATN, and Freedom also do not provide overlapping telecommunications services in the markets outside of Alaska where Alaska Communications has limited operations—at Alaska Communications' submarine cable landing stations and points-of-presence in Oregon and Washington state. An ATN subsidiary provides private LTE services to a single customer in a single building on the Olympic Peninsula outside of Seattle, but this service does not compete with Alaska Communications, which does not serve any wholesale or retail customers in Washington state. In addition, an ATN subsidiary provides mobile services in the far southeastern corner of Oregon. By contrast, Alaska Communications does not provide any mobile services and does not provide any services in the southeastern corner of Oregon. Alaska Communications' Oregon service footprint is limited to the western Oregon coastal region.

II. DESCRIPTION OF THE PARTIES

A. Alaska Communications and the Operating Subsidiaries

Alaska Communications (with its predecessors) has a 100-year history of delivering high-quality communications services to Alaska residents, businesses, government agencies and institutions. Serving the Municipality of Anchorage as well as many rural areas and 49 Bush⁵ communities throughout the state, the company has expanded and upgraded its telephone network through the decades to enable the provision of not only reliable voice and advanced information services but also high-speed broadband services meeting the needs of customers in the digital age. Even during the present pandemic, Alaska Communications has expanded its broadband footprint to previously unserved communities, extended advanced services to enable the delivery of remote tele-health services, and helped the state's schools and higher educational institutions become distance-learning capable. Although the company faces robust competition from both wireline and wireless competitors, Alaska Communications remains a leading provider of a wide range of telecommunications and broadband services in Alaska.

Local Exchange Services. Alaska Communications' local exchange subsidiaries provide facilities-based local exchange services in a number of areas in Alaska, all of which are rural for purposes of the Communications Act, with the sole exception of the Municipality of Anchorage, which is the only urban area in the state.

- ACS of Alaska, LLC is an incumbent local exchange carrier ("ILEC") that serves two study areas that encompass (1) the City and Borough of Juneau (the Juneau

⁵ Areas of Alaska considered to be "Bush" are those that are not accessible by the state's road system, and they also typically lack access to a regional interconnected power grid. Such communities are accessible only by plane, boat, barge, or snow-machine, and communications facilities deployed there may require an independent power source.

Study Area) and (2) Eielson Air Force Base and Fort Wainwright (the Greatland Study Area).

- ACS of Fairbanks, LLC, also an ILEC, serves the City of Fairbanks and certain nearby areas.
- ACS of the Northland, LLC is an ILEC that serves two study areas: (1) Sitka Borough and certain non-contiguous Bush areas, including part of Prince of Wales Island, Yakutat, Northway, Border City, and parts of the Aleutian Island chain (the Sitka Bush Study Area) and (2) Kenai, Soldotna, Kodiak, and areas outside Fairbanks, including Delta Junction, Nenana, and North Pole (the Glacier State Study Area).
- ACS of Anchorage, LLC is an ILEC serving the Anchorage area, including Joint Base Elmendorf-Richardson, and certain small communities such as Girdwood and Hope.

All four ILECs are certificated to provide telecommunication by the Regulatory Commission of Alaska (“RCA”).

Interexchange Services. ACS Long Distance, LLC (“ACS-LD”) provides long-distance telecommunications services within Alaska, and between Alaska and other states, using a combination of its own facilities and those of other facilities-based carriers.⁶

Broadband Internet Access Services (“BIAS”) and Business Data Services (“BDS”).

Alaska Communications provides BIAS and BDS to residential, enterprise, and wholesale

⁶ Another Operating Subsidiary, Alaska Fiber Star, LLC, has a certificate from the RCA to provide local exchange and intrastate interexchange telecommunications services in Alaska, as a competitive carrier, but has never actually provided any intrastate or interstate telecommunications services. As such, it has no Section 214 authority under the Commission’s rules. *See* 47 C.F.R. §63.01(a).

customers throughout much of its ILEC study areas and in a variety of other locations in Alaska. Alaska Communications provides these services through a combination of its ILEC Operating Subsidiaries, ACS-LD, and Alaska Communications Internet, LLC (“ACS Internet”). In addition, ACS Internet offers limited wholesale service (such as terrestrial and undersea cable capacity) to carrier-customers in Oregon, on a private (non-common carrier) contractual basis. ACS Internet also offers voice-over-Internet-protocol (“VoIP”) services to its BIAS and BDS customers. ACS Internet is a licensee of a transmit/receive earth station license authorizing communications with U.S.-authorized fixed satellites.

Wireless Licenses. Alaska Communications provides no mobile wireless services to the public. Through its Operating Subsidiaries the company has fixed wireless service licenses that are used by the entities described above in the completion of local exchange and interexchange telecommunications services, as well as BIAS and BDS services, particularly in rural and remote areas where the company is deploying broadband services to previously unserved locations.

Undersea Cable Services. Through its two U.S. domestic undersea cable systems, the AKORN and NorthStar Cable Systems, Alaska Communications offers wholesale fiber optic cable capacity between Alaska and Oregon by lease or sale of indefeasible rights of use (“IRU”). The systems also are used by ACS-LD and ACS Internet to complete transmissions of telecommunications and information services between Alaska and the contiguous United States. The AKORN Cable System is operated by ACS Cable Systems, LLC. The NorthStar Cable System is operated by Northstar License Corporation, a subsidiary of Alaska Northstar Communications, LLC.

Attachment B provides a simplified organizational chart indicating the relationships among Alaska Communications and the Operating Subsidiaries described herein.

B. Project 8

Project 8 is a Delaware limited liability company. It is a newly formed holding company created by ATN and Freedom for purposes of acquiring Alaska Communications. Project 8 is a wholly owned subsidiary of a newly formed company, ALSK Holdings, LLC (“ALSK Holdings”), a Delaware limited liability company. ATN, which will control Project 8 through ALSK Holdings, will hold a direct 52 percent voting interest and 50.67 percent equity interest and in ALSK Holdings. Freedom, directly and indirectly through its wholly owned subsidiary F3C AK, LLC (“F3C AK”), will hold a 48 percent voting interest and 49.43 percent equity interest in ALSK Holdings.⁷ ATN will appoint three of ALSK Holdings’ five directors, and F3C AK will appoint the other two.

C. ATN

Founded in 1987, ATN is a Delaware corporation that is headquartered in Beverly, Massachusetts. ATN’s shares trade publicly on NASDAQ (Ticker Symbol: ATNI), and ATN has no controlling owner. ATN, operating through its domestic and international subsidiaries, is an experienced and financially disciplined retail and wholesale facilities-based carrier and telecommunications infrastructure provider. Working closely with regulators and local management, it has a long and successful history of providing communications service to

⁷ Specifically, in addition to bank financing to be secured by ATN and Freedom, ALSK Holdings will issue to ATN and F3C AK voting common interests (52 percent to ATN and 48 percent to F3C AK) and non-voting preferred interests (evenly split between ATN and F3C AK’s direct parent company Freedom). When combining the equity value of each these common and preferred interests, ATN will hold a 50.67 percent equity in ALSK Holdings and Freedom/F3C AK will hold a 49.43 percent equity interest.

insular and underserved markets in the United States, the Caribbean region, South America, and Bermuda, including rural, tribal, and island-based areas.

Through its operating subsidiaries, ATN provides advanced wireline and wireless voice and data services to retail residential and enterprise customers with a particular focus on markets that need significant infrastructure investment and improvements. These services include a wide range of mobile wireless solutions, local exchange services, BIAS, and video services, as well as wholesale communications infrastructure services such as terrestrial and submarine fiber optic transport, communications tower facilities, information technology managed services, and in-building systems. ATN also holds interests in several submarine cable systems serving the United States, the Caribbean region, South America, and Bermuda.

As noted above, ATN is publicly traded on the NASDAQ (Ticker Symbol: ATNI), and it will hold its indirect interest in Project 8 through ALSK Holdings, which wholly owns and controls Project 8. Two individuals hold an interest in ATN of ten percent or more: Cornelius B. Prior, Jr., a U.S. citizen, holds 26.4 percent of ATN's issued and outstanding stock, and BlackRock Fund Advisors, a U.S. global investment manager, holds 10.1 percent of ATN's issued and outstanding stock.⁸ No other entity or individual holds a direct or indirect voting or equity interest in ATN of ten percent or more.

⁸ See ATN International, Inc., Notice of 2020 Annual Meeting of Stockholders to be Held September 15, 2020, at 4 (Aug. 6, 2020), *available at* <https://www.sec.gov/Archives/edgar/data/879585/000104746920004421/a2241431zdef14a.htm>; BlackRock Inc., Form 13F (Nov. 6, 2020), *available at* <https://www.sec.gov/Archives/edgar/data/1364742/000142645920000005/0001426459-20-000005-index.htm>.

D. Freedom

Freedom is a Delaware limited partnership with headquarters in New York City, New York. Freedom and its affiliates invest in companies at inflection points, helping middle-market companies address strategic growth opportunities by delivering unique capital solutions.

Freedom invests in the debt and equity of middle-market companies through various tranches, including senior debt, subordinated debt, preferred equity, and common equity, with the majority of its funding of any particular investment taking the form of debt or preferred equity. Its investment process provides Freedom the flexibility to tailor investment structures to industry dynamics and a company's specific requirements and long-term business objectives. Its approach to investment creates valuable, lasting partnerships with stakeholders and management teams.

Freedom's investment in ALSK Holdings, the parent company of Project 8, will be held directly and through its wholly owned and controlled subsidiary F3C AK, a Delaware limited liability company. Freedom will hold non-voting preferred interests issued by ALSK Holdings, and F3C AK will hold voting common interests. Through a series of intermediate entities, Freedom ultimately is controlled by Jason Block, Erik Glover, and Daniel Tamkin, who are U.S. citizens, by virtue of their being the managers or managing members of the Freedom affiliates that have voting control and investment discretion over Freedom.

III. DESCRIPTION OF THE TRANSACTION

On December 31, 2020, Project 8 and its wholly owned direct subsidiary, Project 8 MergerSub, Inc. ("Merger Sub"), a Delaware corporation, entered into an Agreement and Plan of Merger ("Merger Agreement") with Alaska Communications pursuant to which Project 8 agreed to acquire Alaska Communications for cash at a price of \$3.40 per share, which equates to

approximately \$332 million.⁹ Under the Merger Agreement, Merger Sub would merge with and into Alaska Communications with the latter continuing as the surviving corporation and a wholly owned subsidiary of Project 8. Each share of Alaska Communications' common stock would be converted into the right to receive \$3.40 in cash from Project 8. The Merger Agreement conditions consummation of the Transaction on certain closing conditions, including, the approval of the Transaction by the FCC and the RCA¹⁰ and by Alaska Communications' stockholders, as well as the expiration or termination of the required waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended ("HSR Act").¹¹

IV. PUBLIC INTEREST STATEMENT

Under Sections 214(a) and 310(d) of the Communications Act and the Cable Landing Licensing Act, the Commission must determine whether the Transaction is consistent with the public interest, convenience, and necessity.¹² The Commission considers the following factors when making its public interest assessment: (1) whether the transaction complies with the

⁹ See ATN International, Inc., ATNI International, Inc. Announces Agreement to Acquire Alaska Communications (Jan. 4, 2021), *available at* https://www.sec.gov/Archives/edgar/data/879585/000110465921000095/tm2039713d3_ex99-1.htm.

¹⁰ Notice will be given to the regulatory authorities of Oregon, where Alaska Communications maintains undersea cable landing stations, and Washington state, where Alaska Communications holds a fiber IRU. No prior consent is required from either of those states.

¹¹ See ATN International, Inc., Securities and Exchange Commission, Form 8-K (filed Jan. 4, 2021), *available at* https://www.sec.gov/ix?doc=/Archives/edgar/data/879585/000110465921000095/tm2039713d3_8k.htm.

¹² See, e.g., *Applications of Level 3 Communications, Inc. and CenturyLink, Inc. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 32 FCC Rcd 9581, 9585 ¶ 8 (2017) ("*Level 3-CenturyLink Order*"); *Applications of AT&T, Inc. and DIRECTV for Consent to Assign or Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 30 FCC Rcd 9131, 9139-40 ¶ 18 (2015) ("*AT&T-DIRECTV Order*").

specific provisions of the Communications Act, other applicable statutes, and the Commission's rules; (2) whether the transaction could result in public interest harms by substantially frustrating or impairing the Commission's implementation or enforcement of the Communications Act or interfere with the objectives of that and other statutes; and (3) whether the transaction will yield affirmative public interest benefits.¹³

The Transaction satisfies each prong of the Commission's public interest test. The Applications and accompanying materials show that the Transaction satisfies the first prong because it complies with the provisions of the Communications Act, other statutes, and the Commission's rules. With respect to the remaining two prongs, the Transaction will not result in any public interest harms and will yield significant public interest benefits. It will not frustrate or otherwise interfere with the objectives of the Communications Act or other statutes, but rather will yield substantial public interest benefits. Further, the Commission "has long recognized the clear public interest benefits in a license or authorization holder being able to assign or transfer control of its license or authorization freely."¹⁴ The Commission should therefore expeditiously approve the Transaction.

A. The Transaction Will Generate Substantial Public Interest Benefits

In considering the public interest benefits of the Transaction, it is important to recognize the unique challenges of providing communications services in Alaska. As the Commission has long recognized, Alaska presents "uniquely challenging operating conditions."¹⁵ Those

¹³ See, e.g., *Level 3-CenturyLink Order*, 32 FCC Rcd at 9585-86 ¶¶ 8-10; *AT&T-DIRECTV Order*, 30 FCC Rcd at 9139-40 ¶ 18.

¹⁴ *Level 3-CenturyLink Order*, 32 FCC Rcd at 9586 ¶ 10.

¹⁵ *Connect America Fund*, Report and Order and Further Notice of Proposed Rulemaking, 31 FCC Rcd 10139, 10140 ¶ 2 (2016) (internal citations omitted).

conditions include its “remoteness, lack of roads, challenges and costs associated with transporting fuel, lack of scalability per community, satellite and backhaul availability, extreme weather conditions, challenging topography, and short construction season.”¹⁶ The size, location, varied and challenging terrain, dispersed population, lack of road access, and climate of Alaska make it expensive and difficult to design, build, and maintain outdoor facilities, and maintain consistent service quality across all geographic service areas.

1. Alaska Communications’ Operations Will be Enhanced By ATN’s Strong Technical Qualifications and Extensive Experience in Rural and Underserved Markets

ATN has significant expertise deploying, upgrading, maintaining, and operating communications networks and service businesses in rural, tribal, island-based, and other insular and underserved markets in the United States, the Caribbean region, South America, and Bermuda. ATN is uniquely qualified to control Alaska Communications based on its dedication to serving rural and underserved markets and its proven track record of deploying new technologies in those markets. Indeed, ATN is well aware of, and experienced with, the operational and other difficulties presented by serving such communities. Combining ATN’s expertise with that of Alaska Communications’ existing staff will significantly enhance the operations of the Operating Subsidiaries in Alaska.

For example, through its affiliates, ATN has extensive experience providing facilities-based advanced wireless services to rural and underserved populations in the Southwest United States, including to more than 27,000 square miles of Tribal land. It also previously provided facilities-based retail and wholesale wireline services in the Northeastern United States, where it constructed an extensive fiber wireline network to bring high-quality broadband and other data

¹⁶ *Id.* at 10162 ¶ 72 (internal citations omitted).

services to small towns, rural areas, and community institutions that are often overlooked in the construction of advanced wireline networks, although ATN has since divested this business.

In the Caribbean region, through its affiliates ATN provides a combination of voice, broadband data and Internet, wireless, video, and cable television services in the U.S. Virgin Islands, Bermuda, and the Cayman Islands. In Guyana, where it has operated for 30 years, ATN is the incumbent local exchange provider and operates a wireless network, offering domestic wireline local and long-distance telephone, international voice and data, broadband Internet access, and wireless services.

ATN's track record in deploying new technologies in rural and underserved markets is well established. For example, ATN was the first carrier to deploy cellular, broadband, and fiber-optic networks in Guyana. It also built the first submarine cable network in the region connecting Trinidad and Tobago, Suriname, Guyana, and the United States. ATN's Bermuda subsidiary was the third entrant in the late 1990s. It intended to increase competition to the entrenched large providers and was the first carrier to deploy 3G and 4G LTE wireless technologies in Bermuda. It is now Bermuda's market leader. ATN has continuously expanded and improved its U.S. and international wireless networks, upgrading to advanced 4G LTE data technology and deploying Voice Over LTE ("VoLTE") technology in many markets. It also plans to test 5G services in various markets.

ATN also has a history of successfully utilizing universal service funds to expand its networks and services consistent with the goals of the Commission's universal service programs. For example, universal service funds awarded to ATN's affiliates from the Commission's High-Cost, Mobility Fund, and Connect America Fund ("CAF") programs, along with private

investment, support expansion of broadband and mobile services by ATN in rural areas of the Southwestern United States.

The Applicants are committed to Alaska Communications fulfilling its obligations to rural and other underserved populations under the CAF Phase II program, E-rate, and other FCC universal service programs. The resources and experience that ATN brings to the company will enhance Alaska Communications' ability to meet those goals.

2. Alaska Communications and Its Customers Will Benefit from the Financial Investments and Opportunities Created by the Transaction

From a financial perspective, the Transaction will offer significant benefits to Alaska Communications and its customers. ATN is a financially strong company and well qualified to control Alaska Communications. It has a strong balance sheet and limited leverage.¹⁷ Further, ATN's conservative approach to investment permits it to access the capital needed to invest in and grow its existing businesses. ATN's financial strength will be complemented by the access to capital of Freedom, as well as Freedom's substantial expertise funding and managing projects in the communications infrastructure space.

ATN takes a long-term ownership outlook regarding its businesses and believes that this involves building connections within the local community. Whenever feasible, ATN relies on local resources, including local management teams who have a successful track record or have extensive knowledge of the industry and the particular market. Indeed, a key component of ATN's long-term strategy is to develop strong local brand identities and a robust local presence.

¹⁷ ATN International, Inc., SEC Form 10-K (Mar. 2, 2020), *available at* https://www.sec.gov/ix?doc=/Archives/edgar/data/879585/000110465920053257/tm2017860-2_10ka.htm; ATN International, Inc., SEC Form 10-Q, at 4-9 (Nov. 4, 2020), *available at* <https://www.sec.gov/ix?doc=/Archives/edgar/data/879585/000155837020012564/atni-20200930x10q.htm>.

ATN believes that relying on qualified management who have expertise in the telecommunications industry, reside locally, are knowledgeable about issues of interest to the local population, and are active in their communities will enhance Alaska Communications' ability to respond to consumers' needs at the local level.

The Transaction will provide Alaska Communications with access to significant capital resources needed to upgrade networks and offer innovative services at competitive prices. ATN expects that ATN, Freedom, and Alaska Communications together will have greater scale and, consequently, greater purchasing power with equipment and software vendors. Thus, the Transaction will lead to a financially stronger and more competitive service provider, delivering real benefits to all stakeholders by improving access and connectivity and promoting modern, enhanced services to consumers. This, in turn, will contribute to the economic and social well-being of Alaskans by supporting local businesses and access to employment, educational, and health care opportunities.

B. The Transaction Will Not Result in Any Public Interest Harms

1. Customers Will Not be Negatively Affected by the Transaction

The Transaction will be seamless and transparent to customers.¹⁸ The Applicants have no plans at this time to change the Alaska Communications brand, and the Operating Subsidiaries will continue to provide services in the normal course without interruption at the same rates,

¹⁸ The Transaction does not raise any “slamming” concerns or necessitate compliance with procedures to notify customers prior to a carrier-to-carrier sale or transfer of subscribers as it does not involve a change in any customer’s existing service provider. The customers of each Licensee will remain with their carrier and will continue to be served under such Licensee’s existing authorizations. Accordingly, there are no changes in customers’ preferred carrier, and no further filings or authorizations are required under the FCC’s carrier selection rules (47 C.F.R. § 64.1120) or under analogous state rules.

terms, and conditions that existed before the Transaction was consummated.¹⁹ Customers will not be forced to change accounts or telephone numbers, and they will continue to pay their bills in the same places and in the same manner as they currently do.

2. The Transaction Will Enhance Rather Than Harm Competition

The Transaction will not result in any competitive harm, and will instead enhance competition. ATN, Freedom, and their affiliates do not compete with Alaska Communications in the provision of any telecommunications or broadband communications offerings. Indeed, neither ATN nor Freedom has any market presence in Alaska, and neither provides overlapping telecommunications services in the markets outside of Alaska where Alaska Communications has limited facilities-based operations, namely, at Alaska Communication's cable landing stations and points-of-presence in Oregon and Washington state.²⁰ Consummation of the Transaction will therefore not reduce the number of service providers or competition in any market.²¹

Instead, the Transaction will enhance competition in Alaska Communications' service territories. As the Commission has long recognized, robust competition facilitates improved

¹⁹ Any future changes in the rates, terms, or conditions of service will be effectuated consistent with applicable federal and state requirements.

²⁰ Indeed, Alaska Communications serves no customers in Washington state. *See supra* n. 4.

²¹ *See, e.g., Applications Filed by Frontier Communications Corp. and AT&T Inc. for the Assignment or Transfer of Control of the Southern New England Telephone Company and SNET America, Inc.*, Memorandum Opinion and Order, 29 FCC Rcd 9203, 9208 ¶ 14 (2014) (concluding that Frontier's acquisition of AT&T's ILEC business in Connecticut "is unlikely to have adverse effects on existing competition" because the companies "do not currently compete against each other in the transaction market area [and] the transaction does not reduce the number of service providers").

service, more choices, and new products.²² As described above, the Transaction will give Alaska Communications access to greater financial and other resources that will improve its ability to expand its network and offer high-quality and robust products to customers. Competition, in turn, will be enhanced, as competitors in Alaska are compelled to improve their services and prices in response to Alaska Communications' expanded service offerings.

V. ADMINISTRATIVE MATTERS

A. Request for Approval of Additional Authorizations

The Applications are intended to seek Commission approval for the transfer of control of all FCC Licenses currently controlled by Alaska Communications through its Operating Subsidiaries. The Operating Subsidiaries, however, now have on file, and may hereafter file, additional requests for authorizations for new or modified facilities, which may be granted before the Commission takes action on these Applications. Accordingly, the Applicants request that the Commission approval of the Applications filed in connection with the Transaction include authority for Project 8 to acquire control of the following:

- Any license or authorization issued to an Operating Subsidiary during the Commission's consideration of the Applications and the period required for consummation of the Transaction following approval, other than the 3.5 GHz band Citizens Broadband Radio Services ("CBRS") Priority Access Licenses ("PALs") won by an Operating Subsidiary in Auction No. 105.²³

²² 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. to AOL Time Warner, Inc.*, Memorandum Opinion and Order, 18 FCC Rcd 16835, 16839-40 ¶ 12 (2003) (stating that "the Commission has continually recognized competition as an important policy objective for communications services, bringing consumer benefits of increased choice, lower prices, improved service, and new product offerings." (citation omitted)).

²³ ACS Internet was the winning bidder of the CBRS PALs set forth in Attachment A. See also *Auction of Priority Access Licenses in the 3550-3650 MHz Band Closes, Winning Bidders Announced for Auction 105*, Public Notice, AU Docket No. 19-244, DA 20-1009 (rel. Sept. 2, 2020). On September 17, 2020, ACS Internet filed long-form applications in connection with its winning PALs bids, but the licenses have not yet been issued by the Commission. No comments

- Any construction permits held by an Operating Subsidiary that mature into licenses after closing.
- Applications that are filed after the date of these Applications and that are pending at the time of consummation.

Such authorization would be consistent with Commission precedent.²⁴ Moreover, the Applicants request that the Commission’s approval of the Applications include any licenses, facilities, or authorizations that may have been inadvertently omitted.

B. CBRS PAL Temporary Waiver Request for Purposes of Divestiture

The FCC has adopted a 40 megahertz per county aggregation limit for the CBRS band.²⁵ In Auction 105, Alaska Communication’s affiliate ACS Internet won four 10 megahertz CBRS PALs in Kenai Peninsula Borough, Alaska,²⁶ and ATN affiliate SAL Spectrum, LLC (“SAL”) won one PAL in that license area. Each affiliate has filed a Form 601 long-form license

on, or petitions to deny, ACS Internet’s long-form applications were filed by the December 14, 2020 deadline. Because the Applicants anticipate that they will not consummate the Transaction prior to the issuance of these licenses, ACS Internet does not intend to file an amendment to its long-form application to reflect the Transaction. Instead, following the issuance of the PALs by the Commission, the Applicants intend to file an FCC Form 603 transfer of control application in connection with the newly issued PALs.

²⁴ See, e.g., *Applications of AT&T Wireless Services, Inc. and Cingular Wireless Corp. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 19 FCC Rcd 21522, 21626 ¶ 275 (2004) (“*AT&T-Cingular Order*”); *Application of WorldCom, Inc., and MCI Communications Corp. for Transfer of Control of MCI Communications Corp. to WorldCom, Inc.*, Memorandum Opinion and Order, 13 FCC Rcd 18025, 18153 ¶ 226 (1998); *NYNEX Corp. and Bell Atlantic Corp. for Consent to Transfer Control of NYNEX Corp. and Its Subsidiaries*, Memorandum Opinion and Order, 12 FCC Rcd 19985, 20097 ¶ 247 (1997); *Craig O. McCaw and Am. Tel. and Telegraph Co. for Consent to the Transfer of Control of McCaw Cellular Communications, Inc. and its Subsidiaries*, Memorandum Opinion and Order, 9 FCC Rcd 5836, 5909 ¶ 137 n.300 (1994) (“*McCaw-AT&T Order*”).

²⁵ 47 C.F.R. § 96.31.

²⁶ See *supra* n. 23.

application, which is now pending before the Commission.²⁷ Assuming that the Commission grants these applications prior to acting on the Applications, consummation of the proposed Transaction would result in ATN ultimately controlling 50 megahertz of PALs in Kenai Peninsula Borough.

The Applicants request a temporary waiver of Section 96.31 of the Commission's rules to allow ATN to control 50 MHz of PALs for a temporary period to provide ATN with an opportunity to sell a 10 MHz PAL in Kenai Peninsula Borough to bring it into compliance with the Commission's rules. ATN commits to filing an application (or applications) with the Commission to assign or transfer control of at least one of the ACS Internet or SAL PALs in Kenai Peninsula Borough (the "Divestiture Assets").

The FCC did not adopt a rule specifying the appropriate time period for such a divestiture of a CBRS PAL. Due to the potential challenge of divesting a single 10 megahertz PAL in a single borough in Alaska, ATN requests that the divestiture period ("Divestiture Period") be 12 months from the later of (1) the release date of the Commission's order granting the proposed Transaction, and (2) the last date on which the Commission grants to SAL or ACS Internet a PAL for Kenai Peninsula Borough. In addition, ATN requests that any Commission order approving the Transaction explicitly provide that the Bureau may grant one or more extensions of the Divestiture Period, not to exceed 120 days in the aggregate, to allow the Applicants further time to dispose of the Divestiture Assets. The Applicants believe that the requested Divestiture Period is reasonable in these circumstances.

²⁷ See ULS File Nos. 0009226321 (ACS Internet) and 0009223630 (SAL).

C. Exemption from Cut-Off Rules

Pursuant to Sections 1.927(h), 1.929(a)(2), and 1.933(b) of the Commission's rules,²⁸ to the extent necessary,²⁹ the Applicants request a blanket exemption from any applicable cut-off rules in cases where the Applicants file amendments to pending applications to reflect consummation of the Transaction (except with respect to the CBRS PALs as set forth above). This exemption is requested so that amendments to pending applications to report the change in control of these licenses would not be treated as major amendments. The Applications demonstrate that the ownership change would not be made for the acquisition of any particular pending application, but as part of a larger transaction undertaken for an independent and legitimate business purpose. Grant of such an exemption would be consistent with previous Commission decisions routinely granting a blanket exemption in cases involving similar transactions.³⁰

²⁸ 47 C.F.R. §§ 1.927(h), 1.929(a)(2), and 1.933(b).

²⁹ See *Sprint Nextel Corp. and Clearwire Corp. Applications for Consent to Transfer Control of Licenses, Leases, and Authorizations*, Memorandum Opinion and Order, 23 FCC Rcd 17570, 17611 ¶ 105 (2008) (“*Sprint-Clearwire Order*”). With respect to cut-off rules under Sections 1.927(h) and 1.929(a)(2), the Commission previously has found that the public notice announcing a transaction will provide adequate notice to the public with respect to the licenses involved, including for any license modifications pending. In such cases, it determined that a blanket exemption of the cut-off rules was unnecessary. See *Ameritech Corp. and GTE Consumer Services Inc. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 15 FCC Rcd 6667, 6668 ¶ 2 n.6 (WTB 1999); *Comcast Cellular Holdings, Co. and SBC Communications, Inc. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 14 FCC Rcd 10604, 10604-05 ¶ 2 n.3 (WTB 1999).

³⁰ See, e.g., *Sprint-Clearwire Order*, 23 FCC Rcd at 17611 ¶ 105; *AT&T-Cingular Order*, 19 FCC Rcd at 21626 ¶ 275; *PacifiCorp Holdings, Inc. and Century Tel. Enterprises, Inc. for Consent to Transfer Control of Pacific Telecom, Inc., a Subsidiary of PacifiCorp Holdings, Inc.*, Memorandum Opinion and Order, 13 FCC Rcd 8891, 8915-16 ¶ 47 (WTB 1997); *McCaw-AT&T Order*, 9 FCC Rcd at 5909 ¶ 137 n.300.

D. Unconstructed Facilities and Trafficking

To the extent authorizations for unconstructed systems are covered by these Applications, these authorizations are merely incidental, with no separate payment being made for any individual authorization or facility. Accordingly, the Transaction raises no trafficking issues, and there is no reason to review the Transaction for trafficking.

E. Related Governmental Filings

In connection with this Transaction, the Applicants will file a pre-merger notification with the U.S. Department of Justice and the Federal Trade Commission pursuant to the HSR Act and associated regulations.³¹ The Applicants will file applications or notifications regarding the Transaction, as appropriate, with the RCA, Oregon Public Utility Commission, and Washington Utilities and Transportation Commission.³²

F. *Ex Parte* Status

The Applicants request that the Commission treat this proceeding as permit-but-disclose pursuant to Section 1.1206 of the Commission's rules.³³ The public interest in expeditiously considering these Applications would be served by the flexibility permitted by permit-but-disclose procedures.³⁴

³¹ 15 U.S.C. § 18a; 16 C.F.R. Subchapter H.

³² *See supra* n.10.

³³ *See* 47 C.F.R. § 1.1206.

³⁴ Pursuant to Section 1.1200(a) of the Commission's rules, the Commission may adopt modified *ex parte* procedures in particular proceedings if the public interest so requires. *See* 47 C.F.R. § 1.1200(a).

VI. CONCLUSION

For the reasons set forth herein, the Applicants respectfully submit that the grant of these Applications will serve the public interest, convenience, and necessity and thus warrants prompt Commission approval.

ATTACHMENT A

**FCC LICENSES, LICENSEES, PENDING CBRS PALS APPLICATIONS,
AND TRANSACTION APPLICATIONS**

I. FCC Licenses and Authorizations

A. Domestic Section 214 Authorizations:

Licensee	Place of Organization	FRN
ACS of Alaska, LLC	Alaska	0022389548
ACS of Anchorage, LLC	Delaware	0022389829
ACS of Fairbanks, LLC	Alaska	0022389811
ACS of the Northland, LLC	Alaska	0022389555
ACS Long Distance, LLC	Alaska	0022389860

B. International Section 214 Authorizations:

Licensee	File Number	FRN
ACS Long Distance, LLC	ITC-214-19960612-00248	0022389860
Northstar License Corporation	ITC-214-20000330-00209	0006041958

C. Earth Station Licenses:

Licensee	Call Sign	Type of License	FRN
Alaska Communications Internet, LLC	E170205	Non-Common Carrier Earth Station	0022389845

D. Submarine Cable Landing Licenses:

Licensee	File Number	FRN
ACS Cable Systems, LLC	SCL-LIC-20071025-00018	0022389837
Alaska Northstar Communications, LLC	SCL-LIC-19940617-00001	0006542088
Northstar License Corporation	SCL-LIC-19940617-00002	0006041958
	SCL-LIC-19960308-00001	
	SCL-MOD-20020725-00090	
	SCL-MOD-20020725-00091	

E. Wireless Licenses:

Licensee	Call Sign	Type of License	FRN
ACS Wireless License Sub, LLC	WMN700	Common Carrier Fixed Point to Point Microwave	0022388789
	WRAA718	Millimeter Wave 70/80/90 GHz	
	WHB63	Common Carrier Fixed Point to Point Microwave	
ACS of Anchorage License Sub, LLC	WLC603	Common Carrier Fixed Point to Point Microwave	0022388771
	WLC604	Common Carrier Fixed Point to Point Microwave	
	WLC605	Common Carrier Fixed Point to Point Microwave	
	WLC606	Common Carrier Fixed Point to Point Microwave	
	WQBU444	Common Carrier Fixed Point to Point Microwave	
	WQBU445	Common Carrier Fixed Point to Point Microwave	
	WMS884	Common Carrier Fixed Point to Point Microwave	
ACS of Fairbanks License Sub, LLC	WMS885	Common Carrier Fixed Point to Point Microwave	0022388755
	WPND459	Common Carrier Fixed Point to Point Microwave	
	WQZQ232	Common Carrier Fixed Point to Point Microwave	
	WQZQ233	Common Carrier Fixed Point to Point Microwave	
	WQZQ234	Common Carrier Fixed Point to Point Microwave	
	WQZQ235	Common Carrier Fixed Point to Point Microwave	
	WRCH789	Common Carrier Fixed Point to Point Microwave	
	WRCH790	Common Carrier Fixed Point to Point Microwave	
	WRCH992	Common Carrier Fixed Point to Point Microwave	
	WRCI704	Common Carrier Fixed Point to Point Microwave	
	WRCI706	Common Carrier Fixed Point to Point Microwave	

Licensee	Call Sign	Type of License	FRN
	WCCJ592	Common Carrier Fixed Point to Point Microwave	
	WRCJ662	Common Carrier Fixed Point to Point Microwave	
	WRCW629	Common Carrier Fixed Point to Point Microwave	
	WRJV516	Common Carrier Fixed Point to Point Microwave	
	WRJV517	Common Carrier Fixed Point to Point Microwave	
	WRJV518	Common Carrier Fixed Point to Point Microwave	
	WRJV519	Common Carrier Fixed Point to Point Microwave	
	WRJV520	Common Carrier Fixed Point to Point Microwave	
	WRJV521	Common Carrier Fixed Point to Point Microwave	
	WRJV522	Common Carrier Fixed Point to Point Microwave	
	WRJV523	Common Carrier Fixed Point to Point Microwave	
	KNKG791	Rural Radiotelephone	
ACS of the Northland License Sub, LLC	KNKH871	Rural Radiotelephone	0022388300
	KNKK780	Rural Radiotelephone	
	KNKL383	Rural Radiotelephone	
	KNKM848	Rural Radiotelephone	
	KNKO481	Rural Radiotelephone	
	KNKO755	Rural Radiotelephone	
	KNKP434	Rural Radiotelephone	
	KNLM933	BETRS	
	KWW96	Common Carrier Fixed Point to Point Microwave	
	KWW97	Common Carrier Fixed Point to Point Microwave	
	KWY80	Rural Radiotelephone	
	WBB818	Rural Radiotelephone	
	WLA343	Common Carrier Fixed Point to Point Microwave	

Licensee	Call Sign	Type of License	FRN
	WLA344	Common Carrier Fixed Point to Point Microwave	
	WLK581	Common Carrier Fixed Point to Point Microwave	
	WLK669	Common Carrier Fixed Point to Point Microwave	
	WLK670	Common Carrier Fixed Point to Point Microwave	
	WLK671	Common Carrier Fixed Point to Point Microwave	
	WLW391	Common Carrier Fixed Point to Point Microwave	
	WML566	Common Carrier Fixed Point to Point Microwave	
	WML567	Common Carrier Fixed Point to Point Microwave	
	WMN283	Common Carrier Fixed Point to Point Microwave	
	WMN284	Common Carrier Fixed Point to Point Microwave	
	WMQ534	Common Carrier Fixed Point to Point Microwave	
	WMQ535	Common Carrier Fixed Point to Point Microwave	
	WMR576	Common Carrier Fixed Point to Point Microwave	
	WMS498	Common Carrier Fixed Point to Point Microwave	
	WMS499	Common Carrier Fixed Point to Point Microwave	
	WMV951	Common Carrier Fixed Point to Point Microwave	
	WPJB358	Common Carrier Fixed Point to Point Microwave	
	WPJB359	Common Carrier Fixed Point to Point Microwave	
	WPNG599	Common Carrier Fixed Point to Point Microwave	
	WPOR603	Common Carrier Fixed Point to Point Microwave	
	WPOR604	Common Carrier Fixed Point to Point Microwave	
	WPYV467	Rural Radiotelephone	

Licensee	Call Sign	Type of License	FRN
	WQML664	Common Carrier Fixed Point to Point Microwave	
	WQWB557	Common Carrier Fixed Point to Point Microwave	
	WREP433	Common Carrier Fixed Point to Point Microwave	
	WREP434	Common Carrier Fixed Point to Point Microwave	
	WREP435	Common Carrier Fixed Point to Point Microwave	
	WREP436	Common Carrier Fixed Point to Point Microwave	
	WREP437	Common Carrier Fixed Point to Point Microwave	
	WREP438	Common Carrier Fixed Point to Point Microwave	
	WREP439	Common Carrier Fixed Point to Point Microwave	
	WREP440	Common Carrier Fixed Point to Point Microwave	
	WREP441	Common Carrier Fixed Point to Point Microwave	
	WREP442	Common Carrier Fixed Point to Point Microwave	
	WREP443	Common Carrier Fixed Point to Point Microwave	
	WRJT669	Millimeter Wave 70/80/90 GHz	
	WRJV502	Common Carrier Fixed Point to Point Microwave	
	WRJV512	Common Carrier Fixed Point to Point Microwave	
	WRJV513	Common Carrier Fixed Point to Point Microwave	
	WRJV514	Common Carrier Fixed Point to Point Microwave	
	WRJV515	Common Carrier Fixed Point to Point Microwave	
	WRJV524	Common Carrier Fixed Point to Point Microwave	
	WRJV525	Common Carrier Fixed Point to Point Microwave	
	WRJW745	Common Carrier Fixed Point to Point Microwave	

Licensee	Call Sign	Type of License	FRN
	WNEH751	Microwave Industrial/Business Pool	
ACS Long Distance License Sub, LLC	WNEH752	Microwave Industrial/Business Pool	0022388797
	WPQS872	Common Carrier Fixed Point to Point Microwave	
	WPQS873	Common Carrier Fixed Point to Point Microwave	
	WPWI302	Common Carrier Fixed Point to Point Microwave	
	WPWI831	Common Carrier Fixed Point to Point Microwave	

II. Pending Applications For New CBRS PALs

Licensee/Applicant	Market Name	Market Designator	Number of PALs assigned in Auction 105
Alaska Communications Internet, LLC (FRN 0022389845)	Hoonah-Angoon, AK	D02105	4
	Juneau, AK	D02110	4
	Kenai Peninsula, AK	D02122	4
	Lake and Peninsula, AK	D02164	4
	Matanuska-Susitna, AK	D02170	4
	Nome, AK	D02180	3
	North Slope, AK	D02185	3
	Northwest Arctic, AK	D02188	3
	Southeast Fairbanks, AK	D02240	4
	Yukon-Koyukuk, AK	D02290	4

III. Applications Being Filed in Connection with Transaction

- Joint applications to transfer control of blanket domestic Section 214 operating authority and international Section 214 authorizations.
- Applications to transfer control of wireless licenses.
- An application to transfer control of a non-common carrier earth station license.

- Applications to transfer control of submarine cable landing licenses.

ATTACHMENT B

**PRE- AND POST-CONSUMMATION ORGANIZATIONAL DIAGRAMS
FOR ALASKA COMMUNICATIONS SYSTEMS GROUP, INC.**

Attachment B(1): Post-Consummation Ownership Diagram

Attachment B(2): Post-Consummation Ownership Diagram; Alaska Communications

Attachment B(3): Post-Consummation Ownership Diagram; Freedom

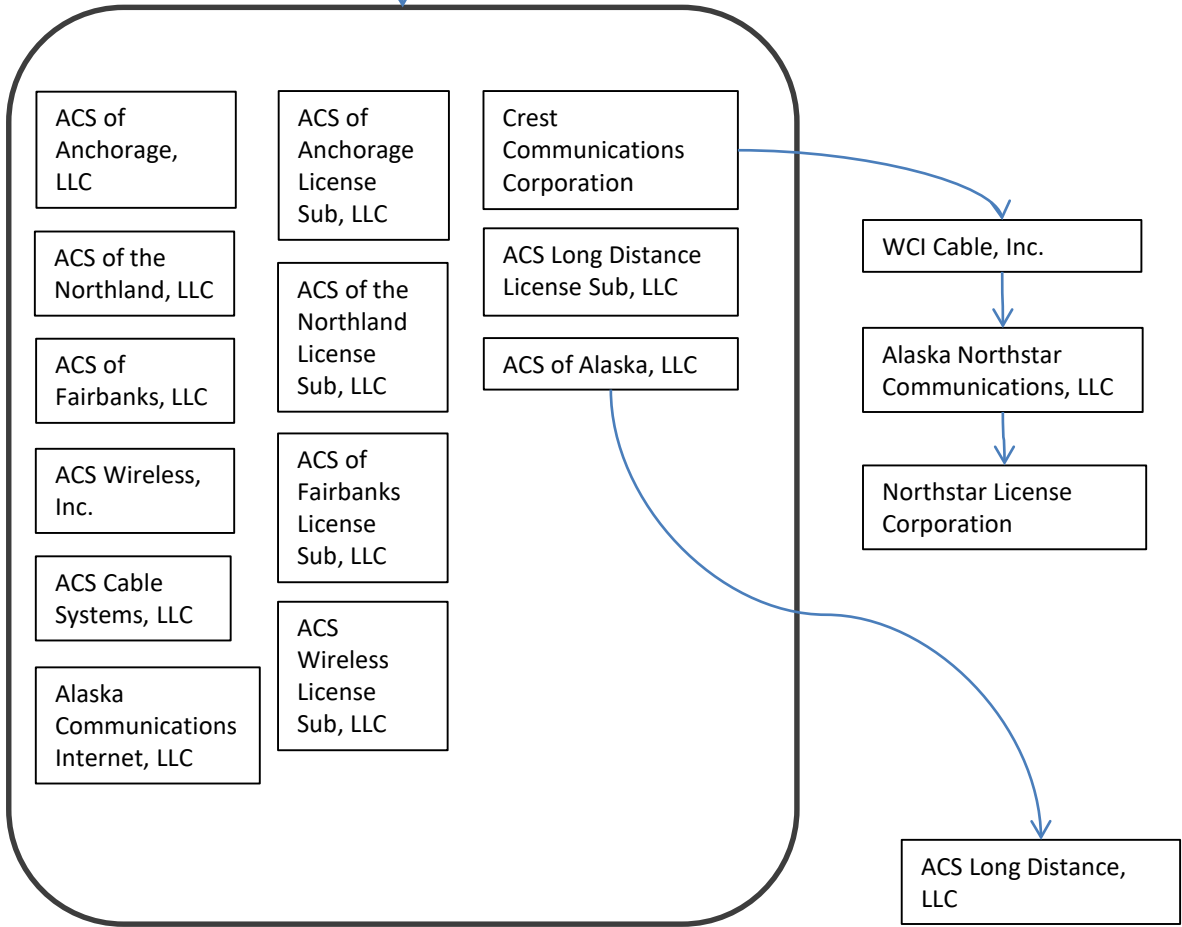
Attachment B(1): Pre-Consummation Ownership Diagram

All entities are wholly owned unless otherwise indicated

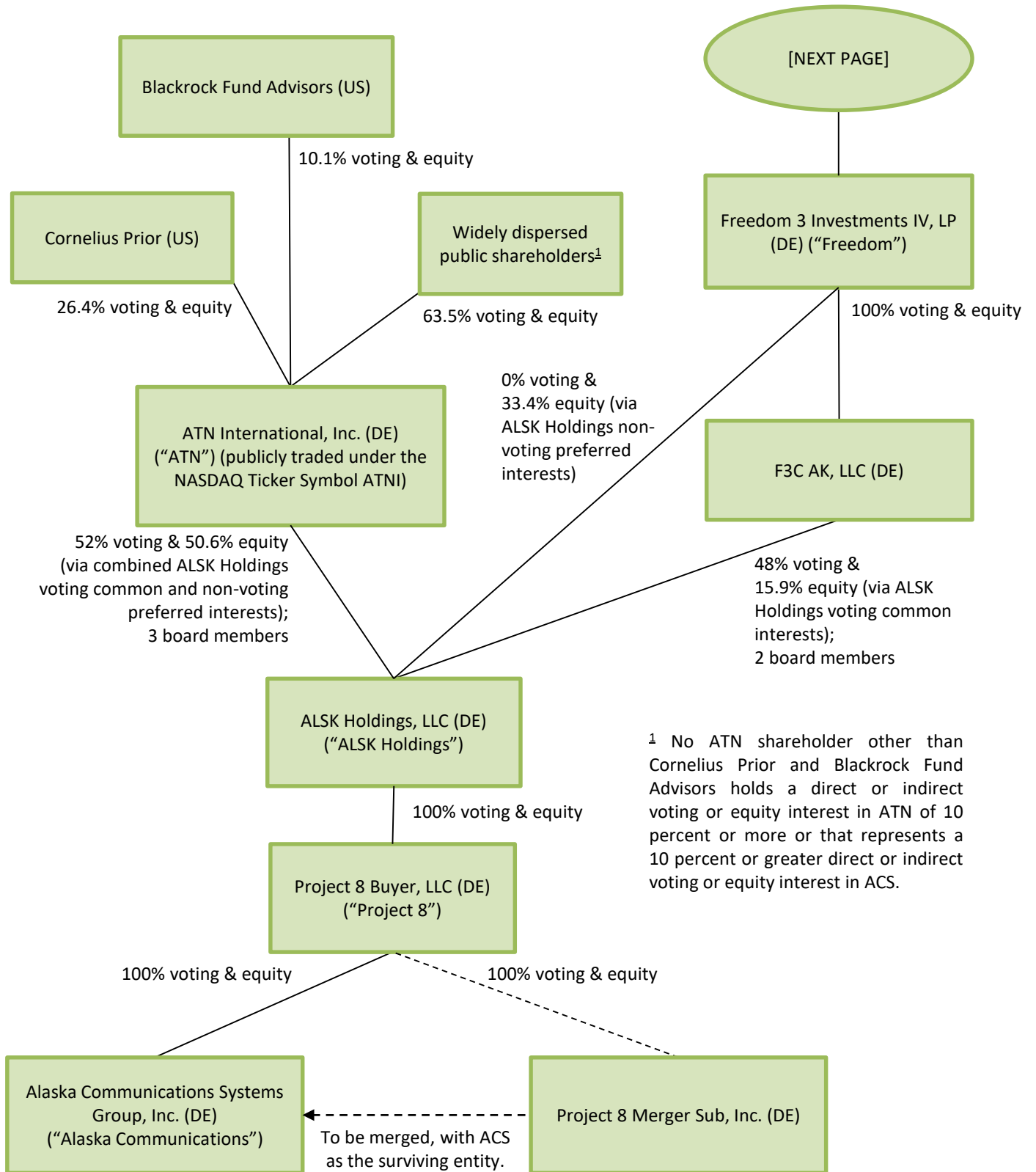
Alaska Communications Systems Group, Inc.

Alaska Communications Systems Holdings, Inc.

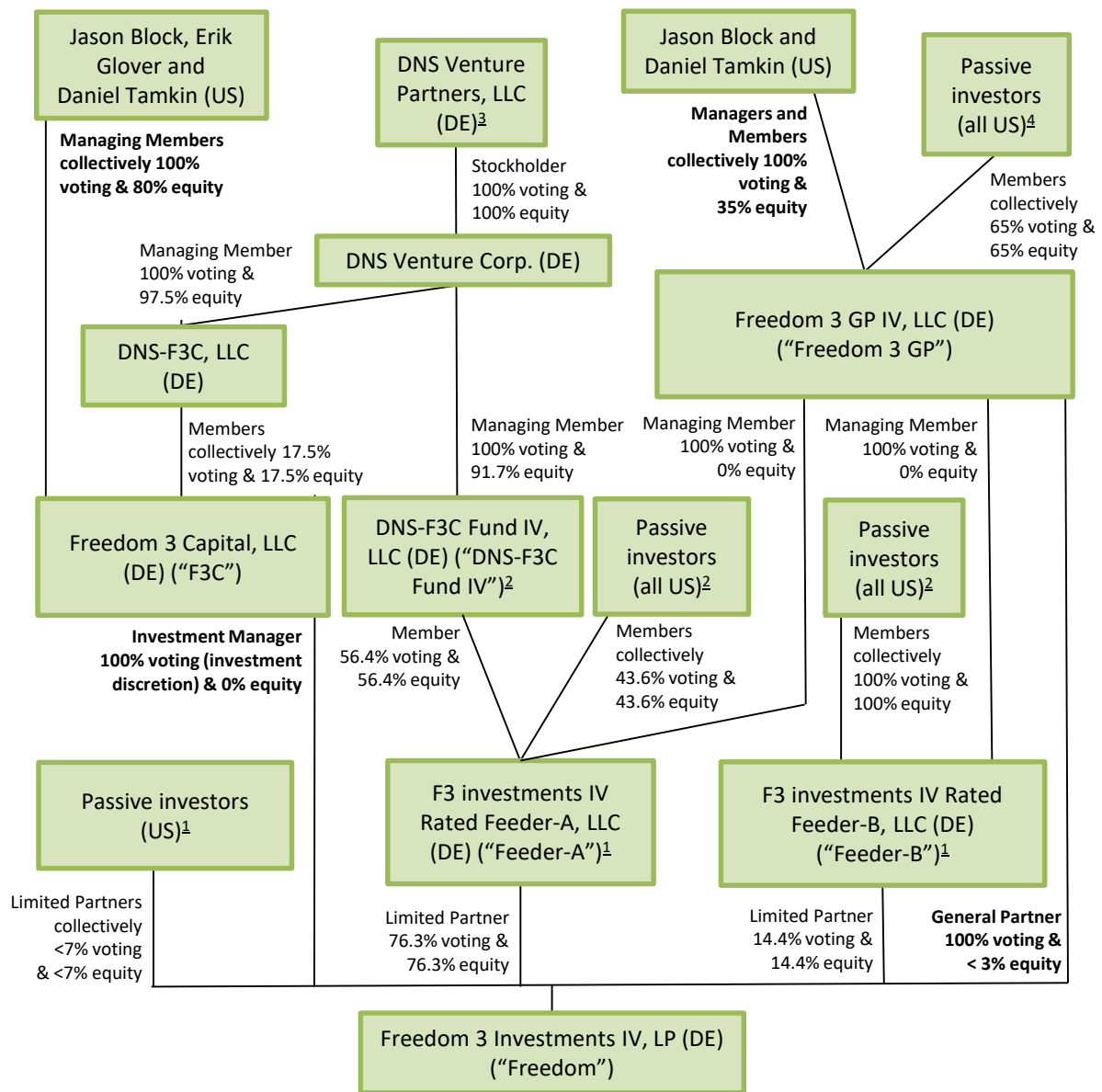
Each entity in the group below is owned directly by Holdings



Attachment B(2): Post-Consummation Ownership Diagram; Alaska Communications



Attachment B(3): Post-Consummation Ownership Diagram; Freedom



¹ Pursuant to the organizational documents of Freedom, Feeder-A, Feeder-B and the other limited partner passive investors in Freedom (which are high-net worth individuals, their investment vehicles, and insurance companies, all of which are U.S. citizens or U.S. organized entities) (collectively "Freedom Investors") are not engaged, and have no active involvement, in the management or operation of Freedom. Although control of Freedom is solely exercised by Freedom 3 GP as its general partner and F3C as its investment manager, and the Freedom Investors have no voting control over Freedom, consistent with the Commission's policies, the Freedom Investors are treated herein as having a voting interest in Freedom equal to their equity interests.

² Pursuant to the organizational documents of Feeder-A and Feeder-B (collectively "Feeder Funds"), DNS-F3C and the passive investor members of the Feeder Funds, which are high-net worth individuals, their investment vehicles, and insurance companies and all of which are U.S. citizens or U.S. organized entities (collectively "Feeder Investors"), are not engaged, and have no active involvement, in the management or operation of the Feeder Funds. Although control of the Feeder Funds is solely exercised by Freedom 3 GP as its general partner, and the Feeder Investors have no voting control over the Feeder Funds, consistent with the Commission's policies, the Feeder Investors are treated herein as having a voting interest in the Feeder Funds equal to their equity interests. With the exception of DNS-F3C, no individual Feeder-A Investor holds an indirect equity or voting interest in Feeder-A of 10 percent or more or that represents a 10 percent or greater direct or indirect voting or equity interest in Alaska Communications.

³ The members of DNS Partners are investment vehicle trusts established for high-net worth individuals, and no individual trust holds an interest in DNS Partners sufficient to represent a 10 percent or greater indirect voting or equity interest in Alaska Communications.

⁴ Pursuant to the organizational documents of Freedom 3 GP, the passive investors members of Freedom 3 GP, which are high-net worth individuals, their investment vehicles, and insurance companies and all of which are U.S. citizens or U.S. organized entities (collectively "Freedom 3 GP Investors"), are not engaged, and have no active involvement, in the management or operation of Freedom 3 GP. Although control of Freedom 3 GP is solely exercised by Jason Block and Daniel Tamkin by virtue of their being its managers (they also are members), and the Freedom 3 GP Investors have no voting control over Freedom 3 GP, consistent with the Commission's policies, the Freedom 3 GP Investors are treated herein as having a voting interest in Freedom 3 GP equal to their equity interests. Only two individual Freedom 3 GP Investor holds an indirect equity or voting interest in Freedom 3 GP of 10 percent or more or that represents a 10 percent or greater direct or indirect voting or equity interest in Alaska Communications: Erik Glover (17.5 percent interest in Freedom 3 GP) and DNS-F3C Fund IV, LLC (15 percent interest).