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AP&T Wireless, Inc.

News Release

\$1.03M Grant Awarded AP&T For Broadband Service to Kasaan

Ketchikan, September 29th, 2006. Alaska Power & Telephone Company (AP&T), (through its

subsidiary AP&T Wireless, Inc.), today announced its success in securing 1.03M in grant funding

through the US Department of Agriculture, Rural Development Community Connect Program, to build

out broadband services to Organized Village of Kasaan (OVK) on Prince of Wales Island in Southeast

Alaska.

"We are pleased to offer a solid technical solution to the long-standing need for Broadband services in

the community", Stated Michael Garrett, Executive Vice President and COO of Alaska Telephone

Company. Adding, "We are extremely proud of the combined efforts of OVK community leaders, AP&T

personnel, and the USDA Rural Development Program in making this vision become reality."

Preliminary work on the site has begun with the project slated to be built over an estimated 12 months.

The USDA grant will fund upward of 1.03 million dollars of the projected 1.4 million required to complete

the project.

Funding was secured though the USDA by means of a program known as "Community Connections".

Grant opportunities are offered to service providers willing to take on the technical and geographic

challenges inherent to serving isolated communities. To date the Organized Village of Kaasan had

been without the benefit of community-wide Internet services.

Interviews, Questions or comments regarding the above may be directed to Michael Garrett,

Executive Vice President, AP&T (360) 385-1733 x 160 or via email: mike.g@aptalaska.com.

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