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**Alaska Power & Telephone Company Unveils Progress on New
Terrestrial Microwave Network to Improve Communications in Southeast Alaska**

*Microwave Network, already up and running in some communities, will strengthen
infrastructure, bringing significant economic and strategic benefits to region*

KETCHIKAN, Alaska – July 21st, 2008 – The sweeping, multi-million-dollar microwave communications network that Alaska Power & Telephone Company is constructing on mountaintops throughout Southeast Alaska is nearing the halfway point and will be largely finished by year's end, the company announced today.

The new network, covering two time zones and spanning the entire 500 miles of Southeast Alaska--from Annette Island north to Skagway-- will dramatically improve access in the region to desperately needed transport capacity for voice, data and alternate routing capabilities. For residents of Southeast Alaska, that may ultimately translate to better service and changes in competitive pricing structures as well. Leveraging the latest advances in microwave transport technology to increase system reliability and scalability, the network provides a stimulus for economic growth and for future bandwidth demands in communities throughout the Southeast Alaska region.

For smaller communities in the region, such as Kasaan, which is already up and running on the network, the benefits can be life-changing as the system ushers in opportunities for telemedicine, distance learning and more.

"Phenomenal progress was made on the southern first phase of the project in 2007," said Michael Garrett, executive vice president of AP&T and COO of AP&T's telecom division. "Each step toward completion of the network helps to close the gap between the burgeoning personal, business and government sector needs for increased capacity,

and the finite resources of the present carrier infrastructure in Southeast Alaska. The real beauty of this network is the fact that as each segment is built, there is an immediate incremental value gained by each community connected along the way.”

Construction began in mid-2007, using helicopters to pour over 1100 tons of concrete in mountaintop locations where winter winds can top 100 mph. The entire project will require 162,000 pounds of lumber and 140,000 pounds of batteries to complete. Eight of the 18 mountaintop communications sites are finished or close to completion.

“The addition of a new microwave communications infrastructure in Southeast Alaska will compliment existing sources from other carriers,” noted Tom Ervin, AP&T’s GM of Engineering, Planning and Development, “Our mountain top sites will offer wireless providers opportunities to increase their geographic coverage and connectivity to unserved and underserved areas”.

Added Garrett: “Although not directly impacting every community in Southeast, the overall ripple effect of this new supply of bandwidth provided by our network will likely free-up more bandwidth in Southeast as a whole, having a positive effect on bandwidth supply and access in other rural communities in the region.”

During construction, video footage highlighting the dangerous work of heli setting the SE Network’s mountaintop antennas was shot for the History Channel’s series “Tougher In Alaska”, hosted by Geo Beach

AP&T is the largest employee-owned, independent energy and communication utility in Alaska. Offering a broad range of services to more than 30 communities stretching from the Arctic Circle to the southernmost reaches of Southeastern Alaska, AP&T is celebrating 51 years as both an energy and communications provider in 2008. Services include local and long distance voice, data, Internet, wireless broadband Wi-Fi, paging, two-way mobile, computer networking and delivery of nationally recognized, low-impact renewable resource based energy services.

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