UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______ to ______

Commission File Number 001-12593

ATN INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**47-0728886** (I.R.S. Employer Identification No.)
500 Cummings Center, Suite 2450 **Beverly, Massachusetts** (Address of principal executive offices)	**01915** (Zip Code)

(978) 619-1300
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $.01 per share	ATNI	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☒
Non-accelerated filer ☐	Smaller reporting company ☐
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes ☐ No ☒

As of August 9, 2023, the registrant had outstanding 15,601,801 shares of its common stock ($.01 par value).

ATN INTERNATIONAL, INC.
FORM 10-Q

Quarter Ended June 30, 2023

Cautionary Statement Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q (or the "Report") contains forward-looking statements relating to, among other matters, our future financial performance and results of operations, including our the impact of federal support program revenues; expectations regarding future revenue, operating income, EBITDA and capital expenditures; the competitive environment in our key markets, demand for our services and industry trends; our expectations regarding construction progress under our carrier managed services agreements and the effect such progress will have on our financial results; expectations regarding litigation; our liquidity; and management's plans and strategy for the future. These forward-looking statements are based on estimates, projections, beliefs, and assumptions and are not guarantees of future events or results. Actual future events and results could differ materially from the events and results indicated in these statements as a result of many factors, including, among others, (1) our ability to timely and cost effectively completed our Replace and Remove program; (2) the general performance of our operations, including operating margins, revenues, capital expenditures, and the retention of and future growth of our subscriber base and average revenue per user; (3) our ability to realize cost synergies and expansion plans for our newly acquired businesses; (4) our ability to satisfy the needs and demands of our major carrier customers; (5) our ability to efficiently and cost-effectively upgrade our networks and IT platforms to address rapid and significant technological changes in the telecommunications industry; (7) government funding and subsidy program availability and regulation of our businesses, which may impact our revenue, expansion plans and operating costs; (8) our reliance on a limited number of key suppliers and vendors for timely supply of equipment and services relating to our network infrastructure; (9) economic, political and other risks and opportunities facing our operations; (10) the loss of or an inability to recruit skilled personnel in our various jurisdictions, including key members of management; (11) our ability to find investment or acquisition or disposition opportunities that fit our strategic goals and at a reasonable cost of capital; (12) the occurrence of weather events and natural catastrophes and our ability to secure the appropriate level of insurance coverage for our assets; (13) increased competition; (14) the adequacy and expansion capabilities of our network capacity and customer service system to support our customer growth; and (15) our continued access to capital and credit markets. These and other additional factors that may cause actual future events and results to differ materially from the events and results indicated in the forward-looking statements above are set forth more fully under Item 1A "Risk Factors" in each of our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on March 15, 2023, and the other reports we file from time to time with the SEC. The Company undertakes no obligation and have no intention to update these forward-looking statements to reflect actual results, changes in assumptions or changes in other factors that may affect such forward-looking statements, except as required by law.

In this Report, the words "the Company," "we," "our," "ours," "us" and "ATN" refer to ATN International, Inc. and its subsidiaries. This Report contains trademarks, service marks and trade names that are the property of, or licensed by, ATN and its subsidiaries.

References to dollars ($) refer to US dollars unless otherwise specifically indicated.

PART I—FINANCIAL INFORMATION
Item 1. Unaudited Condensed Consolidated Financial Statements
ATN INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In Thousands, Except Share Data)

	June 30, 2023	December 31, 2022
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 64,005	$ 54,660
Restricted cash	3,217	5,068
Short-term investments	300	300
Accounts receivable, net of allowances for credit losses of $15.9 million and $15.2 million, respectively	99,214	86,816
Customer receivable	6,625	5,803
Inventory, materials and supplies	18,719	17,902
Prepayments and other current assets	56,016	59,139
Total current assets	248,096	229,688
Fixed Assets:		
Property, plant and equipment	2,041,245	1,977,978
Less accumulated depreciation	(977,781)	(922,024)
Net fixed assets	1,063,464	1,055,954
Telecommunication licenses, net	113,698	113,698
Goodwill	40,104	40,104
Intangible assets, net	25,687	31,992
Operating lease right-of-use assets	105,090	108,702
Customer receivable - long term	44,698	46,706
Other assets	89,132	81,025
Total assets	$ 1,729,969	$ 1,707,869
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY		
Current Liabilities:		
Current portion of long-term debt	$ 18,070	$ 6,173
Current portion of customer receivable credit facility	6,710	6,073
Accounts payable and accrued liabilities	145,790	155,224
Dividends payable	3,273	3,310
Accrued taxes	11,107	7,335
Current portion of lease liabilities	16,472	15,457
Advance payments and deposits	39,420	39,608
Total current liabilities	240,842	233,180
Deferred income taxes	22,034	28,650
Lease liabilities, excluding current portion	80,893	83,319
Other liabilities	132,922	138,420
Customer receivable credit facility, net of current portion	39,749	39,275
Long-term debt, excluding current portion	464,069	415,727
Total liabilities	980,509	938,571
Redeemable noncontrolling interests:		
Preferred redeemable noncontrolling interests	57,458	55,152
Common redeemable noncontrolling interests	37,026	37,317
Total redeemable noncontrolling interests	94,484	92,469
ATN International, Inc. Stockholders' Equity:		
Preferred stock, $0.01 par value per share; 10,000,000 shares authorized, none issued and outstanding	—	—
Common stock, $0.01 par value per share; 50,000,000 shares authorized; 17,702,476 and 17,584,057 shares issued, respectively, 15,664,063 and 15,763,341 shares outstanding, respectively	173	173
Treasury stock, at cost; 2,038,413 and 1,820,716 shares, respectively	(82,086)	(73,825)
Additional paid-in capital	202,623	198,449
Retained earnings	429,909	449,806
Accumulated other comprehensive income	6,634	6,210
Total ATN International, Inc. stockholders' equity	557,253	580,813
Noncontrolling interests	97,723	96,016
Total equity	654,976	676,829
Total liabilities, redeemable noncontrolling interests and equity	$ 1,729,969	$ 1,707,869

The accompanying condensed notes are an integral part of these condensed consolidated financial statements.

ATN INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(Unaudited)
(In Thousands, Except Per Share Data)

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
REVENUE:				
Communication services	$ 181,576	$ 171,795	$ 362,883	$ 338,338
Construction	1,020	3,297	1,610	5,283
Other	3,845	4,405	7,721	7,896
Total revenue	186,441	179,497	372,214	351,517
OPERATING EXPENSES *(excluding depreciation and amortization unless otherwise indicated)***:**				
Cost of communication services and other	77,718	77,860	156,759	150,871
Cost of construction revenue	1,016	3,286	1,604	5,319
Selling, general and administrative	61,914	56,610	123,262	111,491
Stock-based compensation	2,739	2,568	4,517	4,028
Transaction-related charges	438	412	451	966
Restructuring expenses	370	—	3,257	—
Depreciation and amortization	36,217	33,817	72,621	67,109
Amortization of intangibles from acquisitions	3,144	3,250	6,391	6,508
(Gain) Loss on disposition of long-lived assets	445	(28)	278	3,392
Total operating expenses	184,001	177,775	369,140	349,684
Income from operations	2,440	1,722	3,074	1,833
OTHER INCOME (EXPENSE)				
Interest income	45	—	227	3
Interest expense	(10,449)	(4,278)	(19,256)	(7,593)
Other income	2,216	(2,724)	2,411	1,474
Other income (expense)	(8,188)	(7,002)	(16,618)	(6,116)
LOSS BEFORE INCOME TAXES	(5,748)	(5,280)	(13,544)	(4,283)
Income tax (benefit) expense	(5,087)	(3,971)	(5,827)	(1,018)
NET LOSS	(661)	(1,309)	(7,717)	(3,265)
Net loss attributable to noncontrolling interests, net of tax (benefit) expense of $(0.7) million, $0 million, $(1.2) million and $(0.5) million respectively	1,428	784	2,599	1,794
NET INCOME (LOSS) ATTRIBUTABLE TO ATN INTERNATIONAL, INC. STOCKHOLDERS	$ 767	$ (525)	$ (5,118)	$ (1,471)
NET LOSS PER WEIGHTED AVERAGE SHARE ATTRIBUTABLE TO ATN INTERNATIONAL, INC. STOCKHOLDERS:				
Basic	$ (0.03)	$ (0.11)	$ (0.48)	$ (0.24)
Diluted	$ (0.03)	$ (0.11)	$ (0.48)	$ (0.24)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
Basic	15,719	15,749	15,726	15,736
Diluted	15,719	15,749	15,726	15,736
DIVIDENDS PER SHARE APPLICABLE TO COMMON STOCK	$ 0.21	$ 0.17	$ 0.42	$ 0.34

The accompanying condensed notes are an integral part of these condensed consolidated financial statements.

ATN INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(Unaudited)
(In Thousands)

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Net loss	$ (661)	$ (1,309)	$ (7,717)	$ (3,265)
Other comprehensive income:				
Foreign currency translation adjustment	118	(1,680)	229	(1,423)
Reclassification of loss on pension settlement	(174)	915	195	915
Unrealized gain on derivatives	—	(199)	—	(34)
Other comprehensive income (loss) , net of tax	(56)	(964)	424	(542)
Comprehensive loss	(717)	(2,273)	(7,293)	(3,807)
Less: Comprehensive loss attributable to noncontrolling interests	1,428	784	2,599	1,794
Comprehensive income (loss) attributable to ATN International, Inc.	$ 711	$ (1,489)	$ (4,694)	$ (2,013)

The accompanying condensed notes are an integral part of these condensed consolidated financial statements.

ATN INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
FOR THE THREE MONTHS ENDED JUNE 30, 2023 AND 2022
(Unaudited)
(In Thousands, Except Per Share Data)

	Total Equity							
	Common Stock	Treasury Stock, at cost	Additional Paid In Capital	Retained Earnings	Other Comprehensive Income/(Loss)	ATNI Stockholders' Equity	Non-Controlling Interests	Total Equity
Balance, March 31, 2023	$ 173	$ (76,665)	$ 200,015	$ 437,030	$ 6,690	$ 567,243	$ 97,283	$ 664,526
Purchase of 146,134 shares of common stock	—	(5,421)	—	—	—	(5,421)	—	(5,421)
Stock-based compensation	—	—	2,621	—	—	2,621	118	2,739
Dividends declared on common stock ($0.21 per common share)	—	—	—	(3,273)	—	(3,273)	(1,448)	(4,721)
Repurchase of noncontrolling interests	—	—	(13)	—	—	(13)	(152)	(165)
Deemed dividend - redeemable preferred units	—	—	—	(1,260)	—	(1,260)	—	(1,260)
Deemed dividend - redeemable common units	—	—	—	(3,355)	—	(3,355)	3,350	(5)
Comprehensive income:								
Net loss	—	—	—	767	—	767	(1,428)	(661)
Other comprehensive income	—	—	—	—	(56)	(56)	—	(56)
Total comprehensive income (loss)	—	—	—	767	(56)	711	(1,428)	(717)
Balance, June 30, 2023	$ 173	$ (82,086)	$ 202,623	$ 429,909	$ 6,634	$ 557,253	$ 97,723	$ 654,976
Balance, March 31, 2022	$ 172	$ (73,795)	$ 193,164	$ 470,056	$ 5,195	$ 594,792	$ 98,768	$ 693,560
Purchase of 831 shares of common stock	—	(33)	—	—	—	(33)	—	(33)
Stock-based compensation	—	—	2,435	—	—	2,435	133	2,568
Dividends declared on common stock ($0.17 per common share)	—	—	—	(2,678)	—	(2,678)	(1,113)	(3,791)
Investments made by minority shareholders in consolidated affiliates	—	—	—	—	—	—	11	11
Repurchase of noncontrolling interests	—	—	(167)	—	—	(167)	(1,850)	(2,017)
Accrued dividend - redeemable preferred units	—	—	—	(1,154)	—	(1,154)	—	(1,154)
Deemed dividend - redeemable common units	—	—	—	(587)	—	(587)	587	—
Comprehensive income:								
Net income (loss)	—	—	—	(525)	—	(525)	(784)	(1,309)
Other comprehensive income (loss)	—	—	—	—	(964)	(964)	—	(964)
Total comprehensive income (loss)	—	—	—	(525)	(964)	(1,489)	(784)	(2,273)
Balance, June 30, 2022	$ 172	$ (73,828)	$ 195,432	$ 465,112	$ 4,231	$ 591,119	$ 95,752	$ 686,871

The accompanying condensed notes are an integral part of these condensed consolidated financial statements.

ATN INTERNATIONAL, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022

(Unaudited)
(In Thousands, Except Per Share Data)

	Total Equity							
	Common Stock	Treasury Stock, at cost	Additional Paid In Capital	Retained Earnings	Other Comprehensive Income/(Loss)	ATNI Stockholders' Equity	Non-Controlling Interests	Total Equity
Balance, December 31, 2022	$ 173 $	(73,825)$	198,449 $	449,806 $	6,210 $	580,813 $	96,016 $	676,829
Purchase of 217,697 shares of common stock	—	(8,261)	—	—	—	(8,261)	—	(8,261)
Stock-based compensation	—	—	4,255	—	—	4,255	262	4,517
Dividends declared on common stock ($0.42 per common share)	—	—	—	(6,588)	—	(6,588)	(1,447)	(8,035)
Repurchase of noncontrolling interests	—	—	(81)	—	—	(81)	(679)	(760)
Accrued dividend - redeemable preferred units	—	—	—	(2,306)	—	(2,306)	—	(2,306)
Deemed dividend - redeemable common units	—	—	—	(5,885)	—	(5,885)	6,170	285
Comprehensive income:								
Net income (loss)	—	—	—	(5,118)	—	(5,118)	(2,599)	(7,717)
Other comprehensive income (loss)	—	—	—	—	424	424	—	424
Total comprehensive income	—	—	—	(5,118)	424	(4,694)	(2,599)	(7,293)
Balance, June 30, 2023	$ 173 $	(82,086)$	202,623 $	429,909 $	6,634 $	557,253 $	97,723 $	654,976
Balance, December 31, 2021	$ 172 $	(71,714)$	192,132 $	475,887 $	4,773 $	601,250 $	101,003 $	702,253
Purchase of 57,115 shares of common stock	—	(2,114)	—	—	—	(2,114)	—	(2,114)
Stock-based compensation	—	—	3,743	—	—	3,743	285	4,028
Dividends declared on common stock ($0.34 per common share)	—	—	—	(5,356)	—	(5,356)	(1,374)	(6,730)
Investments made by minority shareholders in consolidated affiliates	—	—	—	—	—	—	11	11
Repurchase of noncontrolling interests	—	—	(443)	—	—	(443)	(4,057)	(4,500)
Accrued dividend - redeemable preferred units	—	—	—	(2,270)	—	(2,270)	—	(2,270)
Deemed dividend - redeemable common units	—	—	—	(1,678)	—	(1,678)	1,678	—
Comprehensive income:								
Net income (loss)	—	—	—	(1,471)	—	(1,471)	(1,794)	(3,265)
Other comprehensive income (loss)	—	—	—	—	(542)	(542)	—	(542)
Total comprehensive income	—	—	—	(1,471)	(542)	(2,013)	(1,794)	(3,807)
Balance, June 30, 2022	$ 172 $	(73,828)$	195,432 $	465,112 $	4,231 $	591,119 $	95,752 $	686,871

ATN INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(Unaudited)
(In Thousands)

	Six Months Ended June 30,	
	2023	2022
Cash flows from operating activities:		
Net loss	$ (7,717)	$ (3,265)
Adjustments to reconcile net loss to net cash flows provided by operating activities:		
Depreciation and amortization	72,621	67,109
Amortization of intangibles from acquisitions	6,391	6,508
Provision for doubtful accounts	2,463	3,153
Amortization of debt discount and debt issuance costs	1,162	1,004
Loss on disposition of long-lived assets	278	3,392
Stock-based compensation	4,517	4,028
Deferred income taxes	(6,616)	(3,871)
Loss on pension settlement	369	1,725
Gain on equity investments	(2,501)	(3,401)
Changes in operating assets and liabilities, excluding the effects of acquisitions and dispositions:		
Accounts receivable	1,311	(81)
Customer receivable	1,186	(2,298)
Prepaid income taxes	739	6,206
Accrued taxes	2,563	3,227
Materials and supplies, prepayments, and other current assets	220	(12,868)
Accounts payable and accrued liabilities, advance payments and deposits and other current liabilities	(6,860)	(9,970)
Other assets	(4,552)	(3,291)
Other liabilities	(5,245)	(6,587)
Net cash provided by operating activities	60,329	50,720
Cash flows from investing activities:		
Capital expenditures	(89,451)	(71,204)
Government capital programs		
Amounts disbursed	(6,986)	(3,894)
Amounts received	593	—
Purchases of strategic investments	(1,055)	(1,400)
Sale of businesses, net of transferred cash of $0	—	1,835
Acquisition of businesses	1,314	—
Net cash used in investing activities	(95,585)	(74,663)
Cash flows from financing activities:		
Dividends paid on common stock	(6,633)	(5,348)
Distributions to noncontrolling interests	(1,447)	(1,375)
Payment of debt issuance costs	(159)	—
Finance lease payment	(481)	(574)
Term loan - repayments	(2,335)	(938)
Revolving credit facility – borrowings	88,273	49,000
Revolving credit facility – repayments	(26,500)	(24,500)
Proceeds from customer receivable credit facility	4,300	8,000
Repayment of customer receivable credit facility	(3,247)	(2,258)
Purchases of common stock – stock- based compensation	(1,433)	(1,169)
Purchases of common stock – share repurchase plan	(6,828)	(941)
Investments made by minority shareholders in consolidated affiliates	—	11
Repurchases of noncontrolling interests	(760)	(4,502)
Net cash provided by financing activities	42,750	15,406
Net change in cash, cash equivalents, and restricted cash	7,494	(8,537)
Total cash, cash equivalents, and restricted cash, beginning of period	59,728	80,697
Total cash, cash equivalents, and restricted cash, end of period	$ 67,222	$ 72,160
Noncash investing activity:		
Purchases of property, plant and equipment included in accounts payable and accrued expenses		
Amounts accrued for reimbursable capital expenditures from Government capital programs	$ 11,296	$ 103
Amounts accrued for non-reimbursable capital expenditures	$ 20,433	$ 13,200

The accompanying condensed notes are an integral part of these condensed consolidated financial statements.

ATN INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND BUSINESS OPERATIONS

The Company provides digital infrastructure and communications services in the United States and internationally, including in the Caribbean region, with a focus on smaller markets, many of which are rural or remote, with a growing demand for infrastructure investments, Through its operating subsidiaries, it primarily provides: (i) carrier and enterprise communications services, such as terrestrial and submarine fiber optic transport, and communications tower facilities; and (ii) fixed and mobile telecommunications connectivity to residential, business and government customers, including a range of high-speed internet and data services, fixed and mobile wireless solutions, and video and voice services.

At the holding company level, the Company oversees the allocation of capital within and among its subsidiaries, affiliates, new investments, and stockholders. The Company has developed significant operational expertise and resources that it uses to augment the capabilities of its individual operating subsidiaries in its local markets. The Company has built a platform of resources and expertise to support its operating subsidiaries and to improve their quality of service with greater economies of scale and expertise than would typically be available at the operating subsidiary level. The Company provides management, technical, financial, regulatory, and marketing services to its operating subsidiaries and typically receives a management fee calculated as a percentage of their revenues, which is eliminated in consolidation. The Company also actively evaluates potential acquisitions, investment opportunities and other strategic transactions, both domestic and international, and generally looks for those that it believes fit the Company's profile of telecommunications businesses and have the potential to complement its "glass and steel" and "first to fiber" approach in markets while generating steady excess cash flows over extended periods of time. The Company uses the cash generated from its operations to re-invest in organic growth in its existing businesses, to make strategic investments in additional businesses, and to return cash to its investors through dividends or stock repurchases.

As of June 30, 2023, the Company offered the following types of services to its customers:

- ***Mobility Telecommunications Services.*** The Company offers mobile communications services over its wireless networks and related equipment (such as handsets) to both its business and consumer customers.

- ***Fixed Telecommunications Services***. The Company provides fixed data and voice telecommunications services to business and consumer customers. These services include consumer broadband and high-speed data solutions for businesses. For some markets, fixed services also include video services and revenue derived from support under certain government programs.

- ***Carrier Telecommunication Services.*** The Company delivers services to other telecommunications providers such as the leasing of critical network infrastructure, such as tower and transport facilities, wholesale roaming, site maintenance and international long-distance services.

- ***Managed Services.*** The Company provides information technology services such as network, application, infrastructure and hosting services to both its business and consumer customers to complement its fixed services in its existing markets.

The Company has two operating segments to manage and review its operations and to facilitate investor presentations of its results. These two operating segments are as follows:

- ***International Telecom***. In the Company's international markets, it offers fixed services, mobility services, carrier services and managed services to customers in Bermuda, the Cayman Islands, Guyana and the US Virgin Islands.

- ***US Telecom***. In the United States, the Company offers mobility services, fixed services, carrier services, and managed services to business and consumer customers in Alaska and the western United States.

The following chart summarizes the operating activities of the Company's principal subsidiaries, the segments in which it reports its revenue and the markets it served during the three months ended June 30, 2023:

Segment	Services	Markets	Tradenames
International Telecom	Mobility Services	Bermuda, Guyana, US Virgin Islands	One, GTT, Viya
	Fixed Services	Bermuda, Cayman Islands, Guyana, US Virgin Islands	One, Logic, GTT, Viya
	Carrier Services	Bermuda, Guyana, US Virgin Islands	One, GTT, Viya, Logic
	Managed Services	Bermuda, Cayman Islands, US Virgin Islands, Guyana	Fireminds, One, Logic, GTT, Viya
US Telecom	Mobility Services	United States (rural markets)	Choice NTUA Wireless
	Fixed Services	United States	Alaska Communications, Commnet Broadband, Choice NTUA Wireless, Sacred Wind Communications, Ethos
	Carrier Services	United States	Alaska Communications, Commnet, Essextel, Sacred Wind Communications
	Managed Services	United States	Alaska Communications, Fireminds

For further information about the Company's financial segments and geographical information about its operating revenues and assets, see Note 13 to the Unaudited Condensed Consolidated Financial Statements included in this Report.

Restructuring Expense

In connection with the repositioning of the Company's legacy wholesale roaming operations in its US Telecom segment, the Company recorded $0.4 million and $3.3 million restructuring charges during the three and six months ended June 30, 2023, respectively, related to the decommissioning of certain cell sites. The charge is recorded in the Restructuring Expense on the Company's statements of operations. During the six months ended June 30, 2023, the Company paid $1.4 million, recorded a gain of $0.3 million on lease termination, and accrued $2.2 million of the restructuring expenses. In conjunction with the restructuring, the Company terminated $5.6 million of lease right of use assets and $5.9 million of lease liabilities from its balance sheet.

2. BASIS OF PRESENTATION

The accompanying condensed consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). The financial information included herein is unaudited; however, the Company believes such information and the disclosures herein are adequate to make the information presented not misleading and reflect all adjustments (consisting only of normal recurring adjustments) that are necessary for a fair statement of the Company's financial position and results of operations for the periods described therein. The year-end condensed balance sheet data was derived from audited financial statements but does not include all disclosures required by accounting principles generally accepted in the United States of America. Results of interim periods may not be indicative of results for the full year. These condensed consolidated financial statements and related notes should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on March 15, 2023.

The condensed consolidated financial statements include the accounts of the Company, its subsidiaries in which the Company holds controlling interests and certain entities which are consolidated in accordance with the provisions of the Financial Accounting Standards Board's ("FASB") authoritative guidance on the consolidation of variable interest entities, since it is determined that the Company is the primary beneficiary of these entities.

3. REVENUE RECOGNITION AND RECEIVABLES

Revenue Accounted for in Accordance with Other Guidance

The Company records revenue in accordance with ASC 606 from contracts with customers and ASC 842 from lease agreements, as well as government grants. Lease revenue recognized under ASC 842 is disclosed in Note 4 and government grant revenue is disclosed in Note 9.

Timing of Revenue Recognition

Revenue accounted for in accordance with ASC 606 consisted of the following for the periods presented below.

	Three months ended		Six months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Services transferred over time				
US Telecom	$ 80,330	$ 72,201	$ 161,403	$ 144,491
International Telecom	86,730	82,479	172,409	163,781
Total	167,060	154,680	333,812	308,272
Goods and services transferred at a point in time				
US Telecom	2,597	8,702	5,144	12,300
International Telecom	3,781	3,165	7,040	5,888
Total	6,378	11,867	12,184	18,188
Total revenue accounted for under ASC 606	$ 173,438	$ 166,547	$ 345,996	$ 326,460

Contract Assets and Liabilities

The Company recognizes contract assets and liabilities on its balance sheet. Contract assets represent unbilled amounts typically resulting from consumer Mobility contracts with both a multiyear service period and a promotional discount. In these contracts, the revenue recognized exceeds the amount billed to the customer. The current portion of the contract asset is recorded in prepayments and other current assets and the noncurrent portion is included in other assets on the Company's balance sheets.

Contract liabilities consist of advance payments and billings in excess of revenue recognized. Mobility and Fixed revenue for postpaid customers is generally billed one month in advance and recognized over the period that the corresponding service is rendered to customers. To the extent the service is not provided by the reporting date the amount is recognized as a contract liability. Prepaid service, including Mobility services, sold to customers is recorded as deferred revenue prior to the commencement of services. Contract liabilities also include certain long term fixed business and carrier service customer contracts. Contract liabilities are recorded in advanced payments and deposits and other liabilities on the Company's balance sheets.

In July 2019, the Company entered into a Network Build and Maintenance Agreement with AT&T Mobility, LLC ("AT&T") and subsequently entered into amendments in August 2020, May 2021 and August 2022 (the "FirstNet Agreement"). In connection with the FirstNet Agreement, the Company is building a portion of AT&T's network for the First Responder Network Authority in or near the Company's current operating areas in the western United States (the "FirstNet Transaction"). The FirstNet Transaction includes construction and service performance obligations. The current portion of receivables under this agreement is recorded in customer receivable and the long-term portion is recorded in customer receivable long-term on the Company's balance sheet. In May 2023, the Company amended its current roaming agreement and entered into a carrier management services agreement with Verizon Wireless ("Verizon CMS Agreement"). The transaction includes service performance obligations under which revenue is recognized over time. The Company allocates the transaction price of these agreements to each performance obligation based on the relative standalone selling price of each performance obligation in the contracts. The standalone selling price is the estimated price the Company would charge for the good or service in a separate transaction with similar customers in similar circumstances.

Contract assets and liabilities consisted of the following (amounts in thousands):

	June 30, 2023	December 31, 2022	$ Change	% Change
Contract asset – current	$ 3,046	$ 2,932	$ 114	3.9 %
Contract asset – noncurrent	3,671	3,775	(104)	(2.8)%
Contract liability – current	(28,444)	(27,284)	(1,160)	4.3 %
Contract liability – noncurrent	(67,840)	(72,543)	4,703	(6.5)%
Net contract liability	$ (89,567)	$ (93,120)	$ 3,553	(3.8)%

The contract asset – current is included in prepayments and other current assets and the contract asset – noncurrent is included in other assets on the Company's balance sheet. The contract liability – current is included in advance payments and deposits and the contract liability – noncurrent is included in other liabilities on the Company's balance sheet. The decrease in the Company's net contract liability was due to the timing of customer prepayments, contract billings, and recognition of deferred revenue. During the six months ended June 30, 2023, the Company recognized revenue of $19.2 million related to its December 31, 2022 contract liability and amortized $1.5 million of the December 31, 2022 contract asset to revenue.

Contract Acquisition Costs

The June 30, 2023 balance sheet includes contract acquisition costs of $9.7 million in other assets. During the three and six months ended months ended June 30, 2023, the Company amortized $1.6 million and $2.7 million, respectively, of contract acquisition costs. During the three and six months ended months ended June 30, 2022, the Company amortized $0.8 million and $1.6 million, respectively, of contract acquisition costs.

Remaining Performance Obligations

Remaining performance obligations represent the transaction price allocated to unsatisfied performance obligations of certain multiyear Mobility contracts, which include a promotional discount, Managed Services contracts, and the Company's Carrier Services construction and service contracts. The transaction price allocated to unsatisfied performance obligations was $491 million and $312 million at June 30, 2023 and December 31, 2022, respectively. The increase during 2023 was related to the Verizon agreements as discussed above. The Company expects to satisfy approximately 37% of the remaining performance obligations and recognize the transaction price within 24 months and the remainder thereafter.

The Company has certain Mobility, Fixed, and Carrier Services contracts where the transaction price is allocated to remaining performance obligations. However, the Company omits these contracts from its disclosure by applying the right to invoice, one year or less, and wholly unsatisfied performance obligation practical expedients.

Disaggregation

The Company's revenue is presented on a disaggregated basis in Note 13 based on an evaluation of disclosures outside the financial statements, information regularly reviewed by the chief operating decision makers for evaluating the financial performance of operating segments and other information that is used for performance evaluation and resource allocations. This includes revenue from Communication Services, Construction, and Other revenue. Communication Services revenue is further disaggregated into business and consumer Mobility, business and consumer Fixed, Carrier Services, and Other services. Other revenue is further disaggregated into Managed Services revenue.

Receivables

The Company records an estimate of future credit losses in conjunction with the revenue transaction based on the information available including historical experience and management's expectations of future conditions. Those estimates will be updated as additional information becomes available. The Company's allowance for uncollectible accounts receivable is based on management's assessment of the collectability of assets pooled together with similar risk characteristics.

The Company had gross accounts receivable of $166.5 million, including a receivable under the FirstNet Agreement totaling $51.3 million, of which $44.7 million was long-term, and an allowance for credit losses of $15.9 million as of June 30, 2023. The Company had gross accounts receivable of $154.5 million and a receivable under the FirstNet Agreement totaling $52.5 million, of which $46.7 million was long-term, and an allowance for credit losses of $15.2 million as of December 31, 2022. The Company monitors receivables through the use of historical operating data adjusted for the expectation of future performance as appropriate. Activity in the allowance for credit losses is below:

	Six months ended	
	June 30, 2023	June 30, 2022
Balance at beginning of period	$ 15,171	$ 13,885
Current period provision for expected losses	2,463	3,153
Write-offs charged against the allowance	(1,878)	(1,497)
Recoveries collected	188	208
Balance at end of period	$ 15,944	$ 15,749

4. LEASES

Lessee Disclosure

The Company has operating and financing leases for towers, land, corporate offices, retail facilities, and data transport capacity. The lease terms are generally between three and 10 years, some of which include additional renewal options.

Supplemental lease information

The components of lease expense were as follows (in thousands):

	Three months ended		Six months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Operating lease cost:				
Operating lease cost	$ 5,763	$ 6,194	$ 11,744	$ 12,337
Short-term lease cost	625	645	1,303	1,154
Variable lease cost	1,383	642	2,045	1,446
Total operating lease cost	$ 7,771	$ 7,481	$ 15,092	$ 14,937
Finance lease cost:				
Amortization of right-of-use asset	$ 804	$ 782	$ 1,504	$ 1,579
Variable costs	227	210	430	458
Interest costs	78	95	162	197
Total finance lease cost	$ 1,109	$ 1,087	$ 2,096	$ 2,234

During the six months ended June 30, 2023 and 2022, the Company paid $9.7 million and $10.8 million, respectively, for operating lease liabilities. During the six months ended June 30, 2023 and 2022, the Company recorded $12.3 million and $5.1 million, respectively, of operating lease liabilities arising from ROU assets. During the six months ended June 30, 2023, in conjunction with the restructuring activities the Company terminated $5.6 million of lease right of use assets, $5.9 million of lease liabilities from its balance sheet, and recorded a gain of $0.3 million in the restructuring expense line of its statement of operations.

At June 30, 2023, finance leases with a cost of $31.6 million and accumulated amortization of $14.9 million were included in property, plant and equipment. During the six months ended June 30, 2023, the Company paid $0.5 million of financing cash flows, $3.4 million of investing cash flows and $0.2 million of operating cash flows for finance lease liabilities. During the six months ended June 30, 2022, the Company paid $0.6 million of financing cash flows and $0.1 million of operating cash flows for finance lease liabilities. Additionally, during the six months ended June 30, 2022, the Company disposed of a finance lease with a net book value of $1.0 million recording a loss for that amount. At June 30, 2023, finance leases had a lease liability of $6.5 million, of which $1.7 million was current.

At December 31, 2022, finance leases with a cost of $26.6 million and accumulated amortization of $13.5 million were included in property, plant and equipment.

The weighted average remaining lease terms and discount rates as of June 30, 2023 and December 31, 2022 are noted in the table below:

	June 30, 2023	December 31, 2022
Weighted-average remaining lease term		
Operating leases	13.1 years	12.4 years
Financing leases	9.4 years	9.3 years
Weighted-average discount rate		
Operating leases	6.4%	6.0%
Financing leases	7.1%	6.7%

Maturities of lease liabilities as of June 30, 2023 were as follows (in thousands):

	Operating Leases	Financing Leases
2023 (excluding the six months ended June 30, 2023)	$ 11,716	$ 1,474
2024	18,425	2,128
2025	15,101	1,020
2026	10,933	550
2027	8,736	511
Thereafter	84,450	2,651
Total lease payments	149,361	8,334
Less imputed interest	(58,470)	(1,858)
Total	$ 90,891	$ 6,476

Maturities of lease liabilities as of December 31, 2022 were as follows (in thousands):

	Operating Leases	Financing Leases
2023	$ 19,417	$ 1,403
2024	17,836	1,342
2025	14,805	978
2026	10,505	504
2027	8,096	495
Thereafter	76,452	2,651
Total lease payments	147,111	7,373
Less imputed interest	(53,794)	(1,914)
Total	$ 93,317	$ 5,459

As of June 30, 2023, the Company did not have any material operating or finance leases that have not yet commenced.

Lessor Disclosure

The Company is the lessor in agreements to lease the use of its network assets including its cell sites and buildings. For the six months ended June 30, 2023 and 2022, the Company recorded $3.9 million and $2.9 million, respectively, of lease income from agreements in which the Company is the lessor. For the three months ended June 30, 2023 and 2022, the Company recorded $2.0 million and $1.9 million, respectively, of lease income. Lease income is classified as Carrier Services revenue in the statement of operations.

The following table presents the maturities of future undiscounted lease payments for the periods indicated:

2023 (excluding the six months ended June 30, 2023)	$ 3,110
2024	5,917
2025	5,733
2026	5,419
2027	4,270
Thereafter	14,394
Total future lease payments	$ 38,843

5. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. The most significant estimates relate to the allowance for credit losses on trade receivables, useful lives of the Company's fixed and finite-lived intangible assets, allocation of purchase price to assets acquired and liabilities assumed in business combinations, fair value of indefinite-lived intangible assets, goodwill and income taxes. Actual results could differ significantly from those estimates.

6. ACQUISITIONS AND DISPOSITIONS

US Telecom

Acquisition of Sacred Wind Enterprises

On November 7, 2022, the Company's newly formed wholly owned subsidiary Alloy, Inc. (Alloy") acquired all of the issued and outstanding stock of Sacred Wind Enterprises, Inc. ("Sacred Wind"), a rural telecommunications provider in New Mexico for $44.6 million of consideration ("Sacred Wind Transaction"). The purchase price allocation was finalized during the six months ended June 30, 2023. As part of the Sacred Wind Transaction, the Company transferred consideration of $16.7 million of cash, net of $9.4 million of cash acquired, $14.8 million of redeemable noncontrolling interests, and $3.7 million of contingent consideration. During the six months ended June 30, 2023, the Company received $1.3 million as final settlement of working capital amounts. Upon completion of the Sacred Wind Transaction, the former Sacred Wind shareholders own 6% of the Alloy equity. This equity is classified as redeemable noncontrolling interests in the Company's financial statements because the holders have an option, beginning in 2026, to put the equity interest to a subsidiary of the Company at the then fair market value. The redeemable noncontrolling interests do not have preference relative to other equity units and participate in gains and losses in Alloy. The contingent consideration is earned based on certain operating metrics of Sacred Wind beginning in 2025 through 2027. The fair value of the contingent consideration was calculated using discounted cash flow analysis based on a range of probability weighted outcomes. The Company funded the acquisition with borrowings under its CoBank Credit Facility and assumed $31.6 million of Sacred Wind debt, to the United States of America administered through the Rural Utilities Service.

The table below represents the purchase price allocation of the total consideration transferred to the acquired assets and assumed liabilities based on management's estimate of their acquisition date fair values (amounts in thousands):

Consideration Transferred	$	44,560
Purchase price allocation:		
Cash and cash equivalents		2,619
Restricted cash		6,747
Current assets		4,888
Operating lease right of use assets		989
Fixed assets		85,255
Intangible assets		1,232
Current liabilities		(10,176)
Lease liabilities		(967)
Deferred taxes		(14,388)
Debt		(31,639)
Net assets acquired	$	44,560

The acquired fixed assets are comprised of telecommunication equipment located in the Southwest United States. The fixed assets were valued using the income and cost approaches. Cash flows were discounted between 7% and 12% based on the risk associated with the cash flows to determine fair value under the income approach. The fixed assets have useful lives ranging from 1 to 25 years. The intangible assets include a $0.6 million trade name. The estimated fair value of the trade name was determined using the relief from royalty method. The useful life of the trade name is 5 years. The acquired receivables consist of trade receivables incurred in the ordinary course of business. The Company expects to collect the full amount of the receivables. Current liabilities includes $6.5 million of deposits received under government grant programs that will be used to construct fixed assets.

The Company incurred $0.8 million of transaction-related charges pertaining to legal, accounting, consulting services, and employee related costs associated with the transaction during the year ended December 31, 2022.

7. FAIR VALUE MEASUREMENTS AND INVESTMENTS

In accordance with the provisions of fair value accounting, a fair value measurement assumes that a transaction to sell an asset or transfer a liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability, and defines fair value based upon an exit price model.

The fair value measurement guidance establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The guidance describes three levels of inputs that may be used to measure fair value:

Level 1	Quoted prices in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset and liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 assets and liabilities include money market funds, debt and equity securities and derivative contracts that are traded in an active exchange market.
Level 2	Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments and derivative contracts whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. This category generally includes corporate obligations and non-exchange traded derivative contracts.
Level 3	Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments and intangible assets that have been impaired whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Assets and liabilities of the Company measured at fair value on a recurring basis as of June 30, 2023 and December 31, 2022 are summarized as follows (in thousands):

Description	June 30, 2023 Quoted Prices in Active Markets (Level 1)	Significant Other Unobservable Inputs (Level 3)	Total
Short term investments	$ 300	$ —	$ 300
Other investments	—	1,386	1,386
Alaska Communications redeemable common units	—	(22,266)	(22,266)
Alloy redeemable common units	—	(14,760)	(14,760)
Warrants on Alaska Communications redeemable common units	—	(654)	(654)
Total assets and liabilities measured at fair value	$ 300	$ (36,294)	$ (35,994)

Description	December 31, 2022 Quoted Prices in Active Markets (Level 1)	Significant Other Unobservable Inputs (Level 3)	Total
Short term investments	$ 300	$ —	$ 300
Other investments	—	1,616	1,616
Alaska Communications redeemable common units	—	(22,557)	(22,557)
Alloy redeemable common units	—	(14,760)	(14,760)
Warrants on Alaska Communications redeemable common units	—	(654)	(654)
Total assets and liabilities measured at fair value	$ 300	$ (36,355)	$ (36,055)

Other Investments

The Company holds investments in equity securities consisting of noncontrolling investments in privately held companies. The investments are accounted for using equity method accounting, the measurement alternative for investments without a readily determinable fair value, or fair value. The fair value investments are valued using level 3 inputs and the Company used the income approach to fair value the investment. The inputs consisted of a discount rate and future cash flows calculated based on the investment attributes. A roll forward of the investments is below:

	Investments without a readily determinable fair value	Fair value investments	Equity investments	Total
Balance, December 31, 2022	$ 22,590	$ 1,616	$ 13,963	$ 38,169
Income recognized	1,786	130	585	2,501
Contributions	425	(360)	630	695
Foreign currency gain	—	—	229	229
Balance, June 30, 2023	$ 24,801	$ 1,386	$ 15,407	$ 41,594
Balance, December 31, 2021	$ 17,820	$ 1,925	$ 28,699	$ 48,444
Income (loss) recognized	—	205	(1,645)	(1,440)
Contributions / (distributions)	—	(169)	1,400	1,231
Foreign currency loss	—	—	(1,423)	(1,423)
Gain recognized	4,770	—	—	4,770
Balance, June 30, 2022	$ 22,590	$ 1,961	$ 27,031	$ 51,582

These investments are included with other assets on the consolidated balance sheets.

Redeemable Common Units and Warrants

The Company has issued redeemable common units, and warrants to purchase additional common units, in consolidated subsidiaries of the Company. The instruments are redeemable at the option of the holder. Both the common units and warrants to purchase common units are recorded at fair value in the Company's financial statements. The common units are recorded in redeemable noncontrolling interest and the warrants are recorded in other liabilities on the Company's balance sheets. The put options for the Alloy redeemable common units begin in 2026. The put options for the Alaska Communications redeemable common units begin the earlier of a public offering or 2028. The Company calculates the fair value of the instruments using a market approach with Level 3 inputs.

Other Fair Value Disclosures

The carrying amounts of cash and cash equivalents, accounts receivable, and accounts payable and accrued expenses approximate their fair values because of the relatively short-term maturities of these financial instruments.

The fair value of long-term debt is estimated using Level 2 inputs. At June 30, 2023, the fair value of long-term debt, including the current portion, was $534.3 million and its book value was $528.6 million. At December 31, 2022, the fair value of long-term debt, including the current portion, was $473.7 million and its book value was $467.2 million.

8. LONG-TERM DEBT

2019 CoBank Credit Facility

On April 10, 2019, the Company entered into a credit facility, with CoBank, ACB and a syndicate of other lenders (as amended, the "2019 CoBank Credit Facility"). The 2019 CoBank Credit Facility provided for a $200 million revolving credit facility that included (i) up to $75 million for standby or trade letters of credit and (ii) up to $10 million under a swingline sub-facility. In connection with the execution of the 2023 CoBank Credit Facility, as defined below, outstanding borrowings under the 2019 CoBank Credit Facility were repaid in full.

Amounts borrowed under the 2019 CoBank Credit Facility bore interest at a rate equal to, at the Company's option, either (i) the London Interbank Offered Rate ("LIBOR") plus an applicable margin ranging between 1.25% to 2.25% or (ii) a base rate plus an applicable margin ranging from 0.25% to 1.25%. Swingline loans bore interest at the base rate plus the applicable margin for base rate loans. The base rate was equal to the higher of (i) 1.00% plus the higher of (x) LIBOR for an interest period of one month and (y) LIBOR for an interest period of one week; (ii) the Federal Funds Effective Rate (as defined in the 2019 CoBank Credit Facility) plus 0.50% per annum; and (iii) the Prime Rate (as defined in the 2019 CoBank Credit Facility). The applicable margin was determined based on the Total Net Leverage Ratio (as defined in the 2019 CoBank Credit Facility). Under the terms of the 2019 CoBank Credit Facility, the Company also paid a commitment fee ranging from 0.150% to 0.375% of the average daily unused portion of the 2019 CoBank Credit Facility over each calendar quarter.

As of June 30, 2023, the Company was in compliance with all of the financial covenants, had $138.0 million outstanding and had $62.0 million of availability under the 2019 CoBank Credit Facility. There were no outstanding interest rate hedge agreements under the 2019 CoBank Credit Facility as of June 30, 2023.

2023 CoBank Credit Facility

On July 13, 2023, the Company, along with certain of the Company's subsidiaries as guarantors, entered into a new Credit Agreement with CoBank, ACB and a syndicate of other lenders (as may be amended from time to time, the "2023 CoBank Credit Facility").

The 2023 CoBank Credit Facility provides for a five-year $170 million revolving credit facility (the "2023 CoBank Revolving Loan") and a six-year $130 million term loan facility (the "2023 CoBank Term Loan"). The Company may use (i) up to $25 million under the 2023 CoBank Credit Facility for letters of credit, and (ii) up to $20 million under a swingline sub-facility. Upon the closing of the 2023 CoBank Credit Facility, the Company drew all of the 2023 CoBank Term Loan and approximately $13.6 million of the 2023 CoBank Revolving Loan. These borrowings were used to repay $139.5 million of debt outstanding under the 2019 CoBank Credit Facility at close.

The 2023 CoBank Term Loan must be repaid in quarterly principal payments in the amounts of set forth below, with the outstanding principal balance maturing on July 13, 2029. The 2023 CoBank Revolving Loan may be repaid at any time on or prior to its maturity on July 13, 2028. All amounts outstanding under the 2023 CoBank Credit Facility will be due and payable upon the earlier of the maturity date or the acceleration of the loans and commitments upon an event of default.

2023 CoBank Term Loan Quarterly Payment Dates	2023 CoBank Term Loan Quarterly Repayments
December 31, 2023 – June 30, 2025	$812,500 (2.5% per annum)
September 30, 2025 – June 30, 2026	$1,625,000 (5% per annum)
September 30, 2026 – June 30, 2029	$2,437,500 (7.5% per annum)

Amounts borrowed under the 2023 CoBank Credit Facility bear interest at a rate equal to, at the Company's option, either (i) the secured overnight financing rate as administered by the Federal Reserve Bank of New York (SOFR) plus an applicable margin ranging between 2.00% to 3.75% for the 2023 CoBank Term Loan or 1.75% to 3.50% for Revolving Loans or (ii) a base rate plus an applicable margin ranging from 1.00% to 2.75% for the Term Loan or 0.75% to 2.50% for the 2023 CoBank Revolving Loans. Swingline loans will bear interest at the base rate plus the applicable margin for base rate loans. The base rate is equal to the higher of (i) 1.00% plus the one-month SOFR rate (ii) the federal funds effective rate (as defined in the 2023 CoBank Credit Agreement) plus 0.50% per annum; and (iii) the prime rate (as defined in the 2023 CoBank Credit Agreement). The applicable margin is determined based on the ratio (as further defined in the 2023 CoBank Credit Agreement) of the Company's indebtedness to EBITDA. Under the terms of the 2023 CoBank Credit Agreement, the Company must also pay a fee ranging from 0.25% to 0.50% of the average daily unused portion of the 2023 CoBank Credit Facility over each calendar quarter.

The 2023 CoBank Credit Agreement contains a financial covenant (as further defined in the 2023 CoBank Credit Agreement) that imposes a maximum ratio of indebtedness to EBITDA, as well as customary representations, warranties and covenants, including covenants limiting additional indebtedness, liens, guaranties, mergers and consolidations, substantial asset sales, investments and loans, sale and leasebacks, transactions with affiliates and fundamental changes. The Total Net Leverage Ratio is measured each fiscal quarter and is required to be less than or equal to 3.25 to 1.0. The 2023 CoBank Credit Agreement also provides for events of default customary for credit facilities of this type, including but not limited to non-payment, defaults on other debt, misrepresentation, breach of covenants, representations and warranties, insolvency and bankruptcy.

Letter of Credit Facility

On November 14, 2022, the Company entered into a General Agreement of Indemnity to issue performance Standby Letters of Credit on behalf of the Company and its subsidiaries. As of June 30, 2023, $31.6 million of Standby Letters of Credit had been issued under this agreement.

Alaska Credit Facility

On July 22, 2021, Alaska Communications entered into a Credit Agreement (the "Alaska Credit Facility") with Fifth Third Bank, National Association, as Administrative Agent, and a syndicate of lenders to provide a $35.0 million revolving facility (the "Alaska Revolving Facility") and a $210.0 million initial term loan facility (the "Alaska Term Loan").

On December 23, 2022, Alaska Communications entered into a First Amendment Agreement (the "ACS Amendment"). The ACS Amendment amends the Alaska Credit Facility to increase its Revolving Credit Commitment from $35.0 million to $75.0 million and Term Loan Commitment from $210 million to $230 million. As a part of the transaction, the Term Loan commitment was fully funded as the outstanding Revolving Credit Commitment balance was transferred.

As of June 30, 2023, Alaska Communications had drawn $19.0 million on its Revolving Credit Commitment and had $56.0 million available to draw. The Term Loan balance was $230.0 million and principal payments commence in the fourth quarter of 2023. Both facilities mature on July 22, 2026

In addition to the above changes, the ACS Amendment replaced the calculation of interest from an applicable margin applied to LIBOR with the same applicable margin applied to the Secured Overnight Financing Rate ("SOFR") plus a 10-basis point adjustment.

The Company capitalized $7.3 million of fees associated with the Alaska Credit Facility which are being amortized over the life of the debt and $4.6 million were unamortized as of June 30, 2023.

The Alaska Credit Facility also provides for incremental facilities up to an aggregate principal amount of the greater of $70.0 million and Alaska Communications' trailing twelve-month Consolidated EBITDA (as defined in the Alaska Credit Facility).

The key terms and conditions of the Alaska Credit Facility include the following:

- Amounts outstanding bear an interest rate of the forward-looking SOFR rate with a one-month interest period, plus the SOFR Spread Adjustment of 10 basis points, plus a margin ranging from 3.00% to 4.00% based on Alaska Communications' Consolidated Total Net Leverage Ratio (as defined in the Credit Agreement) or an alternate base rate may be selected at a margin that is 1% lower than the counterpart SOFR margin;

- Principal repayments are due quarterly commencing in the fourth quarter of 2023 in quarterly amounts as follows: from the fourth quarter of 2023 through the third quarter of 2024, $1.4 million; and from the fourth quarter of 2024 through the third quarter of 2026, $2.9 million. The remaining unpaid balance is due on the final maturity date;

- Alaska Communications is required to maintain financial ratios as defined in the Alaska Credit Facility, including (a) a maximum Consolidated Net Total Leverage Ratio of 4.00 to 1, stepping down to 3.75 to 1 beginning with the second quarter of 2024; and (b) a minimum Consolidated Fixed Charge Coverage Ratio of not less than 1.25 to 1; and

- The Alaska Credit Facility is non-recourse to the Company and is secured by substantially all of the personal property and certain material real property owned by Alaska Communications.

Alaska Communication's interest rate swap, which had been designated as a cash flow hedge with an interest rate of 1.6735%, expired on June 30, 2022. As of June 30, 2023, there are no outstanding interest rate hedge agreements associated with the Alaska Credit Facility.

Alaska Term Facility

On June 15, 2022, Alaska Communications Systems Holdings, the parent company of Alaska Communications, entered into a secured lending arrangement with Bristol Bay Industrial, LLC (the "Alaska Term Facility").

The Alaska Term Facility provides for a secured delayed draw term loan in an aggregate principal amount of up to $7.5 million and the proceeds may be used to pay certain invoices from a contractor for work performed in connection with a fiber build. Interest on the Alaska Term Facility accrues at a fixed rate of 4.0% and is payable commencing on March 31, 2023. Scheduled quarterly payments of principal commenced on March 31, 2023. The Alaska Term Facility matures on June 30, 2024.

The Alaska Term Facility contains events of default customary for facilities of this type.

As of June 30, 2023, the Company had $6.8 million outstanding and no available borrowings under the Alaska Term Facility.

FirstNet Receivables Credit Facility

On March 26, 2020, Commnet Finance, a wholly owned subsidiary of Commnet Wireless, entered into a receivables credit facility with the Company, Commnet Wireless, and CoBank, ACB (the "Receivables Credit Facility").

The Receivables Credit Facility provides for a senior secured delayed draw term loan in an aggregate principal amount of up to $75.0 million and the proceeds may be used to acquire certain receivables from Commnet Wireless. The receivables to be financed and sold under the Receivables Credit Facility, which provide the loan security, relate to the obligations of AT&T under the FirstNet Agreement.

On December 23, 2022, CoBank amended the Receivables Credit Facility and extended the delayed draw period to December 31, 2023.

The maturity date for each loan will be set by CoBank and will match the weighted average maturity of the certain receivables financed.

Interest on the loans accrue at a fixed annual interest rate to be quoted by CoBank.

The Receivables Credit Facility contains customary events of termination, representations and warranties, affirmative and negative covenants and events of default customary for facilities of this type.

As of June 30, 2023, the Company had $47.0 million outstanding, of which $6.7 million was current, and $18.0 million of availability under the Receivables Credit Facility. The Company capitalized $0.8 million in fees associated with the Receivables Credit Facility which are being amortized over the life of the debt and $0.5 million were unamortized as of June 30, 2023.

GTT Credit Facilities

On October 12, 2022, GTT received approval from Republic Bank (Guyana) Limited for a $2.9 million term facility and a $5.7 million overdraft facility (the “GTT Credit Facilities”) subject to the approval from the Minister of Finance at the Bank of Guyana that was received on March 31, 2023.

The GTT Credit Facilities are secured by real estate assets and carry a fixed interest rate of 7.5% which will be reviewed by the bank from time to time and subject to change at the bank’s discretion. The term facility is repayable over five years in equal monthly installments of principal and interest, commencing one month after funds are advanced. The overdraft facility will expire on October 11, 2023.

As of June 30, 2023, $3.8 million was outstanding under the overdraft facility and there were no outstanding amounts under the term facility.

Sacred Wind Term Debt

In connection with the Sacred Wind acquisition completed on November 7, 2022, the Company assumed $31.6 million of term debt (the “Sacred Wind Term Debt”) with the United States of America acting through the Administrator of the Rural Utilities Service (“RUS”). The loan agreements are dated as of October 23, 2006 and March 17, 2016. RUS provides financial assistance in the form of loans under the Rural Electrification Act of 1936 to furnish or improve telecommunications and/or broadband services in rural areas.

The Sacred Wind Term Debt is secured by substantially all assets of Sacred Wind and an underlying mortgage to the United States of America. These mortgage notes are to be repaid in equal monthly installments covering principal and interest beginning after date of issue and expiring by 2035.

The Sacred Wind Term Debt contains certain restrictions on the declaration or payment of dividends, redemption of capital stock or investment in affiliated companies without the consent by the RUS noteholders. The agreements also contain a financial covenant which Sacred Wind was not in compliance with as of December 31, 2021. Sacred Wind submitted a corrective action plan to comply with the financial covenant as of December 31, 2025. On May 5, 2022, Sacred Wind’s corrective action plan was accepted by the RUS. As of June 30, 2023, the Company was in compliance with that corrective action plan.

As of June 30, 2023, $29.8 million was outstanding under the Sacred Wind Term Debt. Of that amount, $3.2 million was current and $26.6 million was long term.

Viya Debt

The Company, and certain of its subsidiaries, have entered into a $60.0 million loan agreement (the “Viya Debt”) with Rural Telephone Finance Cooperative (“RTFC”). The Viya Debt agreement contains customary representations, warranties and affirmative and negative covenants (including limitations on additional debt, guaranties, sale of assets and liens) and a financial covenant that limits the maximum ratio of indebtedness to annual operating cash flow to 3.5 to 1.0 (the “Net Leverage Ratio”). This covenant is tested on an annual basis at the end of each fiscal year. Interest is paid quarterly at a fixed rate of 4.0% per annum and principal repayment is not required until maturity on July 1, 2026. Prepayment of the Viya Debt may be subject to a fee under certain circumstances. The debt is secured by certain assets of the Company’s Viya subsidiaries and is guaranteed by us.

The Company paid a fee of $0.9 million in 2016 to lock the interest rate at 4% per annum over the term of the Viya Debt. The fee was recorded as a reduction to the Viya Debt carrying amount and is being amortized over the life of the loan.

As of June 30, 2023, $60.0 million of the Viya Debt remained outstanding and $0.3 million of the rate lock fee was unamortized.

On May 5, 2022, RTFC agreed to amend the Net Leverage Ratio to 7.0 to 1.0 through the maturity date of July 1, 2026. The Ratio is tested annually and the Company was in compliance with the Net Leverage Ratio as of December 31, 2022.

One Communications Debt

The Company had an outstanding loan from HSBC Bank Bermuda Limited (the “One Communications Debt”) which matured and was repaid in full on December 22, 2022. This loan bore interest at the one-month LIBOR plus a margin ranging between 2.5% to 2.75% per annum paid quarterly.

Debt Maturity

The table below summarizes the annual maturities of the Company's debt instruments (amounts in thousands).

	US Telecom	International Telecom	Corporate and Other (1) (2)	Total Debt	Customer Receivable Credit Facility
2023 (excluding the six months ended June 30, 2023)	$ 3,834	$ 3,773	$ —	$ 7,607	$ 3,227
2024	16,536	—	—	16,536	6,787
2025	14,969	—	—	14,969	7,083
2026	232,469	60,000	—	292,469	7,393
2027	3,723	—	—	3,723	7,718
Thereafter	14,028	—	138,000	152,028	14,794
Total	285,559	63,773	138,000	487,332	47,002
Debt Discounts	(4,899)	(295)	—	(5,194)	(543)
Book Value	$ 280,660	$ 63,478	$ 138,000	$ 482,138	$ 46,459

(1) Corporate and other items refer to corporate overhead costs and consolidating adjustments.

(2) On July 13, 2023, the Company refinanced $138.0 million of debt outstanding under the 2019 CoBank Credit Facility extending the maturity date of the revolving credit facility to July 13, 2028.

9. GOVERNMENT SUPPORT AND SPECTRUM MATTERS

Universal Service Fund and Connect America Fund Phase II Programs

The Company recognizes revenue from several government funded programs including the Universal Service Fund ("USF"), a subsidy program managed by the Federal Communications Commission ("FCC"), the Alaska Universal Service Fund ("AUSF"), a similar program managed by the Regulatory Commission of Alaska (the "RCA"), and the Emergency Connectivity Fund ("ECF"), a program to help schools and libraries support remote learning in underserved communities. USF funds are disbursed to telecommunication providers through four programs: the High Cost Program; the Low Income Program ("Lifeline Program"); the Schools and Libraries Program ("E-Rate Program"); and the Rural Health Care Support Program.

The Company also recognizes revenue from the Connect America Fund Phase II program ("CAF II") which offers subsidies to carriers to expand broadband coverage in designated areas. Under CAF II, the Company's US Telecom segment will receive an aggregate of $27.7 million annually through December 2025 and an aggregate of $8.0 million annually from January 2026 through July 2028.

All of the programs are subject to certain operational and reporting compliance requirements. The Company believes it is in compliance with these requirements as of June 30, 2023. Revenue recognized from the USF and CAFII programs is recognized as revenue from government grants. Revenue from other programs is recognized in accordance with ASC 606.

RDOF ("Rural Digital Opportunities Fund")

The Company expects to receive approximately $22.7 million over 10 years to provide broadband and voice coverage to over 10,000 households in the United States (not including Alaska) under the 2020 Rural Digital Opportunity

Fund Phase I Auction (“RDOF”). Revenue recognized from the RDOF program is recognized as revenue from government grants.

The Company recorded the amounts below as communication services revenue for the reported periods:

	Three months ended June 30, 2023			Three months ended June 30, 2022		
	US Telecom	International Telecom	Total	US Telecom	International Telecom	Total
High cost support	$ 2,222	$ 1,397	$ 3,619	$ 989	$ 2,761	$ 3,750
CAF II	6,815	—	6,815	6,822	—	6,822
RDOF	608	—	608	478	—	478
Other Programs	14,368	5	14,373	6,167	22	6,189
Total	$ 24,013	$ 1,402	$ 25,415	$ 14,456	$ 2,783	$ 17,239

	Six months ended June 30, 2023			Six months ended June 30, 2022		
	US Telecom	International Telecom	Total	US Telecom	International Telecom	Total
High cost support	$ 4,716	$ 2,795	$ 7,511	$ 2,045	$ 5,522	$ 7,567
CAF II	13,630	—	13,630	13,644	—	13,644
RDOF	1,216	—	1,216	956	—	956
Other Programs	30,028	9	30,037	11,228	37	11,265
Total	$ 49,590	$ 2,804	$ 52,394	$ 27,873	$ 5,559	$ 33,432

In 2018, the FCC initiated a proceeding to replace the High Cost Program support received by Viya in the US Virgin Islands with a new Connect USVI Fund. On November 16, 2020, the FCC announced that Viya was not the recipient of the Connect USVI Fund award and authorized funding to be issued to the new awardee in June 2021. Pursuant to the terms of the program and effective in July 2021, Viya’s annual USF support was reduced from $16.4 million to $10.9 million. In July 2022, this support was reduced to $5.5 million for the annual period through June 2023. In April of 2023, the FCC issued an order extending the high cost support in the US Virgin Islands at the current $5.5 million per year received from July 2023 through December 31, 2025. In connection with this order, the FCC requires that the Company maintain its current footprint for voice and broadband services in the US Virgin Islands.

Construction Grants

The Company has also been awarded construction grants to build network connectivity for eligible communities. The funding of these grants, used to reimburse the Company for its construction costs, is distributed upon completion of a project. Completion deadlines begin in September 2023 and once these projects are constructed, the Company is obligated to provide service to the participants. The Company expects to meet all requirements associated with these grants, with the exception of grants the Company has transferred to third parties, as described below. A roll forward of the Company's grant awards is below (in thousands).

	Amount
Grants awarded, December 31, 2022	$ 80,197
New grants	38,824
Construction complete	(5,075)
Transferred grants	(6,269)
Grants awarded, June 30, 2023	$ 107,677

In addition, the Company partners with tribal governments to obtain grants under the Tribal Broadband Connectivity Program ("TBCP"). The TBCP is a program administered by the National Telecommunications and Information Administration to deploy broadband connectivity on tribal lands. The Company was identified as a sub recipient of TBCP grants totaling $139.0 million as of June 30, 2023.

Replace and Remove Program

On July 15, 2022, the Company was notified that it was an approved participant in the Federal Communication Commission's Secure and Trusted Communications Networks Reimbursement Program (the "Replace and Remove Program"), designed to reimburse providers of communications services for reasonable costs incurred in the required removal, replacement, and disposal of covered communications equipment or services, that have been deemed to pose a national security risk, from their networks. Pursuant to the Replace and Remove Program, the Company was allocated up to approximately $207 million in reimbursement amounts to cover documented and approved costs to remove and securely destroy all ZTE communications equipment and services in its U.S. networks and replace such equipment. The Replace and Remove Program requires that the Company complete the project no later than one year from submitting its initial reimbursement request, or July 2024. At this time, the Company anticipates that it will be able to meet the deadlines and requirements of the program. At June 30, 2023, the Company established a receivable, included in accounts receivable on the balance sheet, for $21.0 million of costs for which it expects to be reimbursed under the program.

10. RETIREMENT PLANS

Multi-employer Defined Benefit Plan

Pension benefits for substantially all of the Company's Alaska-based employees are provided through the Alaska Electrical Pension Fund ("AEPF"). The Company pays a contractual hourly amount based on employee classification or base compensation to the AEPF. As a multi-employer defined benefit plan, the accumulated benefits and plan assets are not determined for, or allocated separately to, the individual employer. This plan was not in endangered or critical status during the plan year.

Defined Benefit Plan

The Company has noncontributory defined benefit pension and noncontributory defined medical, dental, vision, and life benefit plans for eligible employees who meet certain eligibility criteria. The majority of benefits under the plans are frozen and the plans no longer allow new participants to join.

The Company recorded the net periodic benefit cost identified below (in thousands):

	Three months ended				Six months ended			
	June 30, 2023		June 30, 2022		June 30, 2023		June 30, 2022	
	Pension benefits	Postretirement benefits	Pension benefits	Postretirement benefits	Pension benefits	Postretirement benefits	Pension benefits	Postretirement benefits
Operating expense								
Service cost	$ 38	$ 31	$ 57	$ 36	$ 76	$ 62	$ 114	$ 72
Non-operating expense								
Interest cost	593	35	565	33	1,187	70	1,130	66
Expected return on plan assets	(953)	—	(925)	—	(1,905)	—	(1,850)	—
Settlements	—	—	1,725	—	369	—	1,725	—
Net periodic pension expense (benefit)	$ (322)	$ 66	$ 1,422	$ 69	$ (273)	$ 132	$ 1,119	$ 138

The Company was not required to make contributions to its pension plans during the three months ended June 30, 2023 and 2022. However, the Company periodically evaluates whether to make discretionary contributions. The Company funds its postretirement benefit plans as claims are made and did not make contributions to its pension plans during the six months ended June 30, 2023 and 2022.

11. INCOME TAXES

The Company's effective tax rate for the three months ended June 30, 2023 and 2022 was 88.5% and 75.2 % respectively.

The Company recorded an income tax benefit of $5.1 million in relation to a pretax loss of $5.7 million for the three months ended June 30, 2023. The effective tax rate for the three months ended June 30, 2023 was primarily impacted by the following items (i) the mix of income generated among the jurisdictions in which the Company operates, (ii) net expense related to valuation allowances placed on certain deferred tax assets that are not expected to be realizable based on the weight of positive and negative evidence and (iii) discrete items including a $4.0 million benefit from the reversal of an unrecognized tax position due to a statute of limitations expiration and a $0.7 million expense for interest on unrecognized tax positions.

The Company recorded an income tax benefit of $4.0 million in relation to a pretax loss of $5.3 million for the three months ended June 30, 2022. The effective tax rate for the three months ended June 30, 2022 was primarily impacted by the following items (i) the mix of income generated among the jurisdictions in which the Company operates and (ii) discrete items including a $3.3 million benefit from the reversal of an unrecognized tax position due to a statute of limitations expiration and a $0.3 million expense for interest on unrecognized tax positions.

The Company's effective tax rate for the six months ended June 30, 2023 and 2022 was 43.0% and 23.8%, respectively.

The Company recorded an income tax benefit of $5.8 million in relation to a pretax loss of $13.5 million for the six months ended June 30, 2023. The effective tax rate for the six months ended June 30, 2023 was primarily impacted by the following items (i) the mix of income generated among the jurisdictions in which the Company operates, (ii) net expense related to valuation allowances placed on certain deferred tax assets that are not expected to be realizable based on the weight of positive and negative evidence and (iii) discrete items including a $4.0 million benefit from the reversal of an unrecognized tax position due to a statute of limitations expiration, and a $1.3 million expense for interest on unrecognized tax positions.

The Company recorded an income tax benefit of $1.0 million in relation to a pretax loss of $4.3 million for the six months ended June 30, 2022. The effective tax rate for the six months ended June 30, 2022 was primarily impacted by the following items (i) the mix of income generated among the jurisdictions in which the Company operates, (ii) a $2.1 million net expense recognized discretely to record a valuation allowance on certain deferred tax assets that are not expected to be realizable based on the weight of positive and negative evidence and (iii) discrete items including a $3.3 million benefit from the reversal of an unrecognized tax position due to a statute of limitations expiration, and a $0.8 million expense for interest on unrecognized tax positions.

The Company's effective tax rate is based upon estimated income before provision for income taxes for the year, composition of the income in different countries, and adjustments, if any, in the applicable quarterly periods for potential tax consequences, benefits and/or resolutions of tax contingencies. The Company's consolidated tax rate will continue to be impacted by any transactional or one-time items in the future and the mix of income in any given year generated among the jurisdictions in which the Company operates. While the Company believes it has adequately provided for all tax positions, amounts asserted by taxing authorities could materially differ from the Company's accrued positions as a result of uncertain and complex applications of tax law and regulations. Additionally, the recognition and measurement of certain tax benefits include estimates and judgments by management. Accordingly, the Company could record additional provisions or benefits for US federal, state, and foreign tax matters in future periods as new information becomes available.

12. EARNINGS PER SHARE AND REDEEMABLE NONCONTROLLING INTERESTS

Earnings Per Share

The following table reconciles the numerator and denominator in the computations of basic and diluted earnings per share (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Numerator:				
Net income (loss) attributable to ATN International, Inc. stockholders- Basic	767	(525)	(5,118)	(1,471)
Less: Preferred dividends	(1,260)	(1,154)	(2,306)	(2,270)
Net Loss attributable to ATN International, Inc. common stockholders- Diluted	$ (493)	$ (1,679)	$ (7,424)	$ (3,741)
Denominator:				
Weighted-average shares outstanding- Basic	15,719	15,749	15,726	15,736
Weighted-average shares outstanding- Diluted	15,719	15,749	15,726	15,736

Redeemable Noncontrolling Interests

In connection with certain acquisitions, the Company accounts for third-party non-controlling minority investments as redeemable noncontrolling interests, which consist of both redeemable common and, in some instances, preferred units, in its consolidated financial statements.

The common units contain put options allowing the holder to sell at a future date, the common units to a subsidiary of the Company at the then fair market value. The common units participate in the earnings and losses of the subsidiaries and are allocated their applicable share of earning and losses. After the allocation of earnings and losses, the Company estimates the fair value of the common units and adjusts the book value of the common units to that estimated fair value.

The preferred units contain put options allowing the holder to sell at a future date, the preferred units to a subsidiary of the Company at a fixed price equal to face value of the units plus unpaid dividends. The preferred units hold a distribution preference over common units and carry a fixed dividend rate.

The put options for both the common and preferred units, if any, are nonrecourse to the Company and exercisable at the earlier of a future initial public offering of the subsidiary or certain dates beginning in 2026.

For the three months ended June 30, 2023 and 2022, the Company allocated losses of $3.4 million and $0.6 million, respectively, to the redeemable common units representing their proportionate share of operating losses. For the six months ended June 30, 2023 and 2022, the Company allocated losses of $6.2 million and $1.7 million, respectively, to the redeemable common units representing their proportionate share of operating losses. The Company then compared the book value of the common units to the fair value and the fair value exceeded the book value. As a result, the book value was increased by $5.9 million and $1.7 million during the six months ended June 30, 2023 and 2022, respectively.

The following table provides a roll forward of the activity related to the Company's redeemable noncontrolling interests for the six months ended June 30, 2023 and 2022:

	Redeemable Preferred Units	Redeemable Common Units	Total Redeemable Noncontrolling Interests
Balance, December 31, 2022	$ 55,152	$ 37,317	$ 92,469
Accrued preferred dividend	2,306	—	2,306
Allocated net loss	—	(6,170)	(6,170)
Change in fair value	—	5,879	5,879
Balance, June 30, 2023	$ 57,458	$ 37,026	$ 94,484

	Redeemable Preferred Units	Redeemable Common Units	Total Redeemable Noncontrolling Interests
Balance, December 31, 2021	$ 50,296	$ 22,640	$ 72,936
Accrued preferred dividend	2,270	—	2,270
Allocated net loss	—	(1,678)	(1,678)
Change in fair value	—	1,678	1,678
Balance, June 30, 2022	$ 52,566	$ 22,640	$ 75,206

13. SEGMENT REPORTING

The Company has the following two reportable and operating segments: i) International Telecom and ii) US Telecom.

The following tables provide information for each operating segment (in thousands):

For the Three Months Ended June 30, 2023	International Telecom	US Telecom	Corporate and Other (1)	Consolidated
Revenue				
Communication Services				
Mobility - Business	$ 3,507	$ 114	$ —	$ 3,621
Mobility - Consumer	23,349	863	—	24,212
Total Mobility	26,856	977	—	27,833
Fixed - Business	17,214	35,495	—	52,709
Fixed - Consumer	42,459	22,608	—	65,067
Total Fixed	59,673	58,103	—	117,776
Carrier Services	3,879	31,576	—	35,455
Other	448	64	—	512
Total Communication Services Revenue	90,856	90,720	—	181,576
Construction	—	1,020	—	1,020
Other				
Managed Services	1,125	2,720	—	3,845
Total other revenue	1,125	2,720	—	3,845
Total Revenue	91,981	94,460	—	186,441
Depreciation and amortization	14,106	21,430	681	36,217
Amortization of intangibles from acquisitions	364	2,780	—	3,144
Non-cash stock-based compensation	109	9	2,621	2,739
Operating income (loss)	14,552	(2,394)	(9,718)	2,440

For the Three Months Ended June 30, 2022	International Telecom	US Telecom	Corporate and Other (1)	Consolidated
Revenue				
Communication Services				
Mobility - Business	$ 3,675	$ 301	$ —	$ 3,976
Mobility - Consumer	21,279	1,549	—	22,828
Total Mobility	24,954	1,850	—	26,804
Fixed - Business	16,996	31,866	—	48,862
Fixed - Consumer	41,353	19,166	—	60,519
Total Fixed	58,349	51,032	—	109,381
Carrier Services	3,421	31,753	—	35,174
Other	436	—	—	436
Total Communication Services Revenue	87,160	84,635	—	171,795
Construction	—	3,297	—	3,297
Other				
Managed Services	1,246	3,159	—	4,405
Total Other Revenue	1,246	3,159	—	4,405
Total Revenue	88,406	91,091	—	179,497
Depreciation	15,074	17,763	980	33,817
Amortization of intangibles from acquisitions	394	2,856	—	3,250
Non-cash stock-based compensation	56	79	2,433	2,568
Operating income (loss)	11,646	(281)	(9,643)	1,722

For the Six Months Ended June 30, 2023	International Telecom	US Telecom	Corporate and Other (1)	Consolidated
Revenue				
Communication Services				
Mobility - Business	$ 7,083	$ 286	$ —	$ 7,369
Mobility - Consumer	45,880	1,850	—	47,730
Total Mobility	52,963	2,136	—	55,099
Fixed - Business	34,327	71,814	—	106,141
Fixed - Consumer	84,236	45,190	—	129,426
Total Fixed	118,563	117,004	—	235,567
Carrier Services	7,570	63,660	—	71,230
Other	848	139	—	987
Total Communication Services Revenue	179,944	182,939	—	362,883
Construction	—	1,610	—	1,610
Other				
Managed Services	2,445	5,276	—	7,721
Total Other Revenue	2,445	5,276	—	7,721
Total Revenue	182,389	189,825	—	372,214
Depreciation	28,292	42,917	1,412	72,621
Amortization of intangibles from acquisitions	744	5,647	—	6,391
Non-cash stock-based compensation	176	86	4,255	4,517
Operating income (loss)	28,377	(6,737)	(18,566)	3,074

For the Six Months Ended June 30, 2022	International Telecom	US Telecom	Corporate and Other (1)	Consolidated
Revenue				
Communication Services				
Mobility - Business	$ 7,291	$ 674	$ —	$ 7,965
Mobility - Consumer	41,249	3,006	—	44,255
Total Mobility	48,540	3,680	—	52,220
Fixed - Business	34,250	59,011	—	93,261
Fixed - Consumer	82,446	38,136	—	120,582
Total Fixed	116,696	97,147	—	213,843
Carrier Services	6,823	64,742	—	71,565
Other	710	—	—	710
Total Communication Services Revenue	172,769	165,569	—	338,338
Construction	—	5,283	—	5,283
Other				
Managed Services	2,422	5,474	—	7,896
Total other revenue	2,422	5,474	—	7,896
Total Revenue	175,191	176,326	—	351,517
Depreciation and amortization	28,971	36,205	1,933	67,109
Amortization of intangibles from acquisitions	812	5,696	—	6,508
Non-cash stock-based compensation	116	169	3,743	4,028
Operating income (loss)	23,450	(4,914)	(16,703)	1,833

Selected balance sheet data for each of the Company’s segments as of June 30, 2023 and December 31, 2022 consists of the following (in thousands):

	International Telecom	US Telecom	Corporate and Other (1)	Consolidated
June 30, 2023				
Cash, cash equivalents, and restricted cash	$ 33,332	$ 25,433	$ 8,457	$ 67,222
Total current assets	116,153	121,908	10,035	248,096
Fixed assets, net	472,548	584,833	6,083	1,063,464
Goodwill	4,835	35,269	—	40,104
Total assets	668,185	975,997	85,787	1,729,969
Total current liabilities	88,950	123,616	28,276	240,842
Total debt	63,478	327,120	138,000	528,598
December 31, 2022				
Cash, cash equivalents, and restricted cash	$ 26,418	$ 26,375	$ 6,935	$ 59,728
Total current assets	105,324	116,038	8,326	229,688
Fixed assets, net	462,447	585,969	7,538	1,055,954
Goodwill	4,835	35,269	—	40,104
Total assets	643,664	980,543	83,662	1,707,869
Total current liabilities	86,738	119,755	26,687	233,180
Total debt	59,659	308,589	99,000	467,248

	Capital Expenditures			
Six months ended June 30,	**International Telecom**	**US Telecom**	**Corporate and Other (1)**	**Consolidated**
2023	$ 38,906	$ 57,531	$ —	$ 96,437
2022	33,870	40,804	424	75,098

(1) Corporate and other items refer to corporate overhead costs and consolidating adjustments

14. COMMITMENTS AND CONTINGENCIES

Regulatory and Litigation Matters

The Company and its subsidiaries are subject to certain regulatory and legal proceedings and other claims arising in the ordinary course of business, some of which involve claims for damages and taxes that are substantial in amount. Historically, the Company’s subsidiary, GTT, has been subject to other long-standing litigation proceedings and disputes in Guyana that have not yet been resolved. The Company believes that, except for the items discussed below, for which the Company is currently unable to predict the final outcome, the disposition of matters currently pending will not have a material adverse effect on the Company’s financial position or results of operations.

Beginning in 2006, the National Frequency Management Unit (now the Telecommunications Agency , or the “NFMU/TA”) and GTT have been engaged in discussions regarding the amount of and methodology for calculation of spectrum fees payable by GTT in Guyana. Since that time, GTT has made payments of, undisputed spectrum fees as amounts invoiced by the NFMU/TA. There have been limited further discussions on the subject of a revised spectrum fee methodology with the Telecommunications Agency and GTT awaits the determination of such fees.

On May 8, 2009, a GTT competitor, Digicel, filed a lawsuit in Guyana challenging the legality of GTT's exclusive license rights under Guyana's constitution and GTT intervened in the suit in order to oppose Digicel's claims. The case remains pending. The Company believes that any legal challenge to GTT's exclusive license rights granted in 1990 is without merit and the Company continues to defend vigorously against such legal challenge.

GTT has filed several lawsuits in the High Court of Guyana asserting that, despite its denials, Digicel is engaged in international bypass in violation of GTT's exclusive license rights, the interconnection agreement between the parties, and the laws of Guyana. Digicel filed counterclaims alleging that GTT has violated the terms of the interconnection agreement and Guyana laws. These suits, filed in 2010 and 2012, have been consolidated with Digicel's constitutional challenge described above, however, the Company cannot accurately predict at this time when the consolidated suit will reach a court of final determination.

GTT is also involved in several legal claims regarding its tax filings with the Guyana Revenue Authority (the "GRA") dating back to 1991 regarding the deductibility of intercompany advisory fees as well as other tax assessments. GTT's position has been upheld by various High Court rulings made in its favor including most recently in December 2021,. GTT has maintained that it has no unpaid corporation tax due to the GRA and that any liability GTT might be found to have with respect to the disputed tax assessments, as alleged by the GRA in the aggregate amount of $32 million net of interest, would be offset in part by the amounts necessary to ensure that GTT's return on investment was no less than 15% per annum for the relevant periods. Several High Court rulings in the favor of GTT have been appealed by the GRA and the Company believes that some adverse outcome in these or pending unheard matters could occur

In February 2020, the Company's Alaska Communications subsidiary received a draft audit report from USAC in connection with USAC's inquiry into Alaska Communications' funding requests under the Rural Health Care Support Program for certain customers for the time period of July 2012 through June 2017. The draft audit report alleges violations of the FCC's rules for establishing rural rates and urban rates, the provisioning and billing of ineligible services and products, and violations of the FCC's competitive bidding rules. Alaska Communications has provided USAC with extensive comments in response to its draft audit report seeking correction of numerous factual and legal errors that it believed it had identified. As a result of these conversations and comments being submitted by Alaska Communications, USAC's auditors may revise their findings, including the amounts they recommend USAC seek to recover. USAC's auditors are expected to issue a final audit report incorporating Alaska Communications' responses that will be sent to USAC's Rural Health Care Division to review and determine if corrective action would be appropriate. In the event that the Company disagrees with USAC's final audit report, the Company can appeal that decision to USAC's Rural Health Care Division and/or the FCC. At this time, the Company cannot predict the contents or timing of the final USAC audit report, the outcome of the audit or the impact on the Company's business, financial condition, results of operations, or liquidity and may require certain undertakings in addition to any proposed financial settlement.

Alaska Communications also received a Letter of Inquiry on March 18, 2018, and subsequent follow up information requests, from the FCC Enforcement Bureau requesting historical information regarding Alaska Communications' participation in the FCC's Rural Health Care Support Program. The Company is engaged in discussions with the FCC's Enforcement Bureau and will continue to work constructively to provide it the information it is seeking. Any adverse outcome with respect to the FCC Enforcement Bureau's inquiry may have an adverse impact the Company's business, financial condition, results of operations, or liquidity and may require certain undertakings in addition to any proposed financial settlement.

With respect to all of the foregoing matters, the Company believes that some adverse outcome is probable and has accordingly accrued $16.0 million as of June 30, 2023 for these and other potential liabilities arising in various claims, legal actions and regulatory proceedings arising in the ordinary course of business. The Company also faces contingencies that are reasonably possible to occur that cannot currently be estimated. It is the Company's policy to expense costs associated with loss contingencies, including any related legal fees, as they are incurred.

15. SUBSEQUENT EVENTS

See Footnote 8 for a discussion of the Company’s new 2023 CoBank Credit Facility which the Company entered into on July 13, 2023.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We provide digital infrastructure and communications services in the United States and internationally, including in the Caribbean region, with a focus on smaller markets, many of which are rural or remote, with a growing demand for infrastructure investments. Through our operating subsidiaries, we primarily provide: (i) carrier and enterprise communications services, such as terrestrial and submarine fiber optic transport, and communications tower facilities; and (ii) fixed and mobile telecommunications connectivity to residential, business and government customers, including a range of high-speed internet and data services, fixed and mobile wireless solutions, and video and voice services.

At the holding company level, we oversee the allocation of capital within and among our subsidiaries, affiliates, new investments, and stockholders. We have developed significant operational expertise and resources that we use to augment the capabilities of our individual operating subsidiaries in our local markets. We have built a platform of resources and expertise to support our operating subsidiaries and to improve their quality of service with greater economies of scale and expertise than would typically be available at the operating subsidiary level. We provide management, technical, financial, regulatory, and marketing services to our operating subsidiaries and typically receive a management fee calculated as a percentage of their revenues, which is eliminated in consolidation. We also actively evaluate potential acquisitions, investment opportunities and other strategic transactions, both domestic and international, and generally look for those that we believe fit our profile of telecommunications businesses and have the potential to complement our "glass and steel" and "first to fiber" approach in markets while generating steady excess cash flows over extended periods of time. We use the cash generated from our operations to re-invest in organic growth in our existing businesses, to make strategic investments in additional businesses, and to return cash to our investors through dividends or stock repurchases.

For further information about our financial segments and geographical information about our operating revenues and assets, see Notes 1 and 13 to the Consolidated Financial Statements included in this Report.

As of June 30, 2023, we offer the following types of services to our customers:

- ***Mobility Telecommunications Services***. We offer mobile communications services over our wireless networks and related equipment (such as handsets) to both our business and consumer customers.

- ***Fixed Telecommunications Services***. We provide fixed data and voice telecommunications services to business and consumer customers. These services include consumer broadband and high-speed data solutions for businesses. For some markets, fixed services also include video services and revenue derived from support under certain government programs.

- ***Carrier Telecommunication Services***. We deliver services to other telecommunications providers such as the leasing of critical network infrastructure, such as tower and transport facilities, wholesale roaming, site maintenance and international long-distance services.

- ***Managed Services***. We provide information technology services such as network, application, infrastructure and hosting services to both our business and consumer customers to complement our fixed services in our existing markets.

We have two operating segments to manage and review our operations and to facilitate investor presentations of our results. These two operating segments are as follows:

- ***International Telecom.*** In our international markets, we offer fixed services, mobility services, carrier services and managed services to customers in Bermuda, the Cayman Islands, Guyana and the US

Virgin Islands.

- ***US Telecom.*** In the United States, we offer mobility services, fixed services, carrier services, and managed services to business and consumer customers in Alaska and the western United States.

Segment	Services	Markets	Tradenames
International Telecom	Mobility Services	Bermuda, Guyana, US Virgin Islands	One, GTT, Viya
	Fixed Services	Bermuda, Cayman Islands, Guyana, US Virgin Islands	One, Logic, GTT, Viya
	Carrier Services	Bermuda, Guyana, US Virgin Islands	One, GTT, Viya, Logic
	Managed Services	Bermuda, Cayman Islands, US Virgin Islands, Guyana	Fireminds, One, Logic, GTT, Viya
US Telecom	Mobility Services	United States (rural markets)	Choice NTUA Wireless
	Fixed Services	United States	Alaska Communications, Commnet Broadband, Choice NTUA Wireless, Sacred Wind Communications
	Carrier Services	United States	Alaska Communications, Commnet, Essextel, Sacred Wind Communications
	Managed Services	United States	Alaska Communications, Fireminds

The following chart summarizes the operating activities of our principal subsidiaries, the segments in which we report our revenue and the markets we served as of June 30, 2023:

Acquisition of Sacred Wind Enterprises

On November 7, 2022, we, via our newly formed wholly owned subsidiary Alloy, Inc. ("Alloy"), acquired all of the issued and outstanding stock of Sacred Wind Enterprises, Inc. ("Sacred Wind"), a rural telecommunications provider in New Mexico (the "Sacred Wind Transaction") for $44.6 million of consideration. The purchase price allocation was finalized during the six months ended June 30, 2023. As part of the Sacred Wind Transaction, we transferred consideration of $16.7 million of cash, net of $9.4 million of cash acquired, $14.8 million of redeemable noncontrolling interests, and $3.7 million of contingent consideration. During the six months ended June 30, 2023, we received $1.3 million as final settlement of working capital amounts. Upon completion of the Sacred Wind Transaction, the former Sacred Wind shareholders own 6% of the Alloy equity. This equity is classified as redeemable noncontrolling interests in our financial statements because the holders have an option, beginning in 2026, to put the equity interest to a subsidiary of the Company at the then fair market value. The redeemable noncontrolling interests do not have preference relative to other equity units and participate in gains and losses in Alloy. The contingent consideration is earned based on certain operating metrics of Sacred Wind beginning in 2025 through 2027. The fair value of the contingent consideration was calculated using discounted cash flow analysis based on a range of probability weighted outcomes. We funded the acquisition with borrowing under our CoBank Credit Facility and assumed $31.6 million of Sacred Wind debt, to the United States of America administered through the Rural Utilities Service.

We believe that the acquisition of Sacred Wind will expand our infrastructure reach and broadband services in the rural Southwest and increase our wholesale carrier, residential and business broadband services.

FirstNet Agreement

In July 2019, we entered into a Network Build and Maintenance Agreement with AT&T Mobility, LLC ("AT&T") that we amended in August 2020, May 2021 and August 2022 (the "FirstNet Agreement"). In connection with the FirstNet Agreement, we are building a portion of AT&T's network for the First Responder Network Authority ("FirstNet") in or near our current operating areas in the Western United States. Pursuant to the FirstNet Agreement and subject to certain limitations contained therein, all cell sites must be completed and accepted within a specified period of time. We expect that total construction revenue related to FirstNet will approximate $80 million to $85 million. During the three months ended June 30, 2023 and 2022, we recorded $1.0 million and $3.3 million in construction revenue, respectively. During the six months ended June 30, 2023 and 2022, we recorded $1.6 million and $5.3 million in construction revenue, respectively. Revenues from construction are expected to have minimal impact on operating income. We expect to substantially complete the build by the end of 2023 with the remainder to be completed in early 2024.

Following acceptance of a cell site, AT&T will own the cell site and we will assign to AT&T any third-party tower lease applicable to such cell site. If the cell site is located on a communications tower we own, AT&T will pay us pursuant to a separate lease agreement for an initial term of eight years. In addition to building the network, we will provide ongoing equipment and site maintenance and high-capacity transport to and from these cell sites for an initial term ending in 2029.

AT&T will continue to use our wholesale domestic mobility network for roaming services at a fixed rate per site during the construction period until such time as the cell site is transferred to AT&T. Thereafter, revenue from the maintenance, leasing and transport services provided to AT&T is expected to generally offset revenue from wholesale mobility roaming services. We are currently receiving revenue from the FirstNet Transaction and expect overall operating income contributions from the FirstNet Transaction to have a relatively steady impact going forward.

Verizon Carrier Managed Services Agreement

On May 10, 2023, our subsidiary, Commnet, entered into a Carrier Managed Services Master Agreement (the “Agreement”) with Cellco Partnership d/b/a Verizon Wireless (“Verizon”), pursuant to which Commnet will provide a variety of network, infrastructure and technical services that will help deliver next generation wireless services to Verizon’s subscribers in Commnet’s current operating area in the southwestern United States.

Pursuant to the Agreement and subject to certain limitations contained therein, Commnet will upgrade its wireless service in specific areas and provide services to Verizon for an initial seven year term (the “Commitment Period”). The Commitment Period will automatically renew for up to two additional three year periods, unless Verizon provides no less than twelve months’ notice on non-renewal prior to the expiration of the then-current term.

In connection with the Agreement, Commnet has also agreed to provide Verizon with high capacity transport in its coverage area. Verizon will continue to use Commnet’s wireless communications network for roaming services at a fixed rate per site during the build period until such time as upgrades to the network to meet certain performance service level agreements for both RAN operations and transport are met. Verizon will pay Commnet an aggregate of approximately $200 million for services over the term of the Agreement.

The Agreement may be terminated at any time upon the mutual written consent of Commnet and Verizon. In addition, Verizon may terminate the Agreement upon the occurrence of certain events, including failure to meet certain milestones or completion dates with respect to network coverage, failure to meet certain SLAs with respect to the ongoing services, the declaration of a bankruptcy event by Commnet and breach of any other material terms of the Agreement.

The foregoing summary of the Agreement is not intended to be complete and is qualified in its entirety by reference to the full text of the Agreement. A redacted copy of the Agreement is filed herewith as Exhibit 10.1.

Universal Service Fund and Connect America Fund Phase II Programs

We recognize revenue from several government funded programs including the USF, a subsidy program managed by the Federal Communications Commission (“FCC”), the Alaska Universal Service Fund (“AUSF”), a similar program managed by the Regulatory Commission of Alaska (the “RCA”), and the Emergency Connectivity Fund (“ECF”), a program to help schools and libraries support remote learning in underserved communities. USF funds are disbursed to telecommunication providers through four programs: the High Cost Program; the Low Income Program (“Lifeline Program”); the Schools and Libraries Program (“E-Rate Program”); and the Rural Health Care Support Program.

We also recognize revenue from the Connect America Fund Phase II program (“CAF II”) which offers subsidies to carriers to expand broadband coverage in designated areas. Under CAF II, our US Telecom segment will receive an aggregate of $27.7 million annually through December 2025 and an aggregate of $8.0 million annually from January 2026 through July 2028.

All of the programs are subject to certain operational and reporting compliance requirements. We believe we are in compliance with these requirements as of June 30, 2023.

In 2018, the FCC initiated a proceeding to replace the High Cost Program support received by Viya in the US Virgin Islands with a new Connect USVI Fund. On November 16, 2020, the FCC announced that Viya was not the recipient of the Connect USVI Fund award and authorized funding to be issued to the new awardee in June 2021. Pursuant to the terms of the program and effective in July 2021, Viya’s annual USF support was reduced from $16.4 million to $10.9 million. In July 2022, this support was reduced again to $5.5 million for the annual period through June 2023. In April of 2023, the FCC issued an order extending the high cost support in the US Virgin Islands at the current $5.5 million per year received from July 2023 through December 31, 2025. In connection with this order, the FCC requires that we maintain our current footprint for voice and broadband services in the US Virgin Islands.

RDOF ("Rural Digital Opportunities Fund")

We expect to receive approximately $22.7 million over 10 years to provide broadband and voice coverage to over 10,000 households in the United States (not including Alaska) under the 2020 Rural Digital Opportunity Fund Phase I Auction ("RDOF"). During the three months ended June 30, 2023 and 2022, we recorded $0.6 million and $0.5 million of revenue from the RDOF program, respectively. During the six months ended June 30, 2023 and 2022, we recorded $1.2 million and $1.0 million, of revenue from the RDOF program, respectively.

Construction Grants

We have also been awarded construction grants to build network connectivity for eligible communities. The funding of these grants, used to reimburse us for our construction costs, is generally distributed upon completion of a project. Completion deadlines begin in September 2023 and once these projects are constructed, we are obligated to provide service to the participants. We expect to meet all requirements associated with these grants, with the exception of grants we have transferred to third parties, as described below. A roll forward of our grant awards is below (in thousands).

	Amount
Grants awarded, December 31, 2022	$ 80,197
New grants	38,824
Construction complete	(5,075)
Transferred grants	(6,269)
Grants awarded, June 30, 2023	$ 107,677

In addition, we partner with tribal governments to obtain grants under the Tribal Broadband Connectivity Program ("TBCP"). The TBCP is a program administered by the National Telecommunications and Information Administration to deploy broadband connectivity on tribal lands. We were identified as a sub recipient of TBCP grants totaling $139.0 million as of June 30, 2023.

Replace and Remove Program

On July 15, 2022, we were notified that we were an approved participant in the Federal Communication Commission's Secure and Trusted Communications Networks Reimbursement Program (the "Replace and Remove Program"), designed to reimburse providers of communications services for reasonable costs incurred in the required removal, replacement, and disposal of covered communications equipment or services, that have been deemed to pose a national security risk, from their networks. Pursuant to the Replace and Remove Program, we were allocated up to approximately $207 million in reimbursement amounts to cover documented and approved costs to remove and securely destroy all prohibited communications equipment and services in our U.S. networks and replace such equipment. The Replace and Remove Program requires that we complete the project no later than one year from submitting our initial reimbursement request, or by July 2024. At this time, we anticipate that we will be able to meet the deadlines and requirements of the program. At June 30, 2023, we established a receivable for $21.0 million of costs for which we expect to be reimbursed under the program.

Selected Segment Financial Information

The following represents selected segment information for the three months ended June 30, 2023 and 2022 (in thousands):

	For the Three Months Ended June 30, 2023			
	International Telecom	US Telecom	Corporate and Other (1)	Consolidated
Revenue				
Communication Services				
Mobility - Business	$ 3,507	$ 114	$ —	$ 3,621
Mobility - Consumer	23,349	863	—	24,212
Total Mobility	26,856	977	—	27,833
Fixed - Business	17,214	35,495	—	52,709
Fixed - Consumer	42,459	22,608	—	65,067
Total Fixed	59,673	58,103	—	117,776
Carrier Services	3,879	31,576	—	35,455
Other	448	64	—	512
Total Communication Services Revenue	90,856	90,720	—	181,576
Construction	—	1,020	—	1,020
Other				
Managed Services	1,125	2,720	—	3,845
Total Other Revenue	1,125	2,720	—	3,845
Total Revenue	91,981	94,460	—	186,441
Operating income (loss)	14,552	(2,394)	(9,718)	2,440

For the Three Months Ended June 30, 2022				
	International Telecom	US Telecom	Corporate and Other (1)	Consolidated
Revenue				
Communication Services				
Mobility - Business	$ 3,675	$ 301	$ —	$ 3,976
Mobility - Consumer	21,279	1,549	—	22,828
Total Mobility	24,954	1,850	—	26,804
Fixed - Business	16,996	31,866	—	48,862
Fixed - Consumer	41,353	19,166	—	60,519
Total Fixed	58,349	51,032	—	109,381
Carrier Services	3,421	31,753	—	35,174
Other	436	—	—	436
Total Communication Services Revenue	87,160	84,635	—	171,795
Construction	—	3,297	—	3,297
Other				
Managed Services	1,246	3,159	—	4,405
Total Other Revenue	1,246	3,159	—	4,405
Total Revenue	88,406	91,091	—	179,497
Operating income (loss)	11,646	(281)	(9,643)	1,722

(1) Reconciling items refer to corporate overhead costs and consolidating adjustments.

A comparison of our segment results for the three months ended June 30, 2023, and 2022 is as follows:

International Telecom. Revenues within our International Telecom segment increased $3.6 million, or 4.1%, to $92.0 million from $88.4 million for the three months ended June 30, 2023 and 2022, respectively, as a result of growth in mobility, fixed and carrier service revenues. Network upgrades and expansions, increased marketing activities and improved customer care led to an increase in mobile subscribers and equipment sales. Fixed subscriber and revenue growth resulted from an increase in the number of homes passed by high-speed data solutions which allowed us to migrate many legacy copper customers to more high-speed data services. In addition, our US Virgin Islands and Bermuda markets recognized growth in Carrier Services revenue as a result of increased roaming revenues due to an increase in tourism in those markets. These increases, however, were partially offset by the scheduled $1.4 million reduction in federal high-cost support revenues in the US Virgin Islands.

Operating expenses within our International Telecom segment increased by $0.6 million, or 0.8%, to $77.4 million from $76.8 million for the three months ended June 30, 2023 and 2022, respectively. The increase was primarily the result of an increase in retail and marketing personnel and program costs to support the expansion of our mobile and broadband customer bases and increased equipment costs.

As a result, our International Telecom segment's operating income increased $3.0 million, or 25.9%, to $14.6 million from $11.6 million for the three months ended June 30, 2023 and 2022, respectively.

US Telecom. Revenue within our US Telecom segment increased by $3.4 million, or 3.7%, to $94.5 million from $91.1 million for the three months ended June 30, 2023 and 2022, respectively. Increases in revenues from business customers within our Alaska subsidiary, the revenue impact of the Sacred Wind Transaction and increased fixed revenues in our western United States operations, were partially offset by a reduction in construction revenue related to the FirstNet Transaction, a reduction in roaming revenue due to the restructuring of certain carrier contracts in our western United States operations, and a reduction in our international long-distance service revenues.

Operating expenses within our US Telecom segment increased $5.5 million, or 6.0%, to $96.9 million from $91.4 million for the three months ended June 30, 2023 and 2022, respectively, as a result of increases in expenses being incurred to support the increased revenues within our Alaska operations and the impact of the Sacred Wind Transaction partially offset by the decreases in FirstNet construction costs, as fewer sites were completed in 2023 as compared to 2022, and in costs related to our wholesale long-distance business as a result of its decrease in revenues.

As a result of the above, our US Telecom segment's operating loss increased by $2.1 million to a loss of $2.4 million from a loss of $0.3 million for the three months ended June 30, 2023 and 2022, respectively.

The following represents a year over year discussion and analysis of our results of operations for the three months ended June 30, 2023 and 2022 (in thousands):

	Three Months Ended June 30,		Amount of Increase	Percent Increase
	2023	2022	(Decrease)	(Decrease)
REVENUE:				
Communication services	$ 181,576	$ 171,795	$ 9,781	5.7 %
Construction	1,020	3,297	(2,277)	(69.1)
Other	3,845	4,405	(560)	(12.7)
Total revenue	186,441	179,497	6,944	3.9
OPERATING EXPENSES (*excluding depreciation and amortization unless otherwise indicated*):				
Cost of communications services and other	77,718	77,860	(142)	(0.2)
Cost of construction revenue	1,016	3,286	(2,270)	(69.1)
Selling, general and administrative	61,914	56,610	5,304	9.4
Stock-based compensation	2,739	2,568	171	6.6
Transaction-related charges	438	412	26	6.3
Restructuring charges	370	—	370	100.0
Depreciation and amortization	36,217	33,817	2,400	7.1
Amortization of intangibles from acquisitions	3,144	3,250	(106)	(3.3)
(Gain) Loss on disposition of long-lived assets	445	(28)	473	(1,689.3)
Total operating expenses	184,001	177,775	6,226	3.5
Income from operations	2,440	1,722	718	41.7
OTHER INCOME (EXPENSE):				
Interest income	45	—	45	100.0
Interest expense	(10,449)	(4,278)	(6,171)	144.2
Other income	2,216	(2,724)	4,940	(181.4)
Other income (expense), net	(8,188)	(7,002)	(1,186)	16.9
INCOME (LOSS) BEFORE INCOME TAXES	(5,748)	(5,280)	(468)	8.9
Income tax expense (benefit)	(5,087)	(3,971)	(1,116)	28.1
NET LOSS	(661)	(1,309)	648	(49.5)
Net loss attributable to noncontrolling interests, net of tax:	1,428	784	644	82.2
NET LOSS ATTRIBUTABLE TO ATN INTERNATIONAL, INC. STOCKHOLDERS	$ 767	$ (525)	$ 1,292	(246.1)%

Communications Services Revenue

Mobility Revenue. Our Mobility revenue consists of retail revenue generated within both our International Telecom and US Telecom segments by providing retail mobile voice and data services over our wireless networks as well as through the sale and repair services of related equipment, such as handsets and other accessories, to our retail subscribers.

Mobility revenue increased by $1.0 million, or 3.7%, to $27.8 million for the three months ended June 30, 2023 from $26.8 million for the three months ended June 30, 2022. Of this increase, Mobility revenue from consumer customers increased by $1.4 million, partially offset by a reduction in Mobility revenue from business customers of $0.4 million.

The increase in Mobility revenue, within our segments, consisted of the following:

- *International Telecom.* Within our International Telecom segment, Mobility revenue increased by $1.9 million, or 7.6%, to $26.9 million for the three months ended June 30, 2023 from $25.0 million for the three months ended June 30, 2022. The increase in Mobility revenue within this segment was recognized in all of our international markets and was attributable to an increase in revenue from consumers as a result of improved customer care, marketing strategies and network upgrades and expansions which led to an increase in subscribers and in equipment sales.

- *US Telecom*. Mobility revenue within our US Telecom segment decreased by $0.9 million, or 47.4%, to $1.0 million from $1.9 million for the three months ended June 30, 2023 and 2022, respectively. Substantially all of the decrease related to a decrease in revenue from consumers within our retail operations due to a decrease in subscribers.

Mobility revenue within our International Telecom segment may increase as a result of our marketing efforts to increase the number of our subscribers. However, increased competition may limit revenue growth from mobility services. We expect that Mobility revenue within our US Telecom segment will decrease over time as we put more emphasis on other revenue sources within that segment.

Fixed Revenue. Fixed revenue is primarily generated by broadband, voice, and video service revenues provided to retail and business customers over our wireline networks. Fixed revenue within our US Telecom segment also includes awards from the Connect America Fund Phase II program in the western United States and Alaska, as well as revenue from the Alaska Universal Service Fund. Within our International Telecom segment, Fixed revenue also includes funding under the FCC's High Cost Program in the US Virgin Islands.

Fixed revenue increased by $8.6 million, or 7.9%, to $118.0 million from $109.4 million for the three months ended June 30, 2023 and 2022, respectively. Of this increase, $4.0 million and $4.5 million relate to increases in revenue from business and consumer customers, respectively. The increase in Fixed revenue, within our segments, consisted of the following:

- *International Telecom*. Within our International Telecom segment, Fixed revenue increased by $1.4 million, or 2.4%, to $59.7 million from $58.3 million for the three months ended June 30, 2023 and 2022, respectively. Network upgrades and expansions, increased marketing activities and improved customer care led to an increase in fixed subscribers and equipment sales. Fixed subscriber and revenue growth resulted from an increase in the number of homes passed by high-speed data solutions which allowed us to migrate many legacy copper customers to more high-speed data services. This increase, however, was partially offset by the previously disclosed and scheduled $1.4 million reduction in revenue from the FCC's High Cost Program in the US Virgin Islands.

- *US Telecom*. Fixed revenue within our US Telecom segment increased by $7.1 million, or 13.9%, to $58.1 million from $51.0 million for the three months ended June 30, 2023 and 2022, respectively. This increase was primarily related to an increase in revenue from business customers in Alaska, the revenue impact of the Sacred Wind Transaction, and increases from our western United States operations.

Fixed revenue within our International Telecom segment may decrease as a result of a decrease in demand for our video services due to subscribers using alternative methods to receive video content. Such decreases, however, may be offset as a result of an increase in demand for broadband and other data services from consumers, businesses and government, driven by such trends as the popularity of video and audio streaming, demand for cloud services and smart home, business and city solutions as well as macro-economic and population growth in places like the Cayman Islands and Guyana.

Within our US Telecom segment, Fixed revenue is expected to increase as both our Alaska operations and our western United States operations, including the impact of the Sacred Wind Transaction, further deploy broadband access to both consumers and businesses.

Carrier Services Revenue. Carrier Services revenue is generated by both our International Telecom and US Telecom segments**.** Within our International Telecom segment, Carrier Services revenue includes international long-distance services, roaming revenues generated by other carriers' customers roaming into our retail markets, transport services and access services provided to other telecommunications carriers. Within our US Telecom segment, Carrier Services revenue includes services provided under the FirstNet Transaction, wholesale roaming revenues, the provision of network switching services, tower lease revenue and other services provided to other carriers.

Carrier Services revenue increased by $0.3 million, or 0.9%, to $35.5 million from $35.2 million for the three months ended June 30, 2023 and 2022, respectively. The increase, within our segments, consisted of the following:

- *International Telecom*. Within our International Telecom segment, Carrier Services revenue increased by $0.5 million, or 14.7%, to $3.9 million from $3.4 million for the three months ended June 30, 2023 and 2022, respectively, as a result of an increase in tourism, primarily within the US Virgin Islands and Bermuda, that resulted in an increase in roaming revenues.

- *US Telecom*. Carrier Services revenue within our US Telecom segment decreased by $0.2 million, or 0.6%, to $31.6 million from $31.8 million, for the three months ended June 30, 2023 and 2022, respectively. This decrease was the result of a decrease in our wholesale long-distance voice services business. Such decreases were partially offset by the impact of the Sacred Wind Transaction and an increase within our Alaska operations.

Within our International Telecom segment, Carrier Services revenue may continue to increase if tourism continues to move toward a return to pre-pandemic levels. However, within our International Telecom segment, Carrier Services revenue from our international long distance business in Guyana may decrease as consumers seek to use alternative technology services to place long-distance calls.

Within our US Telecom segment, Carrier Services revenue may increase as a result of recent carrier service management contracts and expected growth in offered services.

Other Communications Services Revenue. Other Communications Services revenue includes miscellaneous services that the operations within our International Telecom segment provide to retail subscribers. Other Communications Services revenue increased to $0.5 million from $0.4 million for the three months ended June 30, 2023 and 2022, respectively.

Construction Revenue

Construction revenue represents revenue generated within our US Telecom segment for the construction of network cell sites related to the FirstNet Agreement. During the three months ended June 30, 2023 and 2022, Construction revenue decreased to $1.0 million from $3.3 million, respectively, as a result of a decrease in the number of sites completed during 2023 as compared to 2022. We expect to substantially complete the build by the end of 2023 with the remainder to be completed in early 2024.

Other Revenue

Managed Services Revenue. Managed Services revenue is generated within both our International and US Telecom segments and includes network, application, infrastructure, and hosting services. Managed Services revenue decreased by $0.6 million, or 13.6%, to $3.8 million from $4.4 million for the three months ended June 30, 2023 and 2022, respectively.

International Telecom. Managed Services revenue in our International Telecom segment remained consistent at $1.2 million for the three months ended June 30, 2023 and 2022.

US Telecom. Within our US Telecom segment, Managed Services revenue decreased $0.5 million, or 15.6%, to $2.7 million from $3.2 million for the three months ended June 30, 2023 and 2022, respectively.

Managed Services revenue may increase in both our US and International Telecom segments as a result of our continued effort to sell certain Managed Services solutions to both our consumer and business customers in all of our markets.

Operating Expenses

Cost of communication services and other. Cost of communication services and other are charges that we incur for voice and data transport circuits (in particular, the circuits between our Mobility sites and our switches), internet capacity, video programming costs, access fees we pay to terminate our calls, telecommunication spectrum fees and direct costs associated within our managed services businesses. These costs also include expenses associated with developing, operating, upgrading and supporting our telecommunications networks, including the salaries and benefits paid to employees directly involved in the development and operation of those businesses, as well as credit loss allowances and the cost of handsets and customer resale equipment incurred by our retail businesses.

Cost of communication services and other decreased by $0.2 million, or 0.3%, to $77.7 million from $77.9 million for the three months ended June 30, 2023 and 2022, respectively. The net decrease in cost of communication services and other, within our segments, consisted of the following:

- *International Telecom.* Within our International Telecom segment, cost of communication services and other decreased by $0.4 million, or 1.1%, to $34.5 million from $34.9 million, for the three months ended June 30, 2023 and 2022, respectively. This decrease was the result of decreases in credit loss allowances and in equipment expenses.
- *US Telecom*. Cost of communication services and other within our US Telecom segment increased by $0.3 million, or 0.7%, to $43.3 million from $43.0 million for the three months ended June 30, 2023 and 2022, respectively. Such increase was primarily related to an increase in direct costs in Alaska to support revenue growth and the impact of the Sacred Wind Transaction. These increases were partially offset by reductions in our wholesale long-distance voice services business as a result of decreases in that operation's revenues.

Cost of communication services and other may increase within our International Telecom segment due to an expected increase in roaming costs if tourism continues to return to pre-pandemic levels. Within the US Telecom segment, these expenses are expected to increase in connection with our expected increase in fixed revenue, and anticipated expenses in connection with our performance related to the construction phase of our FirstNet Transaction which is expected to be substantially completed in 2023. In addition, cost of services may increase as a result of continued inflationary pressure.

Cost of construction revenue. Cost of construction revenue includes the expenses incurred in connection with the construction of and the delivery to AT&T of cell sites in accordance with our FirstNet Agreement. During the three months ended June 30, 2023 and 2022, cost of construction revenue decreased to $1.0 million from $3.3 million as a result of a decrease in the number of sites completed during 2023 as compared to 2022. We expect to substantially complete the build by the end of 2023 with the remainder to be completed in early 2024.

Selling, general and administrative expenses. Selling, general and administrative expenses include salaries and benefits we pay to sales personnel, customer service expenses and the costs associated with the development and implementation of our promotional and marketing campaigns. Selling, general and administrative expenses also include salaries, benefits and related costs for general corporate functions including executive management, finance and administration, legal and regulatory, facilities, information technology and human resources as well as internal costs associated with our performance of due-diligence and integration related costs associated with acquisition activities.

Selling, general and administrative expenses increased by $5.3 million, or 9.4%, to $61.9 million from $56.6 million for the three months ended June 30, 2023 and 2022, respectively. The net increase in selling, general and administrative expenses, within our segments, consisted of the following:

- *International Telecom*. Within our International Telecom segment, our selling, general and administrative expenses increased by $2.2 million, or 8.4%, to $28.4 million from $26.2 million for the three months ended June 30, 2023 and 2022, respectively. This increase was incurred within all of our international markets primarily as a result of an increase in our sales and marketing capabilities to support the expansion of our subscriber base.

- *US Telecom*. Selling, general and administrative expenses increased within our US Telecom segment by $3.3 million, or 13.7%, to $27.4 million from $24.1 million, for the three months ended June 30, 2023 and 2022, respectively. This increase was primarily related to expenses to support the operations from the Sacred Wind Transaction and an increase in sales and marketing efforts in our Alaska operations which helped drive the increase in that operation's revenues.

- *Corporate Overhead.* Selling, general and administrative expenses within our corporate overhead decreased by $0.1 million, or 1.6%, to $6.2 million from $6.3 million, for the three months ended June 30, 2023 and 2022, respectively, as a result of a decrease in professional fees incurred.

Selling, general and administrative expenses may increase in our international telecom segment to support our expanded operations. Within the US Telecom segment, we expect an increase in these costs as a result of the Sacred Wind Transaction, our commitments under the Cares Act funding and other network expansions in Alaska and the southwest US. Our Corporate Overhead segment may also experience an increase in these expenses to support our recent acquisitions and expanding operations. In addition, selling, general, and administrative expenses may increase as a result of continued inflationary pressure, issues facing the global supply chain and geopolitical uncertainty.

Stock-based compensation. Stock-based compensation represents a non-cash expense related to the amortization of the grants of equity awards to employees and directors.

Stock-based compensation for the three months ended June 30, 2023 and 2022 was $2.7 million and $2.6 million, respectively.

Transaction-related charges. Transaction-related charges include the external costs, such as legal, tax, accounting and consulting fees directly associated with acquisition and disposition-related activities, which are expensed as incurred. Transaction-related charges also include certain internal personnel costs incurred as a result of the completion of an acquisition or disposition. Transaction-related charges do not include employee salary and travel-related expenses, incurred in connection with acquisitions or dispositions or any integration-related costs.

We incurred $0.4 million of transaction-related charges during the three months ended June 30, 2023 and 2022.

Restructuring expenses. In connection with our repositioning of our legacy wholesale roaming operations in our US Telecom segment, we recorded a $0.4 million restructuring charge during the three months ended June 30, 2023 primarily related to the decommissioning of certain cell sites.

Depreciation and amortization expenses. Depreciation and amortization expenses represent the depreciation and amortization charges we record on our property and equipment.

Depreciation and amortization expenses increased by $2.4 million, or 7.1%, to $36.2 million from $33.8 million for the three months ended June 30, 2023 and 2022, respectively. The net increase in depreciation and amortization expenses, within our segments, consisted primarily of the following:

- *International Telecom*. Depreciation and amortization expenses decreased within our International Telecom segment by $1.0 million, or 6.6%, to $14.1 million from $15.1 million, for the three months ended June 30, 2023 and 2022, respectively, as a result of certain assets becoming fully depreciated in recent periods.

- *US Telecom*. Depreciation and amortization expenses increased within our US Telecom segment by $3.6 million, or 20.2%, to $21.4 million from $17.8 million, for the three months ended June 30, 2023 and 2022, respectively, primarily as a result of the impact of the Sacred Wind Transaction, which was completed in November 2022, and the depreciation expense recorded on recent capital expenditures.

- *Corporate Overhead*. Depreciation and amortization expenses decreased within our corporate overhead by $0.3 million, or 30.0%, to $0.7 million from $1.0 million, for the three months ended June 30, 2023 and 2022, respectively, primarily as a result of certain assets becoming fully depreciated in recent periods.

We expect depreciation and amortization expense to increase within our International Telecom and US Telecom segments as we acquire tangible assets to expand or upgrade our telecommunications networks.

Amortization of intangibles from acquisitions. Amortization of intangibles from acquisitions include the amortization of customer relationships and trade names related to our completed acquisitions.

Amortization of intangibles from acquisitions decreased by $0.2 million to $3.1 million from $3.3 million for the three months ended June 30, 2023 and 2022, respectively.

We expect that amortization of intangibles from acquisitions will decrease as such costs continue to amortize.

Loss on disposition of long-lived assets. During the three months ended June 30, 2023, we recorded a loss on the disposition of long-lived assets of $0.4 million within our US Telecom segment.

During the three months ended June 30, 2022, we recorded a nominal gain on the disposal of certain assets within our US Telecom operations.

Interest income. Interest income represents interest earned on our cash, cash equivalents, restricted cash and short-term investment balances. Interest income was a nominal amount for both the three months ended June 30, 2023 and 2022.

Interest expense. We incur interest expense on the 2019 CoBank Credit Facility, the Alaska Credit and Term Facilities, the Viya Debt, the One Communications Debt and the Receivables Credit Facility. Interest expense for the three months ended June 30, 2023 also includes interest expense on the Sacred Wind Term Debt and the GTT Credit Facilities (each as defined below). Previously, we also incurred interest expense on the One Communications Debt, which matured on December 22, 2022. In addition, interest expense includes commitment fees, letter of credit fees and the amortization of debt issuance costs.

Interest expense increased to $10.4 million from $4.2 million for the three months ended June 30, 2023 and 2022, respectively, as additional interest expense was incurred as a result an increase in borrowings under our credit facilities, the inclusion of Sacred Wind Term Debt and the GTT Credit Facilities in 2023, as well as an increase in interest rates on all floating-rate borrowings.

Interest expense may increase in future periods as a result of increased interest rates and borrowings.

Other income (expenses). For the three months ended June 30, 2023, other income (expenses) was $2.2 million of income primarily related to gains from our noncontrolling investments.

For the three months ended June 30, 2022, other income (expenses) was $2.7 million of expense primarily related to expenses associated with certain employee benefit plans, losses from our noncontrolling investments and losses on foreign currency transactions.

Income taxes. Our effective tax rate for the three months ended June 30, 2023 and 2022 was 88.5% and 75.2 % respectively.

We recorded an income tax benefit of $5.1 million in relation to a pretax loss of $5.7 million for the three months ended June 30, 2023. The effective tax rate for the three months ended June 30, 2023 was primarily impacted by the following items (i) the mix of income generated among the jurisdictions in which we operate, (ii) net expense related to valuation allowances placed on certain deferred tax assets that are not expected to be realizable based on the weight of positive and negative evidence and (iii) discrete items including a $4.0 million benefit from the reversal of an unrecognized tax position due to a statute of limitations expiration and a $0.7 million expense for interest on unrecognized tax positions.

We recorded an income tax benefit of $4.0 million in relation to a pre-tax loss of $5.3 million for the three months ended June 30, 2022. The effective tax rate for the three months ended June 30, 2022 was primarily impacted by the following items (i) the mix of income generated among the jurisdictions in which we operate and (ii) discrete items including a $3.3 million benefit from the reversal of an unrecognized tax position due to a statute of limitations expiration and a $0.3 million expense for interest on unrecognized tax positions.

Our effective tax rate is based upon estimated income before provision for income taxes for the year, composition of the income in different countries, and adjustments, if any, in the applicable quarterly periods for potential tax consequences, benefits and/or resolutions of tax contingencies. Our consolidated tax rate will continue to be impacted by any transactional or one-time items in the future and the mix of income in any given year generated among the jurisdictions in which we operate. While we believe we have adequately provided for all tax positions, amounts asserted by taxing authorities could materially differ from our accrued positions as a result of uncertain and complex applications of tax law and regulations. Additionally, the recognition and measurement of certain tax benefits include estimates and judgments by management. Accordingly, we could record additional provisions or benefits for US federal, state, and foreign tax matters in future periods as new information becomes available.

Net loss attributable to noncontrolling interests, net of tax. Net loss attributable to noncontrolling interests, net of tax reflected an allocation of losses of $1.4 million and $0.8 million generated by our less than wholly owned subsidiaries for the three months ended June 30, 2023 and 2022, respectively. Changes in net income attributable to noncontrolling interests, net of tax, within our segments, consisted of the following:

- *International Telecom*. Within our International Telecom segment, net income (loss) attributable to noncontrolling interests, net of tax increased by $1.1 million, or 122.2%, to an allocation of $2.0 million of income from an allocation of $0.9 million of income for the three months ended June 30, 2023 and 2022, respectively, primarily as a result of increased profitability at certain less than wholly owned subsidiaries within this segment.

- *US Telecom*. Within our US Telecom segment, net loss attributable to noncontrolling interests, net of tax increased by $1.8 million, or 105.9%, to an allocation of losses of $3.5 million from an allocation of losses of $1.7 million for the three months ended June 30, 2023 and 2022, respectively, as a result of increased losses at our less than wholly owned subsidiaries within this segment.

Net income (loss) attributable to ATN International, Inc. stockholders. Net income (loss) attributable to ATN International, Inc. stockholders was income of $0.8 million for the three months ended June 30, 2023 as compared to a loss of $0.5 million for the three months ended June 30, 2022.

On a per share basis, net loss was $0.03 per share for the three months ended June 30, 2023 as compared to $0.11 per share for the three months ended June 30, 2022. Such per share amounts were negatively impacted by accrued preferred dividends of $1.3 million and $1.2 million for the three months ended June 30, 2023 and 2022, respectively.

Selected Segment Financial Information

The following represents selected segment information for the six months ended June 30, 2023 and 2022 (in thousands):

For the Six Months Ended June 30, 2023	International Telecom	US Telecom	Corporate and Other (1)	Consolidated
Revenue				
Communication Services				
Mobility - Business	$ 7,083	$ 286	$ —	$ 7,369
Mobility - Consumer	45,880	1,850	—	47,730
Total Mobility	52,963	2,136	—	55,099
Fixed - Business	34,327	71,814	—	106,141
Fixed - Consumer	84,236	45,190	—	129,426
Total Fixed	118,563	117,004	—	235,567
Carrier Services	7,570	63,660	—	71,230
Other	848	139	—	987
Total Communication Services Revenue	179,944	182,939	—	362,883
Construction	—	1,610	—	1,610
Other				
Managed Services	2,445	5,276	—	7,721
Total Other Revenue	2,445	5,276	—	7,721
Total Revenue	182,389	189,825	—	372,214
Operating income (loss)	28,377	(6,737)	(18,566)	3,074

For the Six Months Ended June 30, 2022				
	International Telecom	US Telecom	Corporate and Other (1)	Consolidated
Revenue				
Communication Services				
Mobility - Business	$ 7,291	$ 674	$ —	$ 7,965
Mobility - Consumer	41,249	3,006	—	44,255
Total Mobility	48,540	3,680	—	52,220
Fixed - Business	34,250	59,011	—	93,261
Fixed - Consumer	82,446	38,136	—	120,582
Total Fixed	116,696	97,147	—	213,843
Carrier Services	6,823	64,742	—	71,565
Other	710	—	—	710
Total Communication Services Revenue	172,769	165,569	—	338,338
Construction	—	5,283	—	5,283
Other				
Managed Services	2,422	5,474	—	7,896
Total Other Revenue	2,422	5,474	—	7,896
Total Revenue	175,191	176,326	—	351,517
Operating income (loss)	23,450	(4,914)	(16,703)	1,833

(1) Reconciling items refer to corporate overhead costs and consolidating adjustments.

A comparison of our segment results for the six months ended June 30, 2023, and 2022 is as follows:

International Telecom. Revenues within our International Telecom segment increased $7.2 million, or 4.1%, to $182.4 million from $175.2 million for the six months ended June 30, 2023 and 2022, respectively, as a result of improved customer care, marketing strategies and network upgrades and expansions which led to an increase in mobile subscribers and equipment sales as well as fixed subscriber growth including an increase in the number of homes passed by high-speed data solutions which allowed us to migrate many legacy copper customers to more durable fiber services. In addition, our US Virgin Islands and Bermuda markets recognized growth in Carrier Services revenue as a result of increased roaming revenues due to an increase in tourism in those markets. These increases, however, were partially offset by the scheduled $2.8 million reduction in federal high-cost support revenues in the US Virgin Islands.

Operating expenses within our International Telecom segment increased by $2.3 million, or 1.5%, to $154.0 million from $151.7 million for the six months ended June 30, 2023 and 2022, respectively. The increase was primarily the result of an increase in equipment expenses and retail and marketing costs.

As a result, our International Telecom segment's operating income increased $4.9 million, or 20.9%, to $28.4 million from $23.5 million for the six months ended June 30, 2023 and 2022, respectively.

US Telecom. Revenue within our US Telecom segment increased by $13.5 million, or 7.7%, to $189.8 million from $176.3 million for the six months ended June 30, 2023 and 2022, respectively. Increases in revenue from business customers within our Alaska subsidiary and the revenue impact of the Sacred Wind Transaction were partially offset by a reduction in construction revenue related to the FirstNet Transaction, reduction in roaming revenue due to the restructuring of certain carrier contracts in our western United States operations, and a reduction in our international long-distance service revenues.

Operating expenses within our US Telecom segment increased $15.3 million, or 8.4%, to $196.5 million from $181.2 million for the six months ended June 30, 2023 and 2022, respectively, as a result of increases in expenses being incurred to support the increased revenues within our Alaska operations and the impact of the Sacred Wind Transaction partially offset by the decrease in FirstNet construction costs as fewer sites were completed in 2023 as compared to 2022 and a reduction in costs related to our wholesale long-distance business as a result of its decrease in revenues.

As a result of the above, our US Telecom segment's operating loss increased by $1.8 million, or 36.7%, to a loss of $6.7 million from a loss of $4.9 million for the six months ended June 30, 2023 and 2022, respectively.

The following represents a year over year discussion and analysis of our results of operations for the six months ended June 30, 2023 and 2022 (in thousands):

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022	Amount of Increase (Decrease)	Percent Increase (Decrease)
REVENUE:				
Communication services	$ 362,883	$ 338,338	$ 24,545	7.3 %
Construction	1,610	5,283	(3,673)	(69.5)
Other	7,721	7,896	(175)	(2.2)
Total revenue	372,214	351,517	20,697	5.9
OPERATING EXPENSES (*excluding depreciation and amortization unless otherwise indicated*):				
Cost of communication services and other	156,759	150,871	5,888	3.9
Cost of construction revenue	1,604	5,319	(3,715)	(69.8)
Selling, general and administrative	123,262	111,491	11,771	10.6
Stock-based compensation	4,517	4,028	489	12.1
Transaction-related charges	451	966	(515)	(53.3)
Restructuring charges	3,257	—	3,257	100.0
Depreciation and amortization	72,621	67,109	5,512	8.2
Amortization of intangibles from acquisitions	6,391	6,508	(117)	(1.8)
Loss on disposition of long-lived assets	278	3,392	(3,114)	(91.8)
Total operating expenses	369,140	349,684	19,456	5.6
Income (loss) from operations	3,074	1,833	1,241	67.7
OTHER INCOME (EXPENSE):				
Interest income	227	3	224	7,466.7
Interest expense	(19,256)	(7,593)	(11,663)	153.6
Other income	2,411	1,474	937	63.6
Other expense, net	(16,618)	(6,116)	(10,502)	171.7
INCOME (LOSS) BEFORE INCOME TAXES	(13,544)	(4,283)	(9,261)	216.2
Income tax benefit	(5,827)	(1,018)	(4,809)	472.4
NET INCOME (LOSS)	(7,717)	(3,265)	(4,452)	136.4
Net (income) loss attributable to noncontrolling interests, net of tax:	2,599	1,794	805	44.9
NET INCOME (LOSS) ATTRIBUTABLE TO ATN INTERNATIONAL, INC. STOCKHOLDERS	$ (5,118)	$ (1,471)	$ (3,647)	247.9 %

Communications Services Revenue

Mobility Revenue. Mobility revenue increased by $2.9 million, or 5.6%, to $55.1 million for the six months ended June 30, 2023 from $52.2 million for the six months ended June 30, 2022. Of this increase, Mobility revenue from consumer customers increased by $3.5 million, partially offset by a reduction in Mobility revenue from business customers of $0.6 million.

The increase in Mobility revenue, within our segments, consisted of the following:

- *International Telecom.* Within our International Telecom segment, Mobility revenue increased by $4.4 million, or 9.1%, to $52.9 million for the six months ended June 30, 2023 from $48.5 million for the six months ended June 30, 2022. The increase in Mobility revenue within this segment was recognized in all of our international markets and was attributable to an increase in revenue from consumers as a result of improved retail and marketing strategies which led to an increase in subscribers and in equipment sales.

- *US Telecom*. Mobility revenue within our US Telecom segment decreased by $1.6 million, or 43.2%, to $2.1 million from $3.7 million for the six months ended June 30, 2023 and 2022, respectively. Substantially all of the decrease related to a decrease in revenue from consumers within our retail operations due to a decrease in subscribers as we continue put more emphasis on other revenue sources within this segment.

Fixed Revenue. Fixed revenue increased by $21.8 million, or 10.2%, to $235.6 million from $213.8 million for the six months ended June 30, 2023 and 2022, respectively. Of this increase, $13.1 million and $8.9 million relate to increases in revenue from business and consumer customers, respectively. The increase in Fixed revenue, within our segments, consisted of the following:

- *International Telecom*. Within our International Telecom segment, Fixed revenue increased by $1.9 million, or 1.6%, to $118.6 million from $116.7 million for the six months ended June 30, 2023 and 2022, respectively. This increase was a result of improved customer care, marketing strategies and network upgrades and expansions which led to an increase in subscribers and the number of homes passed by high-speed data solutions which allowed us to migrate many legacy copper customers to more durable fiber services. This increase was partially offset by the previously disclosed and scheduled $2.8 million reduction in revenue from the FCC's High Cost Program in the US Virgin Islands.

- *US Telecom*. Fixed revenue within our US Telecom segment increased by $19.9 million, or 20.5%, to $117.0 million from $97.1 million for the six months ended June 30, 2023 and 2022, respectively. This increase was primarily related to an increase in revenue from business customers in Alaska and the revenue impact of the Sacred Wind Transaction.

Carrier Services Revenue. Carrier Services revenue decreased by $0.4 million, or 0.6%, to $71.2 million from $71.6 million for the six months ended June 30, 2023 and 2022, respectively. The decrease, within our segments, consisted of the following:

- *International Telecom*. Within our International Telecom segment, Carrier Services revenue increased by $0.8 million, or 11.8%, to $7.6 million, from $6.8 million for the six months ended June 30, 2023 and 2022, respectively, as a result of an increase in tourism, primarily within the US Virgin Islands and Bermuda, that resulted in an increase in roaming revenues.

- *US Telecom*. Carrier Services revenue within our US Telecom segment decreased by $1.0 million, or 1.5%, to $63.7 million from $64.7 million, for the six months ended June 30, 2023 and 2022, respectively. This decrease was the result of a decrease in revenues from our wholesale long-distance voice services business and also within our western United States operations, primarily as a result of the restructure of certain carrier contracts. Such decreases were partially offset by the impact of the Sacred Wind Transaction.

Other Communications Services Revenue. Other Communications Services revenue includes miscellaneous services that the operations within our International Telecom segment provide to retail subscribers. Other Communications Services revenue increased to $1.0 million from $0.7 million for the six months ended June 30, 2023 and 2022, respectively.

Construction Revenue

During the six months ended June 30, 2023 and 2022, Construction revenue decreased to $1.6 million from $5.3 million, respectively, as a result of a decrease in the number of sites completed during 2023 as compared to 2022.

Other Revenue

Managed Services Revenue. Managed Services revenue is generated within both our International and US Telecom segments and includes network, application, infrastructure, and hosting services. Managed Services revenue decreased by $0.2 million, or 2.5%, to $7.7 million from $7.9 million for the six months ended June 30, 2023 and 2022, respectively.

International Telecom. Managed Services revenue in our International Telecom segment remained consistent at $2.4 million for the six months ended June 30, 2023 and 2022.

US Telecom. Within our US Telecom segment, Managed Services revenue decreased $0.2 million, or 3.6%, to $5.3 million from $5.5 million for the six months ended June 30, 2023 and 2022, respectively.

Operating Expenses

Cost of communication services and other. Cost of communication services and other are charges that we incur for voice and data transport circuits (in particular, the circuits between our Mobility sites and our switches), internet capacity, video programming costs, access fees we pay to terminate our calls, telecommunication spectrum fees and direct costs associated within our managed services businesses. These costs also include expenses associated with developing, operating, upgrading and supporting our telecommunications networks, including the salaries and benefits paid to employees directly involved in the development and operation of those businesses, as well as credit loss allowances and the cost of handsets and customer resale equipment incurred by our retail businesses.

Cost of communication services and other increased by $5.9 million, or 3.9%, to $156.8 million from $150.9 million for the six months ended June 30, 2023 and 2022, respectively. The net increase in cost of communication services and other, within our segments, consisted of the following:

- *International Telecom.* Within our International Telecom segment, cost of communication services and other decreased by $0.4 million, or 0.6%, to $68.7 million from $69.1 million, for the six months ended June 30, 2023 and 2022, respectively. This decrease was the result of decreases in credit loss allowances and in equipment expenses.

- *US Telecom*. Cost of communication services and other within our US Telecom segment increased by $5.9 million, or 7.2%, to $88.3 million from $82.4 million for the six months ended June 30, 2023 and 2022, respectively. Such increase was primarily related to an increase in direct costs in Alaska to support revenue growth and the impact of the Sacred Wind Transaction. These increases were partially offset by reductions in our wholesale long-distance voice services business as a result of decreases in that operation's revenues.

Cost of construction revenue. During the six months ended June 30, 2023 and 2022, cost of construction revenue decreased to $1.6 million from $5.3 million as a result of a decrease in the number of sites completed during 2023 as compared to 2022. We expect to substantially complete the build by the end of 2023 with the remainder to be completed in early 2024.

Selling, general and administrative expenses. Selling, general and administrative expenses include salaries and benefits we pay to sales personnel, customer service expenses and the costs associated with the development and implementation of our promotional and marketing campaigns. Selling, general and administrative expenses also include salaries, benefits and related costs for general corporate functions including executive management, finance and administration, legal and regulatory, facilities, information technology and human resources as well as internal costs associated with our performance of due-diligence and integration related costs associated with acquisition activities.

Selling, general and administrative expenses increased by $11.8 million, or 10.6%, to $123.3 million from $111.5 million for the six months ended June 30, 2023 and 2022, respectively. The net increase in selling, general and administrative expenses, within our segments, consisted of the following:

- *International Telecom*. Within our International Telecom segment, our selling, general and administrative expenses increased by $4.4 million, or 8.5%, to $56.1 million from $51.7 million for the six months ended June 30, 2023 and 2022, respectively. This increase was incurred within all of our international markets primarily as a result of an increase in our sales and marketing capabilities to support the expansion of our subscriber base.

- *US Telecom*. Selling, general and administrative expenses increased within our US Telecom segment by $6.1 million, or 12.7%, to $54.3 million from $48.2 million, for the six months ended June 30, 2023 and 2022, respectively. This increase was primarily related to expenses to support the operations from the Sacred Wind Transaction and an increase in sales and marketing efforts in our Alaska operations which helped drive the increase in that operation's revenues.

- *Corporate Overhead.* Selling, general and administrative expenses within our corporate overhead increased by $1.2 million, or 10.3%, to $12.9 million from $11.7 million, for the six months ended June 30, 2023 and 2022, respectively, primarily related to the support needed for our recent acquisitions and expanded operations.

Stock-based compensation. Stock-based compensation for the six months ended June 30, 2023 and 2022 was $4.5 million and $4.0 million, respectively.

Transaction-related charges. We incurred $0.5 million and $1.0 million of transaction-related charges during the six months ended June 30, 2023 and 2022.

Restructuring expenses. In connection with our repositioning of our legacy wholesale roaming operations in our US Telecom segment, we recorded a $3.3 million restructuring charge during the six months ended June 30, 2023 primarily related to the decommissioning of certain cell sites.

Depreciation and amortization expenses. Depreciation and amortization expenses increased by $5.5 million, or 8.2%, to $72.6 million from $67.1 million for the six months ended June 30, 2023 and 2022, respectively. The net increase in depreciation and amortization expenses, within our segments, consisted primarily of the following:

- *International Telecom*. Depreciation and amortization expenses decreased within our International Telecom segment by $0.7 million, or 2.4%, to $28.3 million from $29.0 million, for the six months ended June 30, 2023 and 2022, respectively, primarily as a result of certain assets becoming fully depreciated in recent periods.

- *US Telecom*. Depreciation and amortization expenses increased within our US Telecom segment by $6.7 million, or 18.5%, to $42.9 million from $36.2 million, for the six months ended June 30, 2023 and 2022, respectively, primarily as a result of the impact of the Sacred Wind Transaction, which was completed in November 2022, and the depreciation expense recorded on recent capital expenditures.

- *Corporate Overhead*. Depreciation and amortization expenses decreased within our corporate overhead by $0.5 million, or 26.3%, to $1.4 million from $1.9 million, for the six months ended June 30, 2023 and 2022, respectively, primarily as a result of certain assets becoming fully depreciated in recent periods.

Amortization of intangibles from acquisitions. Amortization of intangibles from acquisitions decreased by $0.1 million to $6.4 million from $6.5 million for the six months ended June 30, 2023 and 2022, respectively.

We expect that amortization of intangibles from acquisitions will decrease as such costs continue to amortize.

Loss on disposition of long-lived assets. During the six months ended June 30, 2023, we recorded a loss on the disposition of long-lived assets of $0.3 million within our US Telecom segment.

During the six months ended June 30, 2022, we recorded a loss on the disposition of long-lived assets of $3.4 million. Of this amount, $2.4 million was incurred in our US Telecom segment relating to the disposal of certain assets while $1.0 million was incurred in our International Telecom segment as a result of the modification of agreements for the use of other certain assets.

Interest income. Interest income was a nominal amount for both the six months ended June 30, 2023 and 2022.

Interest expense. We incur interest expense on the 2019 CoBank Credit Facility, the Alaska Credit and Term Facilities, the Viya Debt, the One Communications Debt and the Receivables Credit Facility. During 2023, interest expense also includes interest expense on the Sacred Wind Term Debt and the GTT Credit Facilities (each as defined below). We also incurred interest expense on the One Communications Debt, which matured on December 22, 2022. In addition, interest expense also includes commitment fees, letter of credit fees and the amortization of debt issuance costs.

Interest expense increased to $19.3 million from $7.6 million for the six months ended June 30, 2023 and 2022, respectively, as additional interest expense was incurred as a result an increase in borrowings under our credit facilities, the inclusion of Sacred Wind Term Debt and the GTT Credit Facilities in 2023, as well as an increase in interest rates on all floating-rate borrowings.

Other income (expenses). For the six months ended June 30, 2023, other income (expenses) was $2.4 million of income primarily related to gains from our noncontrolling investments.

For the six months ended June 30, 2022, other income (expenses) was $1.5 million of income primarily related to gains from our noncontrolling investments partially offset by increased expenses associated with certain employee benefit plans and losses on foreign currency transactions.

Income taxes. Our effective tax rate for the six months ended June 30, 2023 and 2022 was 43.0% and 23.8%, respectively.

We recorded an income tax benefit of $5.8 million in relation to a pretax loss of $13.5 million for the six months ended June 30, 2023. The effective tax rate for the six months ended June 30, 2023 was primarily impacted by the following items (i) the mix of income generated among the jurisdictions in which we operate, (ii) net expense related to valuation allowances placed on certain deferred tax assets that are not expected to be realizable based on the weight of positive and negative evidence and (iii) discrete items including a $4.0 million benefit from the reversal of an unrecognized tax position due to a statute of limitations expiration, and a $1.3 million expense for interest on unrecognized tax positions.

We recorded an income tax benefit of $1.0 million in relation to a pretax loss of $4.3 million for the six months ended June 30, 2022. The effective tax rate for the six months ended June 30, 2022 was primarily impacted by the following items (i) the mix of income generated among the jurisdictions in which we operate, (ii) a $2.1 million net expense recognized discretely to record a valuation allowance on certain deferred tax assets that are not expected to be realizable based on the weight of positive and negative evidence and (iii) discrete items including a $3.3 million benefit from the reversal of an unrecognized tax position due to a statute of limitations expiration, and a $0.8 million expense for interest on unrecognized tax positions.

Our effective tax rate is based upon estimated income before provision for income taxes for the year, composition of the income in different countries, and adjustments, if any, in the applicable quarterly periods for potential tax consequences, benefits and/or resolutions of tax contingencies. Our consolidated tax rate will continue to be impacted by any transactional or one-time items in the future and the mix of income in any given year generated among the jurisdictions in which we operate. While we believe we have adequately provided for all tax positions, amounts asserted by taxing authorities could materially differ from our accrued positions as a result of uncertain and complex applications of tax law and regulations. Additionally, the recognition and measurement of certain tax benefits include estimates and judgments by management. Accordingly, we could record additional provisions or benefits for US federal, state, and foreign tax matters in future periods as new information becomes available.

Net loss attributable to noncontrolling interests, net of tax. Net loss attributable to noncontrolling interests, net of tax reflected an allocation of losses of $2.6 million and $1.8 million generated by our less than wholly owned subsidiaries for the six months ended June 30, 2023 and 2022, respectively. Changes in net loss attributable to noncontrolling interests, net of tax, within our segments, consisted of the following:

- *International Telecom*. Within our International Telecom segment, net income (loss) attributable to noncontrolling interests, net of tax increased by $1.5 million, or 62.5%, to an allocation of $3.9 million of income from an allocation of $2.4 million of income for the six months ended June 30, 2023 and 2022, respectively, primarily as a result of increased profitability at certain less than wholly owned subsidiaries within this segment.

- *US Telecom*. Within our US Telecom segment, net loss attributable to noncontrolling interests, net of tax increased by $2.3 million, or 54.8%, to an allocation of losses of $6.5 million from an allocation of losses of $4.2 million for the six months ended June 30, 2023 and 2022, respectively, as a result of increased losses at our less than wholly owned subsidiaries within this segment.

Net loss attributable to ATN International, Inc. stockholders. Net loss attributable to ATN International, Inc. stockholders was $5.1 million for the six months ended June 30, 2023 as compared to $1.5 million for the six months ended June 30, 2022.

On a per diluted share basis, net loss was a loss of $0.48 per diluted share for the six months ended June 30, 2023 as compared to a loss of $0.24 per diluted share for the six months ended June 30, 2022. Such per share amounts were negatively impacted by accrued preferred dividends of $2.3 million for the six months ended June 30, 2023 and 2022, respectively.

Regulatory and Tax Issues

We are involved in several regulatory and tax proceedings. A material and adverse outcome in one or more of these proceedings could have a material adverse impact on our financial condition and future operations. For a discussion of ongoing proceedings, see Note 14 of the Consolidated Financial Statements in this Report.

Liquidity and Capital Resources

Historically, we have met our operational liquidity needs and have funded our capital expenditures and acquisitions through a combination of cash-on-hand, internally generated funds, proceeds from dispositions, borrowings under our credit facilities and seller financings. We believe our current cash, cash equivalents, short term investments and availability under our current credit facilities will be sufficient to meet our cash needs for at least the next twelve months for working capital needs and capital expenditures.

Total liquidity. As of June 30, 2023, we had approximately $67.2 million in cash, cash equivalents, and restricted cash. Of this amount, $27.7 million was held by our foreign subsidiaries and is indefinitely invested outside the United States. In addition, we had approximately $528.6 million of debt, net of unamortized deferred financing costs, as of June 30, 2023. How and when we deploy our balance sheet capacity will figure prominently in our longer-term growth prospects and stockholder returns.

Uses of Cash

Acquisitions and investments. We have historically funded our acquisitions with a combination of cash-on-hand, borrowings under our credit facilities as well as equity investor and seller financings.

Sacred Wind Transaction. On November 7, 2022, we assumed $31.6 million of debt in connection with the Sacred Wind Transaction. See *Acquisition of Sacred Wind Enterprises.*

We continue to explore opportunities to expand our telecommunications business or acquire new businesses in the United States, the Caribbean and elsewhere. Such acquisitions may require external financing. While there can be no assurance as to whether, when or on what terms we will be able to acquire any such businesses or make such investments, such acquisitions may be completed through the issuance of shares of our capital stock, payment of cash or incurrence of additional debt. From time to time, we may raise capital ahead of any definitive use of proceeds to allow us to move more quickly and opportunistically if an attractive investment materializes.

Cash used in investing activities. Cash used in investing activities was $95.6 million and $74.7 million for the six months ended June 30, 2023 and 2022, respectively. The net increase in cash used for investing activities of $20.9 million was primarily the result of an increase in capital expenditures of $21.3 million, which includes an increase in reimbursable capital expenditures under certain government programs of $3.1 million. During 2023, we also received $1.8 million as an adjustment to the Vibrant Transaction and $1.3 million, during 2022, related to adjustment to the Sacred Wind Transaction.

Cash provided by financing activities. Cash provided by financing activities increased by $27.4 million to $42.8 million from $15.4 million for the three months ended June 30, 2023 and 2022, respectively. This increase was primarily related to an increase in borrowings, net of repayments, under our credit facilities of $32.2 million and a $3.7 million reduction in cash used to repurchase non-controlling interests in certain less than wholly-owned subsidiaries. These increases in cash provided by financing activities were partially offset by a reduction in borrowings, net of repayments under our customer receivable credit facility of $1.0 million and a $1.3 million increase in dividends paid on our common stock.

Working Capital. Historically, we have internally funded our working capital needs. Pursuant to the FirstNet Agreement, AT&T has the option to repay construction costs, with interest, over an eight-year period. To fund the working capital needs created by AT&T's option to extend its payment terms, we completed the Receivables Credit Facility, as discussed below, on March 26, 2020.

Capital expenditures. Historically, a significant use of our cash has been for capital expenditures to expand and upgrade our telecommunications networks and business support systems.

For the six months ended June 30, 2023 and 2022, we spent approximately $96.4 million and $75.1 million, respectively, on capital expenditures relating to our telecommunications networks and business support systems of which $7.0 million and $3.9 million, respectively, are reimbursable under various government programs. The following notes our capital expenditures, by operating segment, for these periods (in thousands):

Six months ended June 30,	Capital Expenditures International Telecom	US Telecom	Corporate and Other (1)	Consolidated
2023	$ 38,906	$ 57,531	$ —	$ 96,437
2022	33,870	40,804	424	75,098

(1) Corporate and other items refer to corporate overhead costs and consolidating adjustments.

We are continuing to invest in our telecommunication networks along with our operating and business support systems in many of our markets. For the year ended December 31, 2023, such investments are expected to total approximately $160 million to $170 million, net of reimbursable amounts, and will primarily relate to network expansion and upgrades which are expected to further drive subscriber and revenue growth in future periods.

Income taxes. We have historically used cash-on-hand to make payments for income taxes. Our policy is to allocate capital where we believe we will get the best returns and to date has been to indefinitely reinvest the undistributed earnings of our foreign subsidiaries. As we continue to reinvest our remaining foreign earnings, no additional provision for income taxes has been made on the accumulated earnings of foreign subsidiaries.

Dividends. For the six months ended June 30, 2023, our Board of Directors declared $6.6 million of dividends to our stockholders which includes a $0.21 per share dividend declared on June 13, 2023 and paid on July 7, 2023. We have declared quarterly dividends since the fourth quarter of 1998.

Stock Repurchase Plan. On September 19, 2016, our Board of Directors authorized the repurchase of up to $50.0 million of our common stock from time to time on the open market or in privately negotiated transactions (the "2016 Repurchase Plan"). We repurchased $6.8 million and $0.9 million of our common stock under the 2016 Repurchase Plan during the six months ended June 30, 2023 and 2022, respectively. As of June 30, 2023, we had $12.6 million authorized and available for share repurchases under the 2016 Repurchase Plan.

Sources of Cash

Cash provided by operations. Cash provided by operating activities was $60.3 million for the six months ended June 30, 2023 as compared to $50.7 million for the six months ended June 30, 2022. The increase of $9.6 million was primarily related to an increase in cash provided by operating assets and liabilities, primarily prepayments of expenses and other current assets of $13.1 million partially offset by a decrease in net income of $4.5 million.

2019 CoBank Credit Facility

On April 10, 2019, we entered into a credit facility, with CoBank, ACB and a syndicate of other lenders (as amended, the "2019 CoBank Credit Facility"). The 2019 CoBank Credit Facility provided for a $200 million revolving credit facility that included (i) up to $75 million for standby or trade letters of credit and (ii) up to $10 million under a swingline sub-facility. In connection with the execution of the 2023 CoBank Credit Facility, as defined below, outstanding borrowings under the 2019 CoBank Credit Facility were repaid in full.

Amounts borrowed under the 2019 CoBank Credit Facility bore interest at a rate equal to, at our option, either (i) the London Interbank Offered Rate ("LIBOR") plus an applicable margin ranging between 1.25% to 2.25% or (ii) a base rate plus an applicable margin ranging from 0.25% to 1.25%. Swingline loans bore interest at the base rate plus the applicable margin for base rate loans. The base rate was equal to the higher of (i) 1.00% plus the higher of (x) LIBOR for an interest period of one month and (y) LIBOR for an interest period of one week; (ii) the Federal Funds Effective Rate (as defined in the 2019 CoBank Credit Facility) plus 0.50% per annum; and (iii) the Prime Rate (as defined in the 2019 CoBank Credit Facility). The applicable margin was determined based on the Total Net Leverage Ratio (as defined in the 2019 CoBank Credit Facility). Under the terms of the 2019 CoBank Credit Facility, we also paid a commitment fee ranging from 0.150% to 0.375% of the average daily unused portion of the 2019 CoBank Credit Facility over each calendar quarter.

As of June 30, 2023, we were in compliance with all of the financial covenants, had $138.0 million outstanding and had $62.0 million of availability under the 2019 CoBank Credit Facility. There were no outstanding interest rate hedge agreements under the 2019 CoBank Credit Facility as of June 30, 2023.

2023 CoBank Credit Facility

On July 13, 2023, we, along with certain of our subsidiaries as guarantors, entered into a new Credit Agreement with CoBank, ACB and a syndicate of other lenders (as may be amended from time to time, the “2023 CoBank Credit Facility”).

The 2023 CoBank Credit Facility provides for a five-year $170 million revolving credit facility (the “2023 CoBank Revolving Loan”) and a six-year $130 million term loan facility (the “2023 CoBank Term Loan”). The Company may use (i) up to $25 million under the 2023 CoBank Credit Facility for letters of credit, and (ii) up to $20 million under a swingline sub-facility. Upon the closing of the 2023 CoBank Credit Facility, we drew all of the 2023 CoBank Term Loan and approximately $13.6 million of the 2023 CoBank Revolving Loan. These borrowings were used to repay $139.5 million of debt outstanding under the 2019 CoBank Credit Facility at close.

The 2023 CoBank Term Loan must be repaid in quarterly principal payments in the amounts of set forth below, with the outstanding principal balance maturing on July 13, 2029. The 2023 CoBank Revolving Loan may be repaid at any time on or prior to its maturity on July 13, 2028. All amounts outstanding under the 2023 CoBank Credit Facility will be due and payable upon the earlier of the maturity date or the acceleration of the loans and commitments upon an event of default.

2023 CoBank Term Loan Quarterly Payment Dates	2023 CoBank Term Loan Quarterly Repayments
December 31, 2023 – June 30, 2025	$812,500 (2.5% per annum)
September 30, 2025 – June 30, 2026	$1,625,000 (5% per annum)
September 30, 2026 – June 30, 2029	$2,437,500 (7.5% per annum)

Amounts borrowed under the 2023 CoBank Credit Facility bear interest at a rate equal to, at our option, either (i) the secured overnight financing rate as administered by the Federal Reserve Bank of New York (SOFR) plus an applicable margin ranging between 2.00% to 3.75% for the 2023 CoBank Term Loan or 1.75% to 3.50% for Revolving Loans or (ii) a base rate plus an applicable margin ranging from 1.00% to 2.75% for the Term Loan or 0.75% to 2.50% for the 2023 CoBank Revolving Loans. Swingline loans will bear interest at the base rate plus the applicable margin for base rate loans. The base rate is equal to the higher of (i) 1.00% plus the one-month SOFR rate (ii) the federal funds effective rate (as defined in the 2023 CoBank Credit Agreement) plus 0.50% per annum; and (iii) the prime rate (as defined in the 2023 CoBank Credit Agreement). The applicable margin is determined based on the ratio (as further defined in the 2023 CoBank Credit Agreement) of our indebtedness to EBITDA. Under the terms of the 2023 CoBank Credit Agreement, the Company must also pay a fee ranging from 0.25% to 0.50% of the average daily unused portion of the 2023 CoBank Credit Facility over each calendar quarter.

The 2023 CoBank Credit Agreement contains a financial covenant (as further defined in the 2023 CoBank Credit Agreement) that imposes a maximum ratio of indebtedness to EBITDA, as well as customary representations, warranties and covenants, including covenants limiting additional indebtedness, liens, guaranties, mergers and consolidations, substantial asset sales, investments and loans, sale and leasebacks, transactions with affiliates and fundamental changes. The Total Net Leverage Ratio is measured each fiscal quarter and is required to be less than or equal to 3.25 to 1.0. The 2023 CoBank Credit Agreement provides for events of default customary for credit facilities of this type, including but not limited to non-payment, defaults on other debt, misrepresentation, breach of covenants, representations and warranties, insolvency and bankruptcy.

Letter of Credit Facility

On November 14, 2022, we entered into a General Agreement of Indemnity to issue performance Standby Letters of Credit on behalf of us and our subsidiaries. As of June 30, 2023, $31.6 million of Standby Letters of Credit had been issued under this agreement.

Alaska Credit Facility

On July 22, 2021, Alaska Communications entered into a Credit Agreement (the "Alaska Credit Facility") with Fifth Third Bank, National Association, as Administrative Agent, and a syndicate of lenders to provide a $35.0 million revolving facility (the "Alaska Revolving Facility") and a $210.0 million initial term loan facility (the "Alaska Term Loan").

On December 23, 2022, Alaska Communications entered into a First Amendment Agreement (the "ACS Amendment'). The ACS Amendment amends the Alaska Credit Facility to increase its Revolving Credit Commitment from $35.0 million to $75.0 million and Term Loan Commitment from $210 million to $230 million. As a part of the transaction, the Term Loan commitment was fully funded as the outstanding Revolving Credit Commitment balance was transferred.

As of June 30, 2023, Alaska Communications had drawn $19.0 million on its Revolving Credit Commitment and had $56.0 million available to draw. The Term Loan balance was $230.0 million and principal payments commence in the fourth quarter of 2023. Both facilities mature on July 22, 2026

In addition to the above changes, the ACS Amendment replaced the calculation of interest from an applicable margin applied to LIBOR with the same applicable margin applied to the Secured Overnight Financing Rate ("SOFR") plus a 10-basis point adjustment.

We capitalized $7.3 million of fees associated with the Alaska Credit Facility which are being amortized over the life of the debt and $4.6 million were unamortized as of June 30, 2023.

The Alaska Credit Facility also provides for incremental facilities up to an aggregate principal amount of the greater of $70.0 million and Alaska Communications' trailing twelve-month Consolidated EBITDA (as defined in the Alaska Credit Facility).

The key terms and conditions of the Alaska Credit Facility include the following:

- Amounts outstanding bear an interest rate of the forward-looking SOFR rate with a one-month interest period, plus the SOFR Spread Adjustment of 10 basis points, plus a margin ranging from 3.00% to 4.00% based on Alaska Communications' Consolidated Total Net Leverage Ratio (as defined in the Credit Agreement) or an alternate base rate may be selected at a margin that is 1% lower than the counterpart SOFR margin;

- Principal repayments are due quarterly commencing in the fourth quarter of 2023 in quarterly amounts as follows: from the fourth quarter of 2023 through the third quarter of 2024, $1.4 million; and from the fourth quarter of 2024 through the third quarter of 2026, $2.9 million. The remaining unpaid balance is due on the final maturity date;

- Alaska Communications is required to maintain financial ratios as defined in the Alaska Credit Facility, including (a) a maximum Consolidated Net Total Leverage Ratio of 4.00 to 1, stepping down to 3.75 to 1 beginning with the second quarter of 2024; and (b) a minimum Consolidated Fixed Charge Coverage Ratio of not less than 1.25 to 1; and

- The Alaska Credit Facility is non-recourse to us and is secured by substantially all of the personal property and certain material real property owned by Alaska Communications.

Alaska Communication's interest rate swap, which had been designated as a cash flow hedge with an interest rate of 1.6735%, expired on June 30, 2022. As of June 30, 2023, there are no outstanding interest rate hedge agreements associated with the Alaska Credit Facility.

Alaska Term Facility

On June 15, 2022, Alaska Communications Systems Holdings, the parent company of Alaska Communications, entered into a secured lending arrangement with Bristol Bay Industrial, LLC (the "Alaska Term Facility").

The Alaska Term Facility provides for a secured delayed draw term loan in an aggregate principal amount of up to $7.5 million and the proceeds may be used to pay certain invoices from a contractor for work performed in connection with a fiber build. Interest on the Alaska Term Facility accrues at a fixed rate of 4.0% and is payable commencing on March 31, 2023. Scheduled quarterly payments of principal commenced on March 31, 2023. The Alaska Term Facility matures on June 30, 2024.

The Alaska Term Facility contains events of default customary for facilities of this type.

As of June 30, 2023, we had $6.8 million outstanding and no available borrowings under the Alaska Term Facility.

FirstNet Receivables Credit Facility

On March 26, 2020, Commnet Finance, a wholly owned subsidiary of Commnet Wireless, entered into a receivables credit facility with us, Commnet Wireless, and CoBank, ACB (the "Receivables Credit Facility").

The Receivables Credit Facility provides for a senior secured delayed draw term loan in an aggregate principal amount of up to $75.0 million and the proceeds may be used to acquire certain receivables from Commnet Wireless. The receivables to be financed and sold under the Receivables Credit Facility, which provide the loan security, relate to the obligations of AT&T under the FirstNet Agreement.

On December 23, 2022, CoBank amended the Receivables Credit Facility and extended the delayed draw period to December 31, 2023.

The maturity date for each loan will be set by CoBank and will match the weighted average maturity of the certain receivables financed.

Interest on the loans accrues at a fixed annual interest rate to be quoted by CoBank.

The Receivables Credit Facility contains customary events of termination, representations and warranties, affirmative and negative covenants and events of default customary for facilities of this type.

As of June 30, 2023, we had $47.0 million outstanding, of which $6.7 million was current, and $18.0 million of availability under the Receivables Credit Facility. We capitalized $0.8 million in fees associated with the Receivables Credit Facility which are being amortized over the life of the debt and $0.5 million were unamortized as of June 30, 2023.

GTT Credit Facilities

On October 12, 2022, GTT received approval from Republic Bank (Guyana) Limited for a $2.9 million term facility and a $5.7 million overdraft facility (the "GTT Credit Facilities") subject to the approval from the Minister of Finance at the Bank of Guyana that was received on March 31, 2023.

The GTT Credit Facilities are secured by real estate assets and carry a fixed interest rate of 7.5% which will be reviewed by the bank from time to time and subject to change at the bank's discretion. The term facility is repayable over five years in equal monthly installments of principal and interest, commencing one month after funds are advanced. The overdraft facility will expire on October 11, 2023.

As of June 30, 2023, $3.8 million was outstanding under the overdraft facility and there were no outstanding amounts under the term facility.

Sacred Wind Term Debt

In connection with the Sacred Wind acquisition completed on November 7, 2022, we assumed $31.6 million of term debt (the "Sacred Wind Term Debt") with the United States of America acting through the Administrator of the Rural Utilities Service ("RUS"). The loan agreements are dated as of October 23, 2006 and March 17, 2016. RUS provides financial assistance in the form of loans under the Rural Electrification Act of 1936 to furnish or improve telecommunications and/or broadband services in rural areas.

The Sacred Wind Term Debt is secured by substantially all assets of Sacred Wind and an underlying mortgage to the United States of America. These mortgage notes are to be repaid in equal monthly installments covering principal and interest beginning after date of issue and expiring by 2035.

The Sacred Wind Term Debt contains certain restrictions on the declaration or payment of dividends, redemption of capital stock or investment in affiliated companies without the consent by the RUS noteholders. The agreements also contain a financial covenant which Sacred Wind was not in compliance with as of December 31, 2021. Sacred Wind submitted a corrective action plan to comply with the financial covenant as of December 31, 2025. On May 5, 2022, Sacred Wind's corrective action plan was accepted by the RUS. As of June 30, 2023, we were in compliance with that corrective action plan.

As of June 30, 2023, $29.8 million was outstanding under the Sacred Wind Term Debt. Of that amount, $3.2 million was current and $26.6 million was long term.

Viya Debt

We, and certain of our subsidiaries, have entered into a $60.0 million loan agreement (the "Viya Debt") with Rural Telephone Finance Cooperative ("RTFC"). The Viya Debt agreement contains customary representations, warranties and affirmative and negative covenants (including limitations on additional debt, guaranties, sale of assets and liens) and a financial covenant that limits the maximum ratio of indebtedness to annual operating cash flow to 3.5 to 1.0 (the "Net Leverage Ratio"). This covenant is tested on an annual basis at the end of each fiscal year. Interest is paid quarterly at a fixed rate of 4.0% per annum and principal repayment is not required until maturity on July 1, 2026. Prepayment of the Viya Debt may be subject to a fee under certain circumstances. The debt is secured by certain assets of our Viya subsidiaries and is guaranteed by us.

We paid a fee of $0.9 million in 2016 to lock the interest rate at 4% per annum over the term of the Viya Debt. The fee was recorded as a reduction to the Viya Debt carrying amount and is being amortized over the life of the loan.

As of June 30, 2023, $60.0 million of the Viya Debt remained outstanding and $0.3 million of the rate lock fee was unamortized.

On May 5, 2022, RTFC agreed to amend the Net Leverage Ratio to 7.0 to 1.0 through the maturity date of July 1, 2026. The Ratio is tested annually and we were in compliance with the Net Leverage Ratio as of December 31, 2022.

One Communications Debt

We had an outstanding loan from HSBC Bank Bermuda Limited (the "One Communications Debt") which matured and was repaid in full on December 22, 2022. This loan bore interest at the one-month LIBOR plus a margin ranging between 2.5% to 2.75% per annum paid quarterly.

Debt Maturities

The table below summarizes the annual maturities of all of our debt facilities:

	US Telecom	International Telecom	Corporate and Other (1) (2)	Total Debt	Customer Receivable Credit Facility
2023 (excluding the six months ended June 30, 2023)	$ 3,834	$ 3,773	$ —	$ 7,607	$ 3,227
2024	16,536	—	—	16,536	6,787
2025	14,969	—	—	14,969	7,083
2026	232,469	60,000	—	292,469	7,393
2027	3,723	—	—	3,723	7,718
Thereafter	14,028	—	138,000	152,028	14,794
Total	285,559	63,773	138,000	487,332	47,002
Debt Discounts	(4,899)	(295)	—	(5,194)	(543)
Book Value	$ 280,660	$ 63,478	$ 138,000	$ 482,138	$ 46,459

(1) Corporate and other items refer to corporate overhead costs and consolidating adjustments.

(2) On July 13, 2023, the Company refinanced $138.0 million of debt outstanding under the 2019 CoBank Credit Facility extending the maturity date of the revolving credit facility to July 13, 2028.

Factors Affecting Sources of Liquidity

Internally generated funds. The key factors affecting our internally generated funds are demand for our services, competition, regulatory developments, economic conditions in the markets where we operate our businesses and industry trends within the telecommunications industry.

Restrictions under Credit Facility. Our 2019 CoBank Credit Facility contains customary representations, warranties and covenants, including covenants limiting additional indebtedness, liens, guaranties, mergers and consolidations, substantial asset sales, investments and loans, sale and leasebacks, transactions with affiliates and fundamental changes.

Capital markets. Our ability to raise funds in the capital markets depends on, among other things, general economic conditions, the conditions of the telecommunications industry, our financial performance, the state of the capital markets and our compliance with SEC requirements for the offering of securities. On August 9, 2022 we filed a new “universal” shelf registration statement with the SEC, to register potential future offerings of our securities.

Foreign Currency

We translate the assets and liabilities of our foreign subsidiaries from their respective functional currencies, primarily the Guyana Dollar, to US Dollars at the appropriate rates as of the balance sheet date. Changes in the carrying value of these assets and liabilities attributable to fluctuations in rates are recognized in foreign currency translation adjustment, a component of accumulated other comprehensive income on our balance sheet. Income statement accounts are translated using the monthly average exchange rates during the year. Monetary assets and liabilities denominated in a currency that is different from a reporting entity’s functional currency must first be remeasured from the applicable currency to the legal entity’s functional currency. The effect of this remeasurement process is reported in other income within our income statement. During the three months ended June 30, 2023 and 2022, we recorded $0.4 million and $0.2 million, respectively, of losses on foreign currency transactions. During the six months ended June 30, 2023 and 2022, we recorded $0.6 million and $0.4 million, respectively, of losses on foreign currency transactions. We will continue to assess the impact of our exposure to the Guyana Dollar.

Inflation

Several of our markets have experienced an increase in operating costs, some of which we believe, is attributable to inflation. If inflation continues or worsens, it could negatively impact our Company by increasing our operating expenses. Inflation may lead to cost increases in multiple areas across our business, for example, rises in the prices of raw materials and manufactured goods, increased energy rates, as well as increased wage pressures and other expenses related to our employees. In particular, where we have agreed to undertake infrastructure build outs on a fixed budget for our carrier customers or by accepting government grants, inflation may result in build costs that exceed our original budget given the long delays experienced in procuring equipment and materials due to global supply chain delays. To the extent that we are unable to pass on these costs through increased prices, revised budget estimates, or offset them in other ways, they may impact our financial condition and cash flows.

Recent Accounting Pronouncements

None.

Critical Accounting Estimates

There were no changes to critical accounting estimates from those disclosed in “Part II. Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates” of our Annual Report on Form 10-K for the year ended December 31, 2022.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Translation and Remeasurement. We translate the assets and liabilities of our foreign subsidiaries from their respective functional currencies, primarily the Guyana Dollar, to US Dollars at the appropriate rates as of the balance sheet date. Changes in the carrying value of these assets and liabilities attributable to fluctuations in rates are recognized in foreign currency translation adjustment, a component of accumulated other comprehensive income on our balance sheet. Income statement accounts are translated using the monthly average exchange rates during the year.

Monetary assets and liabilities denominated in a currency that is different from a reporting entity’s functional currency must first be remeasured from the applicable currency to the legal entity’s functional currency. The effect of this remeasurement process is reported in other income on our income statement.

Employee Benefit Plans. We sponsor pension and other postretirement benefit plans for employees of certain subsidiaries. Net periodic pension expense is recognized in our income statement. We recognize a pension or other postretirement plan's funded status as either an asset or liability in our consolidated balance sheet. Actuarial gains and losses are reported as a component of other comprehensive income and amortized through other income in subsequent periods.

Interest Rate Sensitivity. As of June 30, 2023, we had $390.8 million of variable rate debt outstanding, which is subject to fluctuations in interest rates. Our interest expense may be affected by changes in interest rates. We believe that a 100-basis-point change in the interest rates on our variable rate debt would result in a $3.9 million change in our annual interest expense. We may have additional exposure to fluctuations in interest rates if we again borrow amounts under our revolver loans within our credit facilities.

Item 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2023. Disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), mean controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission's ("SEC") rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of June 30, 2023, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting.

There were no changes in our internal control over financial reporting that occurred during the three months ended June 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

See Note 14 to the Unaudited Condensed Consolidated Financial Statements included in this Report.

Item 1A. Risk Factors

In addition to the other information set forth in this Report, you should carefully consider the factors discussed under Part I, Item 1A "Risk Factors" of our 2022 Annual Report on Form 10-K. The risks described herein and in our 2022 Annual Report on Form 10-K, as amended, are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Purchases of Equity Securities by the Issuer

On September 19, 2016, our Board of Directors authorized the repurchase of up to $50.0 million of our common stock from time to time on the open market or in privately negotiated transactions (the "2016 Repurchase Plan"). We have $12.6 million available to be repurchased under that plan as of June 30, 2023.

The following table reflects the repurchases by us of our common stock during the quarter ended June 30, 2023:

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares that May be Purchased Under the Plans or Programs
April 1, 2023 — April 30, 2023	15,255	$ 38.84	15,255	$ 17,451,521
May 1, 2023 — May 31, 2023	109,434	36.83	109,434	13,420,725
June 1, 2023 — June 30, 2023	21,445	37.19	21,445	12,623,174

Item 5. Other Information

Rule 10b5-1 Trading Arrangements

While the Company does allow for its officers and directors to enter into trading arrangements intended to satisfy the affirmative defense conditions of Rule 10b5-1 with the Company’s prior approval, during the quarter ended June 30, 2023, none of the Company's directors or officers informed the Company of the adoption or termination of a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement”, as those terms are defined in Regulation S-K, Item 408.

Form of Restricted Stock Agreement (Non-Employee Directors)

On August 8, 2023, the Company’s Board adopted a Form of Restricted Stock Agreement for awards of restricted stock pursuant to, and governed by the terms, of the Company’s 2023 Equity Incentive Plan to its non-employee directors, filed herewith as Exhibit 10.2.

Item 6. Exhibits:

10.1*#	Carrier Managed Services Master Agreement, dated as of May 10, 2023, between Comment Wireless LLC, a wholly owned subsidiary of ATN International, Inc., and Cellco Partnership d/b/a Verizon Wireless
10.2* ł	Form of Notice of Grant of Restricted Stock and Restricted Stock Agreement under 2008 Equity Incentive Plan (Non-Employee Directors)
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Chief Executive Officer pursuant to 18 USC Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Chief Financial Officer pursuant to 18 USC Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data file (formatted as Inline XBRL and embedded within Exhibit 101).

* Filed herewith.

** The certifications furnished in Exhibit 32.1 and Exhibit 32.2 hereto are deemed to accompany this Report and will not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates them by reference.

Portions of this exhibit (indicated by asterisks) have been omitted in accordance with the rules of the Securities and Exchange Commission

ł Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	ATN International, Inc.
Date: August 9, 2023	/s/ Michael T. Prior Michael T. Prior President and Chief Executive Officer
Date: August 9, 2023	/s/ Justin D. Benincasa Justin D. Benincasa Chief Financial Officer

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED AND REPLACED WITH "[***]". SUCH IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS (I) NOT MATERIAL AND (II) INFORMATION THAT THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS AS PRIVATE OR CONFIDENTIAL.

Carrier Managed Services Master Agreement

Between

Cellco Partnership d/b/a Verizon Wireless

And

Commnet Wireless, LLC

May 10, 2023

TABLE OF CONTENTS

MASTER AGREEMENT

1. PARTIES

This Carrier Managed Services Master Agreement ("Agreement") is made as of May 10, 2023 (the "Effective Date") between Commnet Wireless, LLC, a Delaware limited liability company, with its principal place of business at 1562 Park Street, Castle Rock, CO 80109 (on behalf of itself and its Affiliates, "Vendor"), and Cellco Partnership d/b/a Verizon Wireless, a Delaware general partnership, having an office and principal place of business at One Verizon Way, Basking Ridge, NJ 07920 (on behalf of itself and its Affiliates, "Verizon"). Verizon and Vendor may be collectively referred to as the "Parties" and individually as a "Party."

2. SCOPE

2.1 Subject to the terms and conditions of this Agreement, Vendor shall (i) build, install, test and maintain a wireless communications network (the "Vendor Network") to augment select roaming coverage and Roaming Services provided by Vendor to Verizon pursuant that certain Domestic GSM & LTE Roaming Agreement dated August 21, 2014, as amended, between the Parties (the "Roaming Agreement"), and (ii) provide to Verizon certain other services related thereto as described herein. The Vendor Network shall be comprised of a radio access network and mutually agreed radio access network equipment (collectively, the "Vendor RAN") located at mutually agreed cell site locations, and using a transport network to interconnect the Vendor RAN exclusively to Verizon at mutually agreed termination points, as set forth in this Agreement and the Service Orders entered into between the Parties hereunder. In exchange for the provision of the Services as described herein, the Parties agree that Verizon will pay to Vendor the amounts set forth in Exhibit A attached hereto.

2.2 Concurrently herewith, the Parties or their Affiliates have entered into that certain Amendment #5 to the Roaming Agreement pursuant to which Vendor shall remain responsible for providing Roaming Services to the Cell Sites for the duration of the Build Out Plan in accordance with the terms set forth herein.

3. TERM

3.1 This Agreement shall commence on the Effective Date and shall remain in effect until the expiration or termination of the Service Commitment Period for each Cell Site (the "Term").

3.2 The Service Commitment Period for each Cell Site shall initially be seven (7) years from the date of Commercial Service is launched at such Cell Site (the "Initial Service Commitment Period"). At the end of such Initial Service Commitment Period, the Services for such Cell Site shall automatically renew for up to two (2) additional three (3) year periods (each such period a "Renewal Service Commitment Period") under the terms and conditions of this Agreement and in accordance with the applicable Service Order, unless Verizon provides no less than twelve (12) months' notice prior to the end of the then-current Service Commitment Period. Pricing for each Renewal Service Commitment Period shall include only the Monthly Recurring Costs and not any Deployment Incentives.

4. DEFINITIONS

The terms defined in this Article 4 shall have the meanings set forth below whenever they appear in this Agreement or any Service Order:

5G shall mean any non-standalone system using 5G New Radio software based on standards set by the 3rd Generation Partnership Project (3GPP) technical specifications release 15 or higher and shall only include non-standalone data transmission utilizing a secondary gNodeB in conjunction with the LTE network configuration.

5G SA shall mean a stand-alone 5G New Radio system and Core Network based on standards set by the 3rd Generation Partnership Project (3GPP) technical specifications release 16 or higher utilizing a primary gNodeB and optionally in conjunction with one or more secondary gNodeBs.

Affiliate(s) shall mean any entity controlled by, controlling, or under common control with a Party.

Agreement shall have the meaning set forth in the preamble.

Applicable Site Requirements shall mean, with respect to any Cell Site, all laws and industry standards and requirements applicable to such Cell Site, including the Applicable Structural Standards, all applicable FCC and FAA rules, regulations and requirements, and all applicable building codes, zoning laws, environmental laws and IBC and TIA Standards, as such laws and standards may be updated or amended from time to time.

Applicable Structural Standards shall mean, with respect to any Cell Site, the standards set forth in the then-current ANSI TIA-222 version adopted by the jurisdiction in which such Cell Site is located, as such standards may be updated or amended from time to time or, if such standards are ever replaced by new standards that are generally recognized in the telecommunications industry and adopted in the applicable jurisdiction, such replacement or successor standards.

Authorized Users shall mean Verizon's customers, individual end-users or messaging devices that are allowed access by Verizon to the Vendor Network via the Verizon Mobility Core, including, without limitation, Verizon's retail, wholesale and roaming customers.

Bribery shall have the meaning set forth in Section 18.1.

Build Out shall have the meaning set forth in Section 9.3.

Build Out Operations Review shall have the meaning given in Section 15.1.

Build Out Plan shall mean Exhibits B, B (1), B (2), B (3), B (4) and B (5).

Build Out Specifications shall have the meaning set forth in Section 9.3.

Cell Site(s) shall mean any site as listed in Exhibit B as modified by any Service Order submitted pursuant to this Agreement.

Change Order shall mean any Change Order Request that is authorized and approved in a Change Order signed writing by both Parties and which shall be attached to the Service Order that it modifies.

Change Order Request shall mean any written request by either Party to make any change to the Services, Build Out Plan, Completion Dates, Build Out Specifications, Cell Site list or other terms and conditions of a Service Order.

Change Order Response shall have the meaning set forth in Section 5.4.

Claims shall have the meaning set forth in Section 21.1.

CMS Services shall mean the services described herein, including, without limitation, the Maintenance Services, as set forth in the Build Out Plan.

Commercial Service shall mean, with respect to any Cell Site included in the Build Out Plan, completion of the construction of, installation of equipment on, call testing and deployment of such Cell Site so that such Cell Site is operational and capable of providing LTE, LTE VoLTE, which is upgradable to NR and VoNR service to Verizon's Authorized Users on a commercial basis in compliance with the terms of this Agreement.

Completion Date shall mean the date that the Build Out with respect to any Cell Site is completed and ready for testing for Location Approval.

Confidential Information shall have the meaning set forth in Exhibit C.

Critical Service Outage shall mean (A) a sustained loss of Commercial Service in excess of [***] on all frequency bands of (1) one or more sectors of a Cell Site or the [*** frequency band on (1) one or more sectors of a Cell Site as identified by an out-of-service alarm, including, but not limited to outages caused by transport, power, infrastructure or equipment malfunction, degradation or failure or (B) a sustained degradation of Commercial Service measured as[***], including, but not limited to outages caused by transport, power, infrastructure or equipment malfunction, degradation or failure or C) failure to meet transport KPI Baselines.

Delayed Party shall have the meaning set forth in Section 26.

Demarcation Point shall mean the interface between Vendor and the Verizon Mobility Core for transport originating from each Cell Site as specified in the Build Out Plan. For the avoidance of doubt, Vendor will provide the network terminating equipment at the Verizon Mobility Core in accordance with the specifications set forth in Exhibit F, but Verizon will be responsible for and will bear the cost of any separate circuits and connectivity at each MSC.

Deployment Incentives shall have the meaning set forth in Exhibit A.

Deployment Services shall have the meaning set forth in Section 9.4.

Diverse Vendor shall have the meaning set forth in Section 40.

Effective Date shall mean the date as first set forth in the preamble above.

Excusable Delay shall have the meaning set forth in Section 26.

FAA shall mean the United States Federal Aviation Administration or any successor federal governmental authority performing a similar function.

FCC shall mean the United States Federal Communications Commission or any successor governmental authority performing a similar function.

Force Majeure shall have the meaning set forth in Section 26.

Hub Sites means those Cell Sites having [***] or more Cell Sites aggregated to the same location or as identified as Hub Sites in the Build Out Plan.

IBC and TIA Standards shall mean such industry standards set forth in the International Building Code (IBC) developed by the International Code Council and such industry standards developed by the Telecommunications Industry Association (TIA) that are germane to the construction, ownership and maintenance of Cell Sites or any successor industry standards recognized in the telecommunications industry as performing a similar function.

Indemnified Parties shall have the meaning set forth in Section 21.1.

Indemnifying Party shall have the meaning set forth in Section 21.1.

Industry Standard shall mean a standard (i) actually used or adopted by a substantial number of companies comparable in size, stature, and function to Verizon; (2) prescribed for use by an applicable nationally recognized standards body; or (3) assessed by a significant number of recognized experts in the field as acceptable and reasonable, except where a recent disclosure/public finding uncovers a significant flaw/vulnerability in such standard.

Initial Service Commitment Period shall have the meaning set forth in Section 3.2.

Integration Ready shall have the meaning set forth in Exhibit B (3).

IP Claim shall have the meaning set forth in Section 20.1.

KPI Baseline shall mean select baseline KPIs established and updated in accordance with Exhibit E.

KPI shall mean key performance indicator.

Lease Agreement shall have the meaning set forth in Exhibit B (1).

Legal Compliance shall have the meaning set forth in Section 18.1.

Location Approval shall mean, with respect to any Cell Site to be constructed pursuant to this Agreement, approval of such Cell Site by Verizon following completion of the Build Out Specifications and Location Approval Requirements.

Location Approval Requirements shall have the meaning set forth in Section 5.5.

LTE shall mean Long Term Evolution, providing IP wireless connectivity using Evolved Universal Terrestrial Radio Access Network (E-UTRAN), as defined in 3GPP technical specifications 36.300 and 23.401, as such specifications may be updated or amended from time to time.

Maintenance Operations Review shall have the meaning given in Section 15.2.

Maintenance Services shall mean the services to be provided hereunder and described in Section 12.

Monthly Recurring Costs or **MRCs** shall have the meaning set forth in Exhibit A.

MSC means a mobile switching center.

Non-Service Affecting Defect means any defect, issue, error, problem, or failure at any Cell Site(s) that does not disrupt or degrade the Commercial Service at such Cell Site(s).

NR shall mean new radio access technology developed by 3GPP for the 5th generation mobile network, which is designed to support diverse services with different data traffic profiles (e.g., high throughput, low latency and massive connections) and models (e.g., IP data traffic, non-IP data traffic, short data bursts and high throughput data transmissions) as further described in 3GPP TS 38.300.

Permits shall have the meaning set forth in Section 28.

Planned Service Outage means any Service Outage caused by scheduled maintenance or planned enhancements or upgrades to the Vendor Network.

Project Management shall mean Vendor's organization, planning, scheduling, directing, controlling, monitoring and evaluating of activities to ensure that the stated objectives of the Build Out Plan are accomplished.

Project Manager shall have the meaning set forth in Section 16.2.

Renewal Service Commitment Period shall have the meaning set forth in Section 3.2.

Resolve, **Resolved**, **Resolution** and correlative capitalized terms shall mean, with respect to any particular Ticket, that (a) Vendor has completed the required repair or corrected the issue, error, problem, or failure that prompted the Ticket, and (b) such Ticket is placed into "resolved" status by Vendor.

Roaming Agreement shall have the meaning set forth in Section 2.1.

Roaming Services shall mean wireless voice, data, and messaging services, including VoLTE.

Security Incident shall have the meaning set forth in Section 43.1.

Service Affecting Defect means any defect, issue, error, problem, or failure at any Cell Site(s) that disrupts or degrades the Commercial Service at such Cell Site(s).

Service Commitment Period shall mean the Initial Service Commitment Period and any Renewal Service Commitment Period, as set forth in the Build Out Plan and as may be updated in a Service Order.

Service Order shall mean any Service Order with respect to a Cell Site in the form attached as Exhibit G, as may be modified by any attached Change Order with respect to such Cell Site.

Service Outage shall mean (A) a sustained loss of Commercial Service on [***] on (1) one or more sectors of a Cell Site, as identified by an out-of-service alarm, including, but not limited to outages caused by transport, power, infrastructure or equipment malfunction, degradation or failure, or (B) a sustained degradation of Commercial Service measured as [***], including, but not limited to Service Outages caused by transport, power, infrastructure or equipment malfunction, degradation or failure or (C) external or internal interference.

Services shall mean the Deployment Services and the CMS Services as further described herein.

Structural Modifications shall mean all necessary modifications, alterations, replacements, or additions to any tower structure are required for such tower to achieve compliance with the Applicable Structural Standards.

Support Hours means 24 hours a day, seven days a week.

Term shall have the meaning set forth in Section 3.1.

Ticket and correlative capitalized terms shall have the meaning set forth in Section 12.3.

Ticketing SLAs shall have the meaning set forth in Section 12.3.

Vendor shall have the meaning set forth in the preamble.

Vendor Network shall mean the totality of all infrastructure and technology to be used for the creation of the wireless communications network to be constructed by Vendor pursuant to the Build Out Plan, including all of the Cell Sites set forth in the Build Out Plan.

Vendor Provided Equipment shall mean the Vendor RAN as well as all required facilities and connections required for utilities and transport, generators, shelters or outdoor cabinets, antennas, cabling, and all other equipment needed to provide the Services.

Vendor RAN shall have the meaning set forth in Section 2.1.

Vendor Staff shall mean the employees, contract employees, and temporary staff of Vendor and any authorized subcontractors with access to Confidential Information or performing under this Agreement.

Verizon shall have the meaning set forth in the preamble.

Verizon Mobility Core shall mean the switching facilities and all other necessary equipment and services to switch traffic for each Cell Site.

Verizon Spectrum shall mean the spectrum leased or licensed by Verizon, including but not limited to [***], in the geographic area containing the Cell Sites.

Verizon Systems shall mean the applications, computing assets, systems, databases, and devices owned or operated by or operated for Verizon, including, without limitation, those applications, assets, systems, databases, and devices located at the Cell Sites.

VoLTE shall mean Voice over LTE, as defined by GSMA PRD IR.92, but does not include VoIP applications allowing voice calls over IP-based networks.

VoNR shall mean the capability in 5G mobile networks that facilitates voice calls.

5 SERVICES AND COMPLETION DATES

5.1 Vendor shall provide to Verizon the Services at each of the Cell Sites and Verizon shall purchase the Services pursuant to the terms and conditions set forth in this Agreement. If Vendor notifies Verizon that additional sites are available after the execution of this Agreement, Verizon may elect to purchase the Services at such additional sites by submitting a new Service Order for such sites, but shall be under no commitment to do so, provided any new Service Order for such additional sites shall be governed by the terms of this Agreement.

5.2 The Parties agree that one or more of Vendor's Affiliates may provide the Services, and that with respect to the applicable Cell Sites, Verizon shall be entitled to enforce all the rights and remedies as set forth in this Agreement with respect to such Affiliate.

5.3 The Parties agree that the Completion Date shall be subject to any Excusable Delay or Force Majeure.

5.4 Following the Effective Date, Verizon or Vendor may request any changes or additional requests to the Services as outlined in the Build Out Plan in writing pursuant to a Change Order Request, including relocating an approved location to an alternative location. Following receipt of the Change Order Request, the non-requesting Party shall review and respond within [***] calendar days with such additional terms, pricing, and specifications as they may require in connection with such changes or additional requests (the "Change Order Response"). Following receipt of the Change Order Response, the original requesting Party shall review and respond within [***] calendar days with its acceptance or rejection of the changes proposed in the Change Order Response. If either Party requests a change that reduces the level of Services and a corresponding reduction in the applicable Monthly Recurring Costs, the non-requesting Party shall use commercially reasonable efforts to review and respond to such Change Order Request. For the avoidance of doubt, (i) Verizon shall not be obligated to accept a lower level of Services than included in the Build Out Plan, and

(ii) any request by Verizon to reduce transport capacity at a particular Cell Site shall not be deemed commercially unreasonable [***].Prior to the effectiveness of any changes or requests in a Change Order Request, the Parties shall mutually agree upon such additional terms and pricing, if any, and include such terms in the final Change Order.

5.5 The Build Out Plan shall include the list of Cell Sites, applicable Monthly Recurring Cost for each Cell Site based on the Verizon Spectrum bands utilized, transport capacity, and projected Completion Date for each Cell Site. Verizon shall have the right, in its sole discretion, to (i) modify the specifications provided by Verizon as set forth in Exhibit B or (ii) remove up to [***]Cell Sites for any or no reason, and (ii) remove any Cell Site if Verizon deems it unlikely that Vendor will meet the KPIs in Exhibit E (1) after review with Vendor, within [***]days of the Effective Date or to the extent Vendor has not placed any orders for equipment for such Cell Site. [***]days after the Effective Date, Exhibit B shall be deemed final and all Service Orders placed by Vendor shall include the specifications as listed on such final Exhibit B. Vendor shall complete the Build Out in strict conformance with the Build Out Specifications.

(i) Approximately sixty (60) days prior to the date Vendor expects any Cell Site(s) to be ready for Location Approval, Vendor or its Affiliate shall provide to Verizon a Service Order for the applicable Cell Site(s) and include the specifications for such Cell Site as set forth in Exhibit B and any updates to the projected Completion Date.

(II) Verizon shall provide Vendor with the configuration files for the applicable Cell Site(s) from Verizon and Vendor shall complete the Build Out Specifications.

(III) Vendor shall perform or cause to be performed all Cell Site testing as set forth in Exhibit B (2) to ensure that the Services perform in accordance with the Build Out Specifications. Following completion of testing, Vendor shall notify Verizon that it has met the Completion Date for such Cell Site(s) and the Location Approval requirements set forth in Exhibit B (2) ("Location Approval Requirements"). If testing indicates that any of the Cell Sites do not conform to the Build Out Specifications or Location Approval Requirements, then Vendor shall notify Verizon, in writing (which may be done by email), of such nonconformance promptly following Vendor's knowledge of such non-conformance. Verizon will advise Vendor whether Vendor should submit the non-conforming Cell Site for approval notwithstanding such issues. Vendor and Verizon shall continue to provide their mutual cooperation until Vendor has cured all nonconformance to the Build Out Specifications and Location Approval Requirements with respect to the Cell Site thereafter.

(iv) Following the submission of the Location Approval Requirements, Verizon shall notify Vendor within [***] business days whether Verizon accepts or rejects the applicable Cell Site(s), together with a detailed written explanation of any issues with the documentation provided, or the Location Approval Requirements will be deemed accepted. If Verizon rejects the applicable Cell Site Location Approval Requirements, Vendor shall use commercially reasonable efforts to cure such claims, undertake additional testing and resubmit the Location Approval Requirements.

(v) Following completion of the Location Approval Requirements, Verizon shall complete the integration and optimization activities set forth in Exhibits B (3), (4) and (5).

(vi) Following completion of the integration and optimization activities, Verizon shall submit a Commercial Service Approval Form to Vendor at cmsv@commnetbroadband.com, substantially in form set forth in Exhibit G (2). Commercial Service Approval shall occur upon the earlier of Vendor's subsequent receipt of a Commercial Service Approval Form approving the applicable Cell Site(s) or as otherwise set forth in this Section 5. If Verizon fails to submit the Commercial Service Approval Form rejecting the applicable Cell Site(s) to Vendor within [***], together with such written explanation and test results, Commercial Service Approval shall be deemed to have occurred. For the avoidance of doubt, launch of Commercial Service at a Cell Site shall also result in Commercial Service Approval from Verizon.

5.6 The following remedies shall apply in the event Vendor fails to meet a Completion Date:

(i) In the event that Services at a Cell Site are not available for Verizon's approval testing within thirty (30) days after the Completion Date specified in the Service Order, Verizon and Vendor shall meet in good faith to determine the cause of such delay and agree upon a new Completion Date, provided such new Completion Date must be within [***]days of the original Completion Date. In the event that the Services at a Cell Site are not available on the new agreed upon Completion Date, Verizon may, in its sole discretion, elect to either (a) receive a credit equal to the Monthly Recurring Cost for such Cell Site for each month beyond the agreed upon new Completion Date that the Cell Site is not ready for approval testing; or (b) terminate the Services for such Cell Site without financial liability.

(ii) To the extent a delay or failure of Vendor to meet the Completion Date specified in the Service Order was caused by a Force Majeure or an Excusable Delay, the Completion Date will be extended by a day for each day such condition continues, up to an aggregate of [***]days for all Force Majeure and Excusable Delay extensions for such Cell Site, after which Verizon may terminate in accordance with Section 19.

(iii) To the extent Roaming Services are impacted, Vendor shall maintain GSM/UMTS/LTE Roaming Service to the affected Cell Site upon request by Verizon.

(iv) In the event that the Service is ready for acceptance prior to the Completion Date specified in the Service Order, Verizon may elect to accept such Service but shall not be required to accept the Service in advance of the Completion Date.

(v) Verizon shall not be obligated to accept any Cell Site that is not completed prior to the date that is [***] from the Effective Date.

5.7 All notices given by Vendor pursuant to this Section 5 shall be delivered (i) in accordance with Section 31, (ii) by electronic transmission to [***], and (iii) by electronic transmission to the Verizon project management team for the relevant submarket for the applicable Cell Site(s) as identified on Exhibit B.

6 PRICE AND BILLING

6.1 Following the launch of Commercial Service at a Cell Site, Verizon shall begin accruing charges for the Services in the amounts set forth on the applicable Service Order and in accordance with Exhibit A beginning on the first of the month following the first full month of Commercial Service at such Cell Site. All payments by Verizon shall be made in the United States (meaning one of the fifty states or the District of Columbia) in United States dollars. Other than as set forth in Section 7.1 herein, Vendor shall be liable for any third-party costs incurred in connection with the provision of Services by Vendor to Verizon, including, without limitation, any costs from the Navajo Nation or any other tribal government.

6.2 Vendor shall invoice Verizon no later than [***]calendar days after the calendar month closes for the Monthly Recurring Costs each month by way of electronic bill media in a mutually agreed upon format consistent with then-current industry standards. The invoices shall be itemized with details as to all charges, including taxes which are permitted to be billed to Verizon under Section 7, and each charge, or portion of a charge, that is subject to a different transaction tax treatment than any other charge, or portion of a charge, shall be separately stated in such itemization, so that any billed taxes shall be determined only with respect to the taxable charges or portions of each charge. Vendor shall include on each monthly invoice all charges payable to Vendor and to each Affiliate, if applicable, provided Verizon shall remit the entire amount payable to Vendor and shall not be required to remit payment directly to any of Vendor's Affiliates. Payment of all amounts shall be made within [***]days from the date of receipt of each invoice and shall be sent to the address specified on the invoice.

7. TAXES

7.1 Subject to Section 7.2, if Vendor is required by law to collect any federal, state or local sales, excise, or other similar tax or other government fees for the Services provided by Vendor to Verizon under this Agreement, then (i) Vendor shall bill such tax or fee to Verizon in the manner and for the amount required by law, which shall be determined with respect to taxable charges, or portions of charges, for Services as described in Section 6.2, (ii) Verizon shall pay such billed amount of tax or fee to Vendor, and (iii) Vendor shall remit such billed amount of tax or fee to the appropriate governmental authorities as required by law. Except as provided in this Section 7.1, Vendor shall bear the costs of all taxes, governmental fees, import and export duties, and governmental charges of whatever nature with respect to the Services, with respect to the Cell Sites (including all ad valorem taxes), and with respect to its sale of the Services to Verizon pursuant to this Agreement.

7.2 Vendor shall not bill to or otherwise attempt to collect from Verizon any tax or governmental fee with respect to which Verizon has provided Vendor with an exemption certificate, direct pay number, or other reasonable basis for relieving Vendor of its responsibility to collect such tax or fee from Verizon.

7.3 Vendor and Verizon will each cooperate, to the extent reasonably requested by the other Party, in connection with determining the taxability of any Service provided hereunder, in connection with any refund claims for taxes and fees and in connection with any audit, litigation or other proceeding with respect to taxes or fees. If Verizon disputes the billing of any tax or fee by Vendor, and the applicable governmental authority requires that any protest or refund claim be sought by Vendor, Vendor shall seek the refund and remit to Verizon the amount of the refund actually obtained, together with interest, if any, actually received, promptly upon receiving such refund and interest, if any, from the governmental authority. In the event Vendor fails to bill Verizon on a timely basis and penalties and/or interest is incurred due to the delayed invoicing, Vendor shall be liable for those penalties and/or interest charges assessed, if any.

8. RECORDS AND REPORTS

8.1 Vendor shall maintain, in accordance with U.S. generally accepted accounting practices, accurate and complete records that enable Vendor to demonstrate full compliance with this Agreement and which support any invoice Vendor provides to Verizon. Vendor shall maintain these records for the later of three (3) years after the termination of the Agreement. Verizon shall have the right, through its authorized representatives, to examine such records at all reasonable times and to audit such records upon prior written notice to Vendor.

9. EQUIPMENT AND BUILD OUT OF CELL SITES

9.1 Vendor shall, at its sole expense, source and purchase the Vendor RAN, as well as all required facilities and connections required for utilities and transport, generators, shelters or outdoor cabinets, antennas, cabling and all other equipment and software and feature licenses contemplated in the Build Out Plan or otherwise required for Vendor to provide the Services (collectively, the "Vendor Provided Equipment"). In the event that either Party requests that any Vendor Provided Equipment be substituted or upgraded with other equipment, the requesting Party shall submit a Change Order Request to the other Party. For the avoidance of doubt, Vendor, at its sole expense, shall maintain all software licenses required for software/feature parity to the Verizon LTE features and LTE licenses in place as of the Effective Date, unless otherwise specified by Verizon. [***]For the avoidance of doubt, Vendor shall be responsible for procuring any necessary equipment and equipment maintenance and support agreements relating to such software licenses. In the event that an agreement between Verizon and Vendor is required for Verizon to provide Software Maintenance, the Parties agree to negotiate such agreement in good faith.

9.2 At any time following the Effective Date, (i) Verizon may elect to install additional software at the Cell Sites at Verizon's sole cost and expense, and Vendor shall use commercially reasonable efforts to support such installation, and (ii) Verizon may request that additional equipment be deployed at the Cell Sites at Verizon's sole cost and expense through a Change Order Request, and Vendor shall use commercially reasonable efforts to accommodate such requests.

9.3 Vendor shall, at its sole cost and expense, build out, construct, install, test and make ready for Verizon to launch into Commercial Service the Cell Sites specified in the

Build Out Plan with LTE and VoLTE. Such build out of the Cell Sites (the "Build Out") shall be completed in accordance with the specifications and other requirements set forth herein and the schedules hereto, including the build out specifications attached hereto as Exhibit B (1) (collectively, the "Build Out Specifications"), subject to any Force Majeure or Excusable Delay. Any additional Cell Sites or equipment not set out in the Build Out Plan, including but not limited to, the addition of any [***] equipment that may require structural analysis or modifications required for the additional equipment on the Cell Sites, shall be set forth in a Change Order Request, with the additional non-recurring charges and monthly recurring costs to be agreed to by the Parties.

9.4 Vendor shall provide the following Services for the Build Out and Vendor will expend all capital relating thereto: site acquisition, network design, permitting, zoning, construction (including, satisfying all requirements under the National Environmental Policy Act, State Historic Preservation Acts and similar laws and compliance requirements and certifications), necessary Structural Modifications at the time of installation of the Vendor Provided Equipment set forth herein, development of power systems and any systems needed for backhaul transport (including microwave systems), installation of the Vendor Provided Equipment, compliance with all Applicable Site Requirements, environmental matters and engineering matters, transportation expenses, integration, testing, optimization and any and all other Services required to enable Vendor to launch the Vendor Network into Commercial Service (collectively, the "Deployment Services").

9.5 Beginning on the Effective Date and ending on the date Commercial Service begins at the last Cell Site, the Parties shall meet by telephone or in person at least once per week and more frequently as needed or requested by Verizon to discuss all Build Out activities, including improvements to any of the processes set forth in Exhibit B. Vendor will provide weekly progress reports relative to the timeline set forth in the Build Out Plan, including, without limitation, updates on when Cell Sites will be ready for Location Approval and Integration Ready, and any remediation plan for immediate correction if there is a risk that a Completion Date will not be met. Such remediation plan must be agreed to by the Parties. If there is risk that Vendor will not be able to complete at least [***]of the required Cell Sites by the applicable Completion Date, the Parties shall meet more frequently, if requested by either Party, to discuss the status of the Build Out.

9.6 Following Location Approval of a Cell Site, Vendor and Verizon shall coordinate to complete the activities set forth in Exhibit B (3) and make the Cell Site Integration Ready. Vendor shall notify Verizon that a Cell Site is Integration Ready and Verizon shall use commercially reasonable efforts to work with Vendor or Vendor's subcontractors to start provisioning such Cell Site to the Verizon Mobility Core and completing the activities set forth in Exhibit B (4) and Exhibit B (5) within [***]days' following Verizon's receipt of such notice. Vendor shall use commercially reasonable efforts, including by coordinating with Verizon, to minimize any Service Outage during the migration of a specific Cell Site. Verizon shall coordinate with Vendor and use commercially reasonable efforts to reduce site visits by Vendor following optimization.

9.7 [***]

9.8 With respect to all Vendor Provided Equipment and other material provided by Vendor hereunder, all material must meet the Build Out Specifications.

9.9 Neither Party will adjust, remove, relocate, align, or attempt to repair the other Party's equipment except as otherwise provided in this Agreement or expressly authorized in advance in writing by that Party. Each Party will be liable for any loss or damage to the other Party's equipment arising from that Party's negligence, intentional act, or unauthorized maintenance.

9.10 In the event Vendor Provided Equipment is installed at any Verizon location pursuant to this Agreement, such equipment will be used exclusively for the purpose of providing Service to Verizon pursuant to this Agreement. If such equipment is at a Verizon location, access will be provided per Section 27.

9.11 Upon termination or expiration of this Agreement or any Services in accordance with the terms of this Agreement, Vendor will, at Vendor's sole cost, promptly remove all Vendor Provided Equipment from, and return to its original condition, Verizon property and the property of any Verizon customer, where applicable, reasonable wear and tear excepted. If Vendor has not removed the Vendor Provided Equipment within thirty (30) days of the date of termination or expiration of this Agreement or Services, Verizon may, at its sole option, (i) disconnect such Vendor Provided Equipment, return it to Vendor, and invoice Vendor for all costs associated with such removal; and/or (ii) disconnect such Vendor Provided Equipment and charge Vendor rental for the use of space which Vendor Provided Equipment is occupying following any termination date.

9.12 Verizon shall have the right to take all actions it deems necessary to ensure that Vendor's operation of the Vendor Provided Equipment complies with the Communications Act of 1934, as amended, and the rules, regulations, and policies of the Federal Communications Commission, including, without limitation, the right of Verizon to (i) disconnect Vendor Provided Equipment, return it to Vendor, and invoice Vendor for all costs associated with such removal, (ii) disconnect Vendor Provided Equipment that is located within Verizon owned facilities and charge Vendor rental for the use of space which Vendor Provided Equipment is occupying, (iii) disconnect and remove Verizon owned equipment from the Vendor Cell Sites, and/or (iv) require that Vendor enter into a spectrum leasing arrangement with Verizon for the Verizon Spectrum used at the Cell Sites on mutually agreed terms. Vendor agrees to negotiate in good faith the terms of any such spectrum leasing arrangement and to execute such lease without any unreasonable delay.

9.13 The Vendor Network shall be owned and operated by Vendor for [***] Authorized Users.

9.14 In the event that Vendor proposes to sell any portion of the Vendor Network to a third party (whether alone or as part of a transaction involving additional assets), it shall obtain a separate bona fide written offer to purchase such portion of the Vendor Network, specifying the separate purchase price for such portion of the Vendor

Network, and shall notify Verizon of the price and terms specified in such offer along with the price and terms specified in the overall offer, which notification shall constitute an offer to sell such portion of the Vendor Network and additional assets to Verizon at such price and upon such terms. Vendor shall also provide full disclosure to Verizon of the method used for arriving at the price for such portion of the Vendor Network in such offer and, if the transaction in which Vendor is engaging also involves additional assets, shall disclose how the purchase price was allocated to the Vendor Network component so as to reflect the fair market value of such portion of the Vendor Network. Verizon shall have thirty (30) days to notify Vendor whether it wishes to purchase such portion of the Vendor Network and any of the additional assets upon such offered price and terms. If Verizon does not give such notification within such time, Vendor shall be free to sell such portion of the Vendor Network and additional assets pursuant to the terms of the bona fide offer, provided that if such sale is not consummated within ninety (90) days after the lapse of such 30-day period, any sale of such portion of the Vendor Network and additional assets shall again be subject to the right of first refusal provided hereby. If Verizon exercises its right to purchase, then Vendor shall also take the actions specified in the second sentence of Section 19.7 to accommodate the continued operation of the purchased assets. Notwithstanding the foregoing, in no event shall Vendor be permitted to assign its rights to utilize Verizon Spectrum as set forth herein.

10. [RESERVED]

11. UTILITY SERVICES/POWER

Vendor shall design and construct each Cell Site to provide utility services, which will include, without limitation, power provided by Vendor's power plant and, if commercially and physically feasible, supported by the Vendor and/or tower owner's emergency backup generators for such power plant. Backup power shall be provided for up to [***], either through the generators or power plant, provided however that backup power shall be provided for up to [***] at Cell Sites identified as Hub Sites, provided further that if any Cell Site(s) have multiple power outages or any Hub Site has another Hub Site aggregated to its location, then Vendor shall use commercially reasonable efforts to install generators to provide backup power at such Sites. Vendor shall refuel generators and deploy portable generators where possible to mitigate extended power outages. The Vendor Provided Equipment set forth herein shall be housed in a dedicated enclosure located at each Cell Site.

12. MAINTENANCE SERVICES

12.1 Following Location Approval of a Cell Site and until the termination of the Service Commitment Period for such Cell Site, Vendor shall provide ongoing routine maintenance to such Cell Site, which shall include, but not be limited to, the Maintenance Services set forth in Exhibit D.

12.2 Vendor shall perform all Maintenance Services required pursuant to this Agreement throughout the Service Commitment Period in accordance with the terms and conditions of this Agreement. Vendor shall make available during all Support Hours adequate personnel and resources to provide the Maintenance Services and respond to Tickets. In performing the Maintenance Services hereunder, Vendor shall comply with all specifications and work requirements set forth on Exhibit D (1).

12.3 Verizon may request specific Maintenance Services within the scope set forth in Exhibit D by submitting a Ticket to Vendor that sets forth the repair that needs to be made or the issue, error, problem or failure that requires correction and the applicable designation of severity (each, a "Ticket"). Vendor shall (i) respond to all Tickets in accordance with the requirements set forth in Exhibit E and (ii) Resolve all Tickets in accordance with the requirements set forth in Exhibit E and with the Ticketing service levels and response requirements set forth on Exhibit E (the "Ticketing SLAs"). Verizon shall develop a process to notify Vendor of each Ticket and notify Vendor of Tickets on a regular basis, provided the initial process of notification shall be via email. For urgent issues, Verizon may notify Vendor via email, telephone or such other means as the Parties may agree to in writing. The Parties shall also meet regularly and work in good faith to continue to develop a process for the ticketing systems.

12.4 With respect to any Service Affecting Defects, Vendor shall respond and begin making commercially reasonable efforts to effect required corrections or replacement within [***] of:

(i) Verizon's notification by submission of a Ticket to Vendor of any Service Affecting Defect; or

(ii) the date and time that Vendor becomes aware of a Service Affecting Defect if not notified by Verizon.

With respect to any Non-Service Affecting Defects, Vendor shall respond and begin making commercially reasonable efforts to effect required corrections or replacement within [***] of:

(i) Verizon's notification by submission of a Ticket to Vendor of any Non-Service Affecting Defect; or

(ii) the date and time that Vendor becomes aware of a Non-Service Affecting Defect if not notified by Verizon.

In the event that Vendor becomes aware of any Service Affecting Defect or Non-Service Affecting Defect, Vendor shall immediately notify Verizon of such defect (which may be done by Vendor opening a Ticket) so that Verizon can issue a Ticket to Vendor with respect thereto.

With respect to all other Tickets, Vendor shall respond as soon as reasonably practicable.

Vendor shall diligently pursue the corrections required pursuant to the Tickets issued in accordance with this Section 12.4 until Resolution of the defect, issue, error, problem or failure, the timing of which is subject to the requirements set forth in Exhibit E.

12.5 Vendor shall monitor the status of cycle times (from the time of the submission to the time of Resolution) of Tickets directed to Vendor by Verizon and shall maintain detailed monthly reports specifying such performance against the requirement set forth in Exhibit E, including the Ticketing SLAs. The Ticketing SLAs shall be measured in accordance with Exhibit E on a monthly basis and a detailed written report specifying such performance shall be delivered to Verizon within [***]days of written request to Vendor by Verizon.

12.6 If Vendor fails to meet the requirements set forth in Exhibit E, as measured in accordance with Exhibit E, Vendor shall cure such breach as soon as reasonably possible. Vendor shall provide Verizon with a plan for improving Vendor's performance to ensure that Vendor meets Ticketing SLAs in the future, which plan shall be reviewed and approved by Verizon. In the event that any failure to meet a Ticketing SLA is caused by any Force Majeure Event, it shall not be considered to be a breach of Agreement or eligible for any service credits pursuant to this Agreement.

12.7 Verizon may provide Vendor with Verizon-generated reports for the purpose of identifying any network performance issues that Vendor is required to address under the terms of this Agreement. Vendor will implement any reasonable confidentiality and security measures, as defined in the Agreement, regarding such access to Verizon information. Without limiting the foregoing, Verizon will provide Vendor with:

(a) [***]; and

(b) [***].

12.8 In addition to the foregoing, in the event of a Service Outage at a Cell Site or in the event that Vendor is unable to restore a portion of the Services at a Cell Site as required hereunder, Vendor will issue credit to Verizon as set forth in Exhibit E. Any credit(s) shall appear on the next monthly invoice or as otherwise agreed to by the Parties. If a Service Outage occurs after the fifteenth (15th) of the month, the credit may appear on the second month's invoice after the Service Outage. Credits for Service Outages occurring in the last month of any Service are payable to Verizon within thirty (30) days after termination of such Service. Credit documentation in the monthly invoice shall include the date of Service Outage and the number of hours and/or minutes of the Service Outage. No credit shall apply to the extent such Service Outage was the result of either a Force Majeure, as set forth in Section 26, or was solely caused by the acts or omissions of Verizon.

12.9 Vendor will use reasonable commercial efforts to notify Verizon no less than [***] prior to any Planned Service Outage. Failure to provide written notice of the rejection of the Planned Service Outage within [***] of receipt, shall be deemed approved by Verizon. The Planned Service Outage will have a specified beginning and an anticipated ending time and will describe the scope of impacted Services to occur during the Planned Service Outage period. To the extent the Planned Service Outage will have a material impact on Verizon the Parties will mutually agree on a timetable for the Planned Service Outage. When performing activities at a Verizon location, Vendor shall provide a documented method of procedure that shall include detailed job description, detailed back out procedure, detailed testing procedures, and any alarm testing required.

12.10 Vendor will use commercially reasonable efforts to promptly notify Verizon of any emergency Service Outage within [***] hours after such emergency Service Outage.

12.11 [***]

12.12 Notwithstanding the foregoing, Verizon shall not be required to broadcast or transmit on the Verizon Spectrum at any Cell Site(s) and may, at any time and in its sole discretion, suspend any broadcasting or transmission for such duration as determined by Verizon [***].

13. TRANSPORT SERVICES

13.1 Vendor shall provide backhaul transport services to the Demarcation Points provided in the Build Out Plan. Vendor will bear all costs associated with the provision of transport facilities to the Cell Sites for either microwave systems or fiber systems. Vendor is responsible for the costs of Vendor owned network terminating equipment at the Demarcation Points identified in the Build Out Plan. To the extent that Vendor subcontracts any portion of the backhaul transport services to a third party, Vendor will bear all financial and operational responsibility and all legal obligations pursuant to such subcontracts.

14. ROAMING SERVICES.

14.1 Vendor shall continue providing Roaming Services to each of the Cell Sites pursuant to the Roaming Agreement unless and until Commercial Service is launched at a Cell Site, at which time Services at such Cell Site shall be provided by the Vendor Network in accordance with the terms of this Agreement and such Cell Site shall no longer be covered by the Roaming Agreement.

15. OPERATIONS REVIEW

15.1 At least every [***] prior to Location Approval of all Cell Sites contemplated in the Build Out Plan, or upon reasonable request of either Party, the Parties will meet in person or by teleconference to conduct a business review of the matters subject to the Agreement and this Build Out Plan (the "Build Out Operations Review"). Topics in such Build Out Operations Review may include but are not limited to: the ongoing progress and performance against the Build Out Plan and milestones, technology issues or process improvements. If there are extraordinary circumstances with the construction of a Cell Site, the Parties will cooperate in good faith to discuss possible adjustments to the Build Out Plan. [***]

15.2 At least every [***] after Commercial Service has been launched at all Cell Sites, or upon reasonable request of either Party, the Parties will meet in person or by teleconference to conduct a maintenance operations review (the "Maintenance Operations Review"). Topics in such Maintenance Operations Review may include but are not limited to: historical performance of the Ticketing SLAs, technology issues or process improvements. Additionally, if there are Cell Sites that, because of access or weather issues, cause Vendor to be unable to meet the Ticketing SLAs, the Parties will discuss such issues [***].

16. VENDOR MANAGEMENT TOOLS AND REPORTING.

16.1 Due to the varying needs of Verizon and except as expressly set forth in Section 8.1, the Parties shall establish a mutually agreed upon and defined set of reports or data to be delivered by Vendor to Verizon and Vendor agrees that it shall supply Verizon with those reports or raw data relevant to the work to be performed pursuant to the Build Out Plan.

16.2 Vendor shall maintain a consistent group of personnel to interface with Verizon and will designate a project manager for the work to be performed hereunder (the "Project Manager"). The Project Manager shall: (A) be an employee of Vendor; (B) serve as Verizon's single point of contact for all matters pertaining to the Build Out Plan; (C) be Vendor's representative for all purposes hereunder; (D) have authority to act on behalf of Vendor; (E) have a support team; and (F) be responsible for completing reporting for milestones. The Project Manager and his or her support team may be local or remote depending on the nature and the volume of work. The Project Manager's duties shall include: (1) ensuring that quality Project Management is provided to Verizon; (2) identification and resolution of all issues preventing successful completion of any Cell Site; and (3) attend reporting meetings, as required by Verizon pursuant to Section 15.

17. REPRESENTATIONS AND WARRANTIES

17.1 Each Party represents and warrants that, as of the Effective Date:

(i) There are no actions, suits, or proceedings pending or, to its knowledge, threatened which may have an adverse effect on such Party's ability to fulfill its obligations under this Agreement;

(ii) Such Party is an entity, duly organized, validly existing, and in good standing under the laws of the state of its origin;

(iii) Such Party has all requisite corporate power and authority to execute and perform its obligations under this Agreement in accordance with its terms;

(iv) The execution, delivery, and performance of this Agreement has been duly authorized, and no additional corporate authorization or action on the part of said Party is required in connection with the execution, delivery, or performance of this Agreement or the consummation of the transactions contemplated hereby; and

(v) This Agreement has been duly and validly executed and delivered by such Party and constitutes a legal, valid, and binding obligation of such Party in accordance with its terms.

17.2 Vendor represents and warrants to Verizon as follows:

(i) Vendor has the right to provide the Services and all Service rendered by Vendor hereunder will be designed, produced, installed, furnished, and in all respects provided and maintained by Vendor in conformance and compliance with applicable federal, state, and local laws in all material respects;

(ii) Vendor (or one or more of its affiliates) is authorized and able to offer the Services at each Cell Site for the duration of the Term;

(iii) Upon Location Approval of any Cell Site by Verizon, Vendor will have good and marketable title to all of the deliverables and material incorporated into or related to such Cell Site; and

(iv) Vendor Network shall include all equipment and technology which are required or necessary to permit Verizon to operate a fully functioning wireless communications network utilizing the Cell Sites, and each Cell Site shall include all material, deliverables and other assets and equipment to be fully operational for Commercial Service at Location Approval.

17.3 Vendor warrants that the Services will comply with the performance levels and service standards set forth in this Agreement. Vendor further warrants that all Services performed under this Agreement will be performed in accordance with industry standards and in a workmanlike manner.

17.4 [***]

18. LEGAL COMPLIANCE

18.1 Vendor represents, warrants and covenants that it and its directors, shareholders, officers and employees shall, and it shall cause its agents and all Subcontractors to, comply at all times with all Applicable Site Requirements, including all Applicable Structural Standards and all FCC and FAA rules and regulations, that pertain to the construction and maintenance of the Cell Sites (collectively, "Legal Compliance"), including, without limitation, (a) all Legal Compliance requirements as to the painting, illumination and monitoring of the structural elements thereon and (b) all of the Legal Compliance requirements set forth below:

(i) the employment of labor, hours of labor, health and safety, payment of wages, payment of taxes, employment eligibility status and verification (I-9); in this regard, Vendor shall not discriminate against any employee or applicant for employment because of race, color, religion, disability, sex, national origin, age, physical or mental disability, veteran status or other unlawful criterion, and it shall comply with all applicable laws against discrimination;

(ii) the safeguarding, protection, privacy, security, encryption, unauthorized disclosure, breach notification and disposal of personal or similar information used, maintained, and/or accessed on Verizon's behalf; and

(iii) not directly or indirectly making, offering, causing to be made, accepting, requesting, suggesting, directing or otherwise inducing any bribe, payment, loan, commission, hospitality, gift of money, kick-back, inducement or anything of value or other advantage (individually or collectively "Bribery") to any official, employee, agent or instrumentality of any governmental entity, including legislative, administrative or judicial positions, or any public international organization or any other Person to gain any advantage for Verizon or Vendor, or which is in violation of any economic or trade sanctions, in connection with any transaction relating to this Agreement in a violation of any laws relating to Bribery.

18.2 Vendor shall forward to Verizon a written copy of any written notices of violation/apparent liability or forfeitures received from any governmental entity in connection with its regulatory obligations referenced in this Section 18 within five (5) business days of receipt.

19. TERMINATION

19.1 This Agreement may be terminated by either Party or either Party may terminate its obligations hereunder, in each case in whole or in part if the other Party files, or has filed against it, any voluntary petition seeking liquidation, reorganization, arrangement or readjustment of its debts or for any other relief under the United States Bankruptcy Code or under any other act or law pertaining to insolvency or debtor relief, whether state, federal or foreign, now or hereafter existing; or such other Party has filed against it any petition which petition seeks any of the foregoing relief or substantive consolidation of the assets of such other Party with a debtor in bankruptcy or liquidation and which is not dismissed within ninety (90) days after the effective service of same; or the appointment is made of a receiver, custodian or trustee of such other Party or for all or a substantial part of the assets of such other Party.

19.2 In the event of a material default under this Agreement, and subject to a thirty (30) day right to cure, unless otherwise subject to a different cure period expressly set forth in this Agreement, following the expiration of such cure period, the non-defaulting Party shall have the right, at its option, to:

(i) Suspend its performance or payment obligations with respect to the affected Service for impacted Cell Site(s); and/or

(ii) Terminate the affected Service(s) with respect to impacted Cell Site(s) without further liability upon providing written notice of such termination to the defaulting Party; and/or

(iii) Terminate this Agreement with respect to any Cell Site(s) that have not reached Location Approval without further liability upon providing written notice of such termination to the defaulting Party; and/or

(iv) If the impacted Cell Site(s) represent [***] of all Cell Sites, terminate this Agreement in its entirety without further liability upon providing written notice of such termination to the defaulting Party.

19.3 [***]

19.4 Verizon may, at any time and its sole discretion, terminate Services with respect to any Cell Site(s). In the event Verizon cancels or terminates a Service under this Agreement prior to the end of the Initial Service Commitment Period or any Renewal Service Commitment Period (and such termination is not due to Vendor's default or pursuant to Section 5.7(i)(b) or Section 19.3), Verizon agrees to pay Vendor a termination charge in the amount of [***];provided, that Vendor shall use commercially reasonable efforts to reduce or eliminate costs related to such Cell Site, including by terminating power, backhaul services, maintenance services, and lease agreements for such Cell Site, and the [***]paid by Verizon shall be reduced accordingly, provided further that, if termination fee or other payments are required by a third party in order to reduce or eliminate costs related to such Cell Site, Vendor shall provide notice to Verizon and Verizon, in its sole discretion, may elect to pay such termination fees or other payments.

19.5 The foregoing rights in this Section 19 are in addition to, and not in limitation of, any other remedy Verizon may have at law or equity.

19.6 Prior to the end of the Service Commitment Period (or at the election of Verizon upon any termination of this Agreement by Verizon for material breach by Vendor), the Parties will cooperate in good faith to affect an orderly wind-down of the relationship created under this Agreement over an agreed upon period, not to exceed [***]months. All Services and payments of fees shall continue during the wind down period in accordance with the terms of this Agreement.

19.7 Upon (i) expiration of the Service Commitment Period for the last Cell Site to launch Commercial Service, (ii) material breach of the Ticketing SLAs, (iii) any termination of this Agreement with respect to a subset of Cell Sites pursuant to Section 19.2, or (iv) any termination of this Agreement other than material breach by Verizon, Verizon shall have the option to purchase all of the Vendor Provided Equipment (or, in the case of (iii), the Vendor Provided Equipment located or used to provide Services to the applicable subset of Cell Sites) for the lesser of the [***], provided that in the case of (i), Verizon shall use commercially reasonable efforts to notify Vendor that Verizon intends to exercise such purchase option in advance of the expiration such Service Commitment Period in order to allow the Parties to negotiate and complete such purchase by the time of such Service Commitment Period expiration, provided further that Verizon's failure to provide advance notice shall in no way limit or impact Verizon's right to exercise such purchase option. In addition to selling such assets to Verizon, Vendor shall take the following actions to accommodate the continued operation of the purchased assets: (i) provide to Verizon tower leases on Vendor-owned towers; (ii) provide to Verizon building leases on Vendor-owned properties; (iii) use reasonable efforts to provide to Verizon tower, land and building subleases or assignment of leases on leased properties; and (iv) identify any other assets used by Vendor to serve Verizon and ensure that Verizon will maintain the right to use such asset as necessary for Verizon to maintain continuity of service; in each case at [***]. In addition, if Vendor provides any other services to the Cell Sites following Verizon's acquisition of the Vendor Provided Equipment (including, without limitation, backhaul, power, maintenance, etc.) Vendor shall provide such services at [***]. Verizon and Vendor will also enter into a Master License Agreement and Site License Agreements for each Cell Site owned by Vendor. If the Parties are unable to agree on [***] for any purpose of this Section, then such value or rates shall be determined by an independent appraiser selected by Verizon and reasonably acceptable to Vendor.

20. INTELLECTUAL PROPERTY INFRINGEMENT

20.1 Vendor shall indemnify, defend and hold harmless Verizon, its parents, subsidiaries and affiliates, and its and their respective directors, officers, partners, employees, agents, successors and assigns from all claims, suits, demands, damages, liabilities, expenses (including, but not limited to, reasonable fees and disbursements of counsel and court costs), judgments, settlements and penalties of every kind ("IP Claim") arising from or relating to any actual or alleged infringement or misappropriation of any patent, trademark, copyright, trade secret or any actual or alleged violation of any other intellectual property or proprietary rights arising from the Services. Provided, however, Verizon and its third-party users shall be solely responsible for its use of the Services and its content transmitted, either directly or indirectly, over the Service.

20.2 The procedures set forth in Section 21 shall apply in the case of any claims of infringement, misappropriation or violation of intellectual property rights for which indemnification will be sought.

20.3 Without limitation of Sections 20.1 and 20.2, if the sale or use of any Service becomes subject to an IP Claim, Vendor shall, at Verizon' option and Vendor's expense:

(i) Procure for Verizon the right to use the Service;

(ii) Replace the Service with equivalent, non-infringing Service;

(iii) Modify the Service so it becomes non-infringing; or

(iv) Suspend or terminate the Service.

21. INDEMNIFICATION AND LIMITATION OF LIABILITY

21.1 Each party (the "Indemnifying Party") shall defend, indemnify, and hold harmless the other party, its parents, subsidiaries and affiliates, and its and their respective directors, officers, partners, employees, agents, successors and assigns ("Indemnified Parties") from any claims, demands, lawsuits, damages, liabilities, expenses (including, but not limited to, reasonable fees and disbursements of counsel and court costs) judgments, settlements and penalties of every kind ("Claims"), that may be made: (a) by anyone for injuries (including death) to persons or damage to property, including theft, resulting in whole or in part from the acts or omissions of the Indemnifying Party or those persons furnished by the Indemnifying Party, including its subcontractors (if any); (b) by persons furnished by the Indemnifying Party and its subcontractors (if any) under Worker's Compensation or similar acts; (c) by anyone in connection with or based upon services provided by Vendor and its subcontractors (if any), or contemplated by this Agreement; and (d) by anyone in connection with or based upon a violation of applicable federal, state or local laws or otherwise arising out of or in connection with the performance by the Indemnifying Party contemplated by this Agreement.

21.2 The foregoing indemnification shall apply whether the Claim arises or is alleged to arise out of the sole acts or omissions of the Indemnifying Party (and/or in the case of

Vendor being the Indemnifying Party, any subcontractor of Vendor) or out of the concurrent acts or omissions of the Indemnifying Party (and/or in the case of Vendor being the Indemnifying Party, any subcontractor of Vendor) and any Indemnified Parties. In the event of any Claim arising out of any acts or omissions of the Indemnified Party and the Indemnifying Party, the Indemnified Party and the Indemnifying Party shall attribute the responsibility for such Claims and contribute such amounts in proportion to such Party's liability for such Claim as part of its obligations under Section 21.1. The Indemnified Party will provide the Indemnifying Party with prompt, written notice of any written Claim covered by this indemnification and will cooperate appropriately with the Indemnifying Party in connection with the Indemnifying Party's evaluation of such Claim. The Indemnifying Party shall defend any Indemnified Party, at the Indemnified Party's request, against any Claim. Promptly after receipt of such request, the Indemnifying Party shall assume the defense of such Claim with counsel reasonably satisfactory to the Indemnified Party. The Indemnifying Party shall not settle or compromise any such Claim or consent to the entry of any judgment without the prior written consent of each Indemnified Party and without an unconditional release of all claims by each claimant or plaintiff in favor of each Indemnified Party.

21.3 EXCEPT FOR BREACH OF THE PROVISIONS OF EXHIBIT C, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY, ITS EMPLOYEES, SUBCONTRACTORS, AND/OR AGENTS, OR ANY THIRD PARTY, FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, PUNITIVE DAMAGES, OR LOST PROFITS FOR ANY CLAIM OR DEMAND OF ANY NATURE OR KIND, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE PERFORMANCE OR BREACH THEREOF.EACH PARTY'S LIABILITY UNDER THIS AGREEMENT, OTHER THAN AS SET FORTH IN THE PRECEDING SENTENCE OR WITH RESPECT TO PAYMENT OF ANY FEES HEREUNDER, SHALL IN NO EVENT EXCEED [***].

22. CONFIDENTIAL INFORMATION

The nondisclosure provisions set forth as Exhibit C shall apply to this Agreement.

23. TRADEMARKS AND TRADE NAMES

Except as specifically set out in this Agreement, nothing in this Agreement shall grant, suggest, or imply any authority for one Party to use the name, trademarks, service marks, or trade names of the other for any purpose whatsoever.

24. PUBLICITY AND DISCLOSURE

Vendor agrees not to provide copies of this Agreement, or otherwise disclose the terms of this Agreement, to any third party without the prior written consent of Verizon; provided, however, that either Party may, without obtaining consent of the other, provide copies or make disclosures in compliance with Exhibit C hereto or for the purpose of obtaining third party financing and to any regulatory or judicial body requesting such information. Vendor will provide public relations and/or management interfaces for consultation with Verizon during any planned or unplanned Service Outage in order to respond to press inquiries. Both Parties agree to submit to the other, for written approval, all advertising, sales promotion, press releases, and other publicity matters relating to the product furnished and/or the Service performed pursuant to this Agreement, when the other Party's name or mark or the name or mark of any of its partners or Affiliates is mentioned or language from which the connection of said name or mark may be inferred or implied. Such requests shall be sent to:

If to Verizon:

Vice President -- Corporate Communications
Verizon
One Verizon Way
Basking Ridge, NJ 07920

WITH A COPY TO: [***]

If to Vendor:

Commnet Wireless, LLC
1562 N. Park Street
Castle Rock, CO 80109
Attention: Chief Executive Officer

With a copy to: General Counsel - [***]

25. COMPLIANCE WITH LAWS

Vendor shall comply with all applicable federal, state, and local laws, government regulations and orders, including, without limitation, laws, government regulations, and orders with respect to employment. In addition, Vendor shall not discriminate against any employee or applicant for employment because of race, color, religion, disability, sex, national origin, age, physical or mental disability, veteran status, or any other unlawful criterion, and it shall comply with all applicable laws against discrimination and all applicable rules, regulations, and orders issued thereunder or in implementation thereof. Verizon is a federal contractor. As a result, but only if applicable, the Equal Opportunity Clauses set forth in 41 C.F.R. §§ 60-1.4(a) and the employee notice found at 29 C.F.R. Part 471, Appendix A to Subpart A are incorporated by reference herein. Finally, but also only if applicable**,** Vendor shall abide by the requirements of 41 CFR §§ 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals on the basis of protected veteran status or disability and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities.

26. FORCE MAJEURE

Neither Party shall be responsible for any delay or failure in performance of any part of this Agreement to the extent that such delay (other than a delay in monetary payments) is caused by reason of acts of God, wars, revolution, civil commotion, acts of public enemy, embargo, acts of government in its sovereign capacity, labor difficulties, including, without limitation, strikes, slowdowns, picketing or boycotts, severe weather events, or any other circumstances beyond the reasonable control (including loss of power) and not involving any fault or negligence of the Delayed Party ("Force Majeure"). Further, Vendor shall not be responsible for any delay or failure in Vendor's performance or obligations with respect to any Cell Site past any scheduled Completion Date that is caused by any of the following events (such event, an "Excusable Delay"): a Change Order that extends a Completion Date with respect to such Cell Site provided Vendor notified Verizon of such extension when reviewing and responding to such Change Order.

If any Force Majeure or Excusable Delay occurs, the Party delayed or unable to perform ("Delayed Party"), upon giving prompt notice to the other Party, shall be excused from such performance on a day-to-day basis during the continuance of such Force Majeure or Excusable Delay (and the other Party shall likewise be excused from performance of its obligations on a day-to-day basis during the same period), provided, however, that the Party so affected shall use its commercially reasonable efforts to avoid or remove such Force Majeure, and both Parties shall proceed immediately with the performance of their obligations under this Agreement whenever such causes are removed or cease, provided, further, that if a temporary solution is available, Vendor agrees to work in good faith with Verizon to enable such temporary solution. Notwithstanding the foregoing, after Commercial Service is launched at any Cell Site(s) (i) if a Force Majeure continues for [***] (a) Verizon may terminate any portion or all of the affected Services without further liability, or (b) Vendor may terminate any portion or all of the affected Services provided that Vendor shall reimburse Verizon for the aggregate amount paid by Verizon as Deployment Incentives for the impacted Cell Site(s) and Verizon shall have no further liability with respect such Cell Site(s), and (ii) in the event any Force Majeure results in a [***], Verizon shall be excused from any Monthly Recurring Cost payments for the Services being provided to the impacted Cell Site(s) on a pro rata basis for the duration of such [***]. [***]

27. PLANT AND WORK RULES AND RIGHT OF ACCESS

27.1 Anyone acting on behalf of one Party, while on the premises of the other, shall comply with all plant rules, regulations and premises owner's standards for security, including (when required by U.S. government regulations) submission of satisfactory clearance from U.S. Department of Defense and other federal authorities concerned.

27.2 Each Party shall permit reasonable access during normal working hours to its facilities in connection with the Services. Reasonable prior notice shall be given when access is required.

27.3 If Vendor is given access, whether on-site or through remote facilities, to any Verizon computer or electronic data storage system in order for Vendor to accomplish the Services called for in this Agreement, Vendor shall limit such access and use solely to perform Services within the scope of this Agreement and shall not access or attempt to access any computer system, electronic file, software or other electronic services other than those specifically required to accomplish the work required under this Agreement. Vendor shall limit such access to those of its employees who are qualified and required, subject to Verizon requiring written authorization, to have such access in connection with this Agreement, and shall strictly follow all Verizon' security rules and procedures for use of Verizon's electronic resources. All user identification numbers and passwords disclosed to Vendor and any information obtained by Vendor as a result of Vendor's access to and use of Verizon's computer and electronic data storage systems shall be deemed to be, and shall be treated as, Verizon Confidential Information under applicable provisions of this Agreement. Verizon reserves the right to monitor such actions by Vendor, and Vendor agrees to cooperate with Verizon in the investigation of any apparent unauthorized access by Vendor to Verizon's computer or electronic data storage systems or unauthorized release of Confidential Information by Vendor.

28. PERMITS

Unless otherwise specifically provided for in this Agreement, Vendor shall obtain and keep in full force and effect, at its expense, any permits, licenses, consents, approvals, and authorizations ("Permits") necessary for the performance and completion of Services. If requested, Vendor must submit to Verizon evidence of any Permits required for Vendor to perform Services.

29. INSURANCE

29.1 Vendor shall maintain, during the term and each renewal or extension of this Agreement, at its own expense, the following insurance:

(i) Worker's Compensation in compliance with the statutory requirements of the state(s) of operation and Employer's liability insurance with limits of at least $[***] each accident/disease/policy limit;

(iii) Commercial general liability insurance with limits of $[***] per occurrence for bodily injury and property damage and $[***] general aggregate including products liability insurance and coverage for independent contractors:

(iv) If the use of automobiles is required, commercial automobile liability insurance, each with limits of at least $[***] for combined single limit each accident for bodily injury, including death, and/or property damage covering all owned, non-owed ad hired vehicles;

(v) Professional Liability (Errors and Omissions) with limits of not less than $[***] per claim and aggregate; and

(vi) Excess liability insurance with a limits of $[***] per occurrence and aggregate.

29.2 The insuring carriers shall be rated at least A-: VII or better by AM Best and the form of the insurance policies shall be subject to approval by Verizon. The commercial general liability insurance shall be primary and non-contributory with any insurance or program of self-insurance that may be maintained by Verizon, and all insurance shall include a waiver of subrogation in favor of Verizon. Verizon shall be named as an additional insured on the general and automobile liability insurance policies. Vendor shall furnish to Verizon certificates of insurance evidencing the coverage required herein within ten (10) days of the execution of this Agreement and with each renewal. The insurer or the insured's representative shall provide at least thirty (30) days prior written notice of policy cancellation to Verizon. The fulfillment of the obligations hereunder in no way modifies Vendor's obligations to indemnify Verizon.

29.3 Vendor shall also require its subcontractors, if any, who may enter upon Verizon' premises to maintain insurance policies with the same coverage and limits as those listed in Sections 29.1(i), 29.1(ii) and 29.1(iii) above, and to agree to furnish Verizon, if requested, certificates or adequate proof of such insurance. The insurer or the insured's representative shall provide at least ten (10) days prior written notice of policy cancellation to Verizon.

30. RELATIONSHIP OF PARTIES

In providing any Services under this Agreement, Vendor is acting solely as an independent contractor and not as an agent of any other Party. Persons furnished by Vendor shall be solely the employees or agents of Vendor and shall be under the sole and exclusive direction and control of such Party. They shall not be considered employees of Verizon for any purpose. Vendor shall be responsible for compliance with all laws, rules and regulations involving its respective employees or agents, including (but not limited to) employment of labor, hours of labor, health and safety, working conditions and payment of wages. Vendor shall also be responsible, respectively, for payment of taxes, including federal, state, and municipal taxes, chargeable or assessed with respect to its employees or agents, such as social security, unemployment, worker's compensation, disability insurance and federal and state income tax withholding. Neither Party undertakes by this Agreement or otherwise to perform or discharge any liability or obligation of the other Party, whether regulatory or contractual, or to assume any responsibility whatsoever for the conduct of the business or operations of the other Party. Nothing contained in this Agreement is intended to give rise to a partnership or joint venture between the Parties or to impose upon the Parties any of the duties or responsibilities of partners or joint venturers.

31. NOTICES

Except as otherwise expressly set forth in this Agreement, notices concerning this Agreement shall be in writing and shall be given or made by means of electronic transmission, certified or registered mail, express mail or other overnight delivery service, or hand delivery, proper postage or other charges paid and addressed or directed to the respective Parties as follows. A notice that is sent by electronic transmission shall also be sent by one of the other means set out by this Section 31:

To Vendor: Commnet Wireless, LLC
1562 N. Park Street
Castle Rock, CO 80109
Attention: Carrier Managed Services
Email: [***]

With a copy to:
Commnet Wireless, LLC
1562 N. Park Street
Castle Rock, CO 80109
Attention: General Counsel

Email: [***]

To Verizon:	Verizon One Verizon Way Basking Ridge, NJ 07920 Attention: [***] Email: [***]
With a copy to:	Verizon One Verizon Way Basking Ridge, NJ 07920 Attention: [***] Email: [***]

Notices for change in Vendor’s legal entity name, assignment requests, or change in mailing address must be given by either Party by mailing to the other Party within thirty (30) days of such change; provided that either Party may, from time to time, update the notice address in Section 5.7 via electronic transmission, provided updates from Verizon shall be from [***] to Vendor and such updates shall not require amendment to this Agreement.

32. NONWAIVER

Either Party's failure to enforce any of the provisions of this Agreement or any Service Order, or to exercise any option, shall not be construed as a waiver of such provisions, rights, or options, or affect the validity of this Agreement or any Service Order.

33. SEVERABILITY

If any of the provisions of this Agreement shall be invalid or unenforceable, then such invalidity or unenforceability shall not invalidate or render unenforceable the entire Agreement. The entire Agreement shall be construed as if not containing the particular invalid or unenforceable provision or provisions, and the rights and obligations of Vendor and Verizon shall be construed and enforced accordingly.

34. SECTION HEADINGS

The headings of the several sections are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

35. SURVIVAL OF OBLIGATIONS

The respective obligations of the Parties under this Agreement that by their nature would continue beyond the termination, cancellation, or expiration, shall survive any termination, cancellation, or expiration, including, but not limited to, obligations to indemnify, insure, and maintain confidentiality.

36. CHOICE OF LAW AND JURISDICTION

The construction, interpretation, and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to any conflicts of law principles that would require the application of the laws of any other jurisdiction and subject to the exclusive jurisdiction of its federal or state courts in New York. Any suit brought by either Party against the other Party for claims arising out of this Agreement shall be brought in the Supreme Court of the State of New York, New York County, and/or, if applicable, the United States District Court for the Southern District of New York. The application of the UN Convention on Contracts for the international Sale of Goods is specifically excluded from this Agreement.

37. ASSIGNMENT

The rights, obligations, and other interests of Vendor shall not be assigned by Vendor, in whole or in part, without the prior written consent of Verizon and any purported assignment of same shall be void. Such consent by Verizon will not be unreasonably withheld. Notwithstanding the forgoing, Vendor may assign all of part of this Agreement to an Affiliate in the United States, with written notice to Verizon, without obtaining Verizon's consent. A direct or indirect change of control of Vendor shall be deemed an assignment pursuant to this Section 37.

If Verizon sells, exchanges, or otherwise disposes of all or a portion of the assets of, or Verizon's interest in, any business unit or entity to which Service is provided, then Verizon shall have the right to assign to such third party all applicable licenses, warranties, maintenance schedules, and rights granted under this Agreement with respect to such Service, provided that the third party agrees in writing to be bound by all obligations of Verizon to Vendor that pertain to the Service and that Verizon will remain liable for the payment of Monthly Recurring Costs for the duration of the then current Service Commitment Period in accordance with the terms of the Agreement.

38. SUBCONTRACTING

Vendor may subcontract for testing, maintenance, repair, restoration, relocation, or other operational and technical services it is obligated to provide hereunder or may have the underlying facility owner or its contractor perform such obligations, but Vendor in any event shall remain fully and directly liable to Verizon for the performance of such Services and obligations. Notwithstanding the foregoing, Vendor shall remove, at Verizon's request, any subcontractor furnished by Vendor who, in Verizon's opinion, is incapable, uncooperative, or otherwise unacceptable in the execution of the Services to be provided under this Agreement. Vendor accepts full responsibility for the acts and omissions of subcontractors to the same extent Vendor is responsible for the acts and omissions of persons directly employed by Vendor. Furthermore, Vendor shall bind its subcontractors, if any, to ensure that such subcontractors agree to comply with all applicable federal, state, and local laws, government regulations, and orders, including, without limitation, laws, government regulations, and orders with respect to employment. In addition, such subcontractors shall agree not to discriminate against any employee or applicant for employment because of race, color, religion, disability, sex, national origin, age, physical or mental disability, veteran status, or any other unlawful criterion, and such subcontractors shall agree to comply with all applicable laws against discrimination and all applicable rules, regulations, and orders issued thereunder or in implementation thereof. Verizon is a federal contractor. As a result, but only if applicable, the Equal Opportunity Clauses set forth in 41 C.F.R. §§ 60-1.4(a) and the employee notice found at 29 C.F.R. Part 471, Appendix A to Subpart A shall be incorporated by reference in the relevant subcontract. Finally, but also only if applicable**,** Vendor shall bind its subcontractors to abide by the requirements of 41 CFR §§ 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals on the basis of protected veteran status or disability and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities.

39. FOREIGN-BASED SERVICES

Vendor represents, warrants, and covenants that no service performed by Vendor pursuant to this Agreement shall be provided, directed, controlled, supervised, or managed, and no data relating to any such service shall be stored, at, in, or through a site located outside of the United States or the Navajo Nation or any other tribal government.

40. DIVERSITY REQUIREMENTS

If Vendor is itself a Certified Minority, Woman, Veteran, Lesbian, Gay, Bi-sexual, Transgender, or Disability Owned and Controlled Business Enterprise ("Diverse Vendor"), as defined in the Diversity Requirements for Vendors set forth at http://www.verizon.com/Vendors (or successor website) which are incorporated herein by reference, as the same may be updated from time to time, Vendor shall retain its Diverse Vendor certification through the Term of this Agreement. If there is a change in Vendor's certification status, Vendor shall notify Verizon, in writing, within thirty (30) days of after the date of such change.

If Vendor is not itself a Diverse Vendor, then Vendor agrees to each year:

(a) engage the services of one or more Diverse Vendors, in an amount equivalent to at least [***] of the aggregate amount of all contractual payments to be made by Verizon to Vendor during such year pursuant to this Agreement, with the amount of such contractual payments being derived by averaging the total payments to be made by Verizon by the total number of months in the Term and multiplying the result of that calculation by 12 (in order to derive an average yearly spend amount and to mitigate the impact of any large upfront or other one-time payments); and

(b) comply with the Diversity Requirements set forth at http://www.verizon.com/suppliers (or successor website).

(c) Vendor may satisfy the Diverse Vendor Percent Commitment by Direct Tier 2 Diverse Spend, Allocated Indirect Tier 2 Diverse Spend or any combination. Direct Tier 2 Diverse Spend is spend with Diverse Vendor(s) in fulfillment of this Agreement. Allocated Indirect Tier 2 Diverse Spend is the allocation of Vendor's spend with Diverse Vendors based on the percentage of Vendor's revenue derived from Verizon. For example, if Vendor's total spend with Diverse Vendors is $5,000,000 and 10% of Vendor's revenue is derived from Verizon, then the Allocated Indirect Spend would be $500,000.

41. BACKGROUND CHECKS

For each of the individuals that Vendor wishes to assign to perform Services for Verizon, Vendor shall certify to Verizon that it has conducted (or caused to be conducted) a background check as described at in the Background Check Requirements set forth at http://www.verizon.com/suppliers (or successor website) and incorporated herein by this reference, as the same may be updated from time to time.

42. VENDOR CODE OF CONDUCT

Vendor agrees to comply with Verizon's Vendor Code of Conduct located at http://www22.verizon.com/ethics and incorporated herein by this reference as the same may be updated from time to time.

43. PRIVACY AND DATA SECURITY

43.1 Vendor must include in its information security program a plan for security incident management and response in the event of an actual or suspected (i) security compromise with respect to Verizon Confidential Information or any operations providing services to Verizon, (ii) other loss or misuse of Verizon Confidential Information, or (iii) malware posing a significant threat to Verizon Confidential Information or any operations providing services to Verizon (collectively "Security Incident").

43.2 Vendor security incident management and response plan must have documented formal procedures that comply with Industry Standards and applicable laws addressing investigation and response to Security Incidents, including, without limitation, government mandated notifications in the event of privacy breaches.

43.3 Vendor must use Industry Standard methods to prevent interception of, or improper access to (i) voice, email, voicemail, and data communications, including collaboration and conferencing sessions, pertaining to Verizon Confidential Information, and (ii) Verizon operations or communications with Verizon.

43.4 Vendor must implement network security controls for networks that will access or transmit Verizon Confidential Information, access Verizon Systems, or otherwise be used in the performance of services under an Agreement.

43.5 To the extent Vendor Staff are provided access to Verizon Confidential Information or Verizon Systems, Vendor must notify such Vendor Staff of their obligations with respect to such information and information resources and conditions of such access. Unless precluded by local law, Vendor must affirmatively communicate to Vendor Staff (and where required by law or contract obtain consent from such Vendor Staff) that they are not entitled to privacy protection if they access or use such Verizon information resources, and that access to and use of Verizon Confidential Information or Verizon information resources may be monitored.

44. DOCUMENT PRECEDENCE

Except for Section 7 (Taxes) of this Agreement, which shall take precedence in all matters relating to taxes, in the event of a conflict between the provisions of this

Agreement and those of any exhibit hereto or any Service Order, the provisions of the Service Order will take precedence, then the provisions of Build Out Plan and any other exhibit to this Agreement, and finally the provisions of this Agreement. For the avoidance of doubt, to the extent a Service Order includes terms and conditions that differ from the terms and conditions of this Agreement and/or the exhibits hereto in regard to an aspect of the Service Order in which the Parties are expressly permitted by this Agreement to deviate from the order of document precedence set forth in this Section 44, such difference shall not be deemed a "conflict" for purposes of this Section 44.

45. SPECIFIC PERFORMANCE

Each of the Parties agrees that irreparable damage would occur for which money damages would not suffice in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached and that the other Party would not have an adequate remedy at law. Accordingly, each Party hereto agrees that the non-breaching Party shall be entitled to an injunction, temporary restraining order or other equitable relief in order to enforce or prevent any breaches or other violations (whether anticipatory, continuing or future) of the provisions of this Agreement. Each Party hereto agrees that the other Party is not required to post a bond in order for the other Party to secure an injunction. The foregoing is in addition to any other remedy to which any Party is entitled at law, in equity or otherwise.

46. ENTIRE AGREEMENT

This Agreement together with its exhibits and schedules constitutes the entire agreement between the Parties and cancels all contemporaneous or prior agreements, whether written or oral, with respect to the subject matter of this Agreement. No modifications shall be made to this Agreement unless in writing and signed by authorized representatives of the Parties.

[*Signature page follows*]

47. SIGNATURES

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized officers or representatives.

**CELLCO PARTNERSHIP
D/B/A VERIZON WIRELESS**

_/s/ Lynn Cox________________________
(Signature of Officer)

_Lynn Cox__________________________
(Printed Name of Officer)

Senior Vice President & Chief Engineer
(Title)

___May 10, 2023__________________
(Date)

COMMNET WIRELESS, LLC

_/s/ Kim Rivera________________________
(Signature of Officer)

_Kim Rivera_____________________
(Printed Name of Officer)

_Chief Financial Officer________________
(Title)

__May 10, 2023______________________
(Date)

ATN INTERNATIONAL, INC.
Notice of Grant of Restricted Stock and
Restricted Stock Agreement under the
ATN International, Inc. 2023 Equity Incentive Plan

Participant Name:
ID:

ATN International, Inc., a Delaware corporation (the "Company"), hereby grants to the Participant named above ("you") the number of shares of Common Stock, par value $0.01 per share (the "Shares") of the Company set forth below on the terms of this Notice of Grant of Restricted Stock and Restricted Stock Agreement (this "Agreement"), subject to your acceptance of this Agreement and the provisions of the ATN International, Inc. 2023 Equity Incentive Plan, as amended from time to time (the "Plan"). The Shares are subject to the restrictions set forth herein and those set forth in the Plan.

Date of grant:

Number of shares:

Vesting: The Shares will be full vested on the Date of Grant

By your signature below, you agree with the Company to the terms of this Agreement.

ATN International, Inc.

By: ______________________________
Name: ______________________________
Title: ______________________________

____
Date

____
Participant

____
Date

Terms of Restricted Stock

1. Plan Incorporated by Reference. The provisions of the Plan are incorporated into and made a part of this Agreement by this reference. Capitalized terms defined in the Plan and used and not otherwise defined in this Agreement have the meanings given to them in the Plan. The Committee administers the Plan, and its determinations regarding the interpretation and operation of the Plan and this Agreement are final and binding. The Board may in its sole discretion at any time terminate or from time to time modify and amend the Plan as provided therein. You may obtain a copy of the Plan without charge upon request to the Company's Corporate Secretary.

2. Vesting. The Shares will be fully vested at the time of grant.

3. Withholding Taxes. You are responsible for any income or other tax liability attributable to the Shares. It is a condition to the issuance of Shares under this Agreement that you shall pay to the Company, or make provision satisfactory to the Committee for payment of, any taxes required by law to be withheld with respect to the Shares no later than the date of the event creating the tax liability. The Company and its Affiliates may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind for your benefit. In your discretion, the minimum tax obligations required by law to be withheld with respect to the Shares may be paid in whole or in part in shares of Stock, including Shares granted under this Agreement, valued at their Fair Market Value on the date of withholding or delivery provided that the amount of stock you may use for this purpose shall be limited to a fair value of $100,000 per year.

4. Compliance with Law. The Company shall not be obligated to issue or deliver any Shares if it determines that the delivery or issuance would violate the terms of the Company's policy regarding insider trading (including as a result of your need to engage in a sale of those shares in order to pay applicable withholding taxes). The Company shall also not be obligated to issue or deliver any shares of Common Stock unless the Company is satisfied that all requirements of law or any applicable stock exchange in connection therewith (including without limitation the effective registration or exemption of the issuance of such shares under the Securities Act of 1933, as amended, and applicable state securities laws) have been or will be complied with, and the Committee may impose any restrictions on your rights as it shall deem necessary or advisable to comply with any such requirements; provided that the Company will issue such shares on the earliest date at which it reasonably anticipates that such issuance will not cause such violation.

5. Rights as Stockholder; Dividends. Subject to the provisions of this Agreement, you shall have all rights and privileges as a stockholder (including, but not limited to, voting rights) with respect to the Shares, whether or not the Shares have vested, prior to any forfeiture. Any cash dividends or distributions declared and paid with respect to Shares that are, as of the record date for such dividend, allocated to you pursuant to this Agreement, but not issued prior to the applicable dividend record date will be subject to the same vesting and other restrictions as are applicable to the Shares to which the Award relates. All calculations made in connection with this grant shall be computed to three decimal places. No fractional shares shall be issued under this grant. Cash will be paid in lieu of any fractional share that otherwise would become due and payable.

6. Nontransferability. Subject to the provisions of the Plan, you may not sell, assign, transfer, pledge, hypothecate or otherwise dispose of or encumber the Shares until they have vested in accordance with the scheduled vesting dates set forth in this Agreement. You may not assign or transfer any rights with respect to the Shares except by will or by the laws of descent and distribution or to the extent expressly permitted in writing by the Committee.

7. Corporate Events. The terms of the Shares may be changed without your consent as provided in the Plan upon a Change in Control of, or certain other corporate events affecting, the Company.

8. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the applicable laws of the United States of America and the law (other than the law governing conflict of law questions) of the State of Delaware except to the extent the laws of any other jurisdiction are mandatorily applicable.

9. Amendment and Termination of the Shares. Prior to settlement, the Shares may be amended or terminated by the Company with or without your consent, as permitted by the Plan.

Exhibit 31.1

CERTIFICATIONS PURSUANT TO
RULE 13a-14(a) OR RULE 15d-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael T. Prior, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ATN International, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

ATN International, Inc.

Date: August 9, 2023

/s/ Michael T. Prior
Michael T. Prior
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS PURSUANT TO
RULE 13a-14(a) OR RULE 15d-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Justin D. Benincasa, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ATN International, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

ATN International, Inc.

Date: August 9, 2023

By: /s/ Justin D. Benincasa
Justin D. Benincasa
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report on Form 10-Q of ATN International, Inc. (the "Company") for the period ended June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael T. Prior, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

ATN International, Inc.

Date: August 9, 2023

By: /s/ Michael T. Prior
Michael T. Prior
President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report on Form 10-Q of ATN International, Inc. (the "Company") for the period ended June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Justin D. Benincasa, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

ATN International, Inc.

Date: August 9, 2023

By: /s/ Justin D. Benincasa
Justin D. Benincasa
Chief Financial Officer