

ION Awarded \$39.7 Million to Build 1,300 Mile Broadband Fiber Network for Underserved Communities

Project will Wire 70 Rural Communities in Upstate NY and Parts of PA and VT

Albany, New York, Dec 23, 2009 -- ION HoldCo, LLC, a partnership majority owned by Sovernet Communications (a subsidiary of Atlantic Tele-Network, Inc. (NASDAQ: ATNI)) along with twelve independent rural telephone companies in New York, announced it has received a federal broadband stimulus grant of \$39.7 million to augment its existing 2200 mile fiber network with 1,300 miles of additional fiber-optic middle-mile broadband network.

The project, the ION Upstate New York Rural Broadband Initiative, will be completed in partnership with the Development Authority of the North Country (DANC) and will enable high speed Internet access to underserved communities throughout upstate New York, along with parts of Vermont and Pennsylvania. An additional \$9.9 million will be invested in the project by ION and DANC.

“This is great news for our great state,” said ION CEO James Becker. This grant facilitates the extension of our existing strategy of delivering high capacity transport network services to unserved and underserved areas of New York State.”

The grant, announced December 17 by Vice President Joseph Biden, will be awarded by the National Telecommunications and Information Administration (NTIA) under its Broadband Technology Opportunities Program. In addition to the NTIA stimulus funding, ION has been notified by New York State authorities that the project will receive an additional grant of 10% of the total project cost through the NY State Innovation Economy Matching Grant Program.

A summary of the project from NTIA is available at:

http://www.ntia.doc.gov/broadbandgrants/BTOPAward_IONHoldCoLLC_121709.pdf

Becker continued, “With this funding, ION and DANC will improve the economic climate in these communities by providing reliable, high capacity broadband. We know from our own experience that access to these services will spur economic growth, private investment and job creation in these rural communities.”

ION Upstate New York Rural Broadband Initiative will build 10 new segments of fiber-optic, middle-mile broadband infrastructure, serving more than 70 rural communities in upstate New York and parts of Pennsylvania and Vermont.

Upon ION’s formal acceptance of the grant, expected early in 2010, ION will construct an additional 1,300-mile network to serve more than 300 anchor institutions and immediately connect more than 100 of the institutions, including libraries, state and community colleges, state and county agencies, research centers and health clinics. ION will also offer high-capacity Internet access and data transmission services on a

wholesale basis to wireline and wireless retail service providers, making broadband more readily available to 250,000 households and 38,000 businesses, and providing much-needed investments and job creation to unserved and underserved areas of the state.

Becker concluded, "ION has already connected 60 rural upstate New York communities with over 2,200 miles of fiber-optic cable. Together with DANC, we have the experience and expertise to bring these projects to fruition in a cost effective and timely manner. This means New York will see a near immediate impact on economic growth, job creation and job retention, as well as creation of infrastructure that will enable long-lived enhancements to the quality of life in this region."

About ION

ION is an Albany, New York based fiber network provider operating a 2,200 mile statewide redundant SONET backbone connecting over 60 rural New York State communities, and their surrounding areas, with carrier class middle-mile transport network through a multiple ring topology. ION is minority-owned by a group of twelve New York rural phone companies, and majority-owned by Vermont-based telecommunications company, Sovernet Inc., a subsidiary of Atlantic Tele-Network, Inc.

About the Development Authority of the North Country

The Development Authority of the North Country (DANC) is a NYS Public Benefit Corporation, headquartered in Watertown, NY. It builds and operates infrastructure projects in Jefferson, Lewis and St. Lawrence Counties. DANC owns and operates the Open Access Telecom Network, a 750 mile fiber optic network that runs throughout its service territory, and provides wholesale telecom transport services to voice, video, data, and wireless service providers. The Open Access Telecom Network also supports major education and health care networks in the three counties.

About Atlantic Tele-Network

Atlantic Tele-Network, Inc. (NASDAQ:ATNI), headquartered in Salem, Massachusetts, is a telecommunications company operating advanced wireless, wireline, and both terrestrial and submarine fiber optic networks in North America and the Caribbean. Its principal subsidiaries include: Commnet Wireless, LLC, which provides voice and data wireless roaming services for U.S. and international carriers in rural areas throughout the United States; Guyana Telephone & Telegraph Company, Ltd., which is the national telephone service provider for all local, long-distance and international services in Guyana, as well as a wireless service provider; Bermuda Digital Communications, Ltd., which is a leading provider of wireless voice and data services in Bermuda operating as Cellular One, and also an early-stage wireless provider in Turks & Caicos through its IslandCom subsidiary; Sovernet Communications, Inc., which provides wireline voice and data services to businesses and homes in New England and high capacity communications network transport services in New York State through its ION subsidiary; and Choice Communications, LLC, which provides wireless broadband services in the U.S. Virgin Islands.