As filed with the Securities and Exchange Commission on May 15, 2001.

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

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2001

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 No. 0-15279

GENERAL COMMUNICATION, INC.
(Exact name of registrant as specified in its charter)

STATE OF ALASKA	92-0072737
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2550 Denali Street Suite 1000 Anchorage, Alaska	99503
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (907) 265-5600

Former name, former address and former fiscal year, if changed since last report

Indicate by check mark whether the registrant (l) 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 X No .

The number of shares outstanding of the registrant's classes of common stock, as of April 30, 2001 was:
49,093,967 shares of Class A common stock; and
3,896,919 shares of Class B common stock.

<TABLE>

INDEX

GENERAL COMMUNICATION, INC.

FORM 10-Q

FOR THE QUARTER ENDED MARCH 31, 2001

<CAPTION>

Cautionary Statement Regarding Forward-Looking Statements

You should carefully review the information contained in this Quarterly Report, but should particularly consider any risk factors that we set forth in this Quarterly Report and in other reports or documents that we file from time to time with the Securities and Exchange Commission. In this Quarterly Report, in addition to historical information, we state our beliefs of future events and of our future operating results, financial position and cash flows. In some cases, you can identify those so-called "forward-looking statements" by words such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," or "continue" or the negative of those words and other comparable words. You should be aware that those statements are only our predictions and are subject to risks and uncertainties. Actual events or results may differ materially. In evaluating those statements, you should specifically consider various factors, including those outlined below. Those factors may cause our actual results to differ materially from any of our forward-looking statements. For these statements, we claim the protection of the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995.

- Material adverse changes in the economic conditions in the markets we serve and in general economic conditions;
- The efficacy of the rules and regulations to be adopted by the Federal Communications Commission ("FCC") and state public regulatory agencies to implement the provisions of the 1996 Telecom Act; the outcome of litigation relative thereto; and the impact of regulatory changes relating to access reform;
- Our responses to competitive products, services and pricing, including pricing pressures, technological developments, alternative routing developments, and the ability to offer combined service packages that include local, cable and Internet services; the extent and pace at which different competitive environments develop for each segment of our business; the extent and duration for which competitors from each segment of the telecommunications industry are able to offer combined or full service packages prior to our being able to do so; the degree to which we experience material competitive impacts to our traditional service offerings prior to achieving adequate local service entry; and competitor responses to our products and services and overall market acceptance of such products and services;
- The outcome of our negotiations with Incumbent Local Exchange Carriers ("ILECs") and state regulatory arbitrations and approvals with respect to interconnection agreements; and our ability to purchase unbundled network elements or wholesale services from ILECs at a price sufficient to permit the profitable offering of local exchange service at competitive rates;
- Success and market acceptance for new initiatives, many of which are untested; the level and timing of the growth and profitability of new initiatives, particularly local access services expansion, Internet (consumer and business) services expansion and wireless services; start-up costs associated with entering new markets, including advertising and promotional efforts; successful deployment of new systems and applications to support new initiatives; and local conditions and obstacles;
- Uncertainties inherent in new business strategies, new product launches and development plans, including local access services, Internet services, wireless services, digital video services, cable modem services, digital subscriber line services, and transmission services;
- Rapid technological changes;
- Development and financing of telecommunication, local access, wireless,

Internet and cable networks and services;
- Future financial performance, including the availability, terms and deployment of capital; the impact of regulatory and competitive developments on capital outlays, and the ability to achieve cost savings and realize productivity improvements;
- Availability of qualified personnel;
- Changes in, or failure, or inability, to comply with, government regulations, including, without

limitation, regulations of the FCC, the Regulatory Commission of Alaska, and adverse outcomes from regulatory proceedings;
- Uncertainties in federal military spending levels and military base closures in markets in which we operate;
- Industry consolidation and mergers;
- Other risks detailed from time to time in our periodic reports filed with the Securities and Exchange Commission.

These forward-looking statements (and such risks, uncertainties and other factors) are made only as of the date of this report and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained in this document to reflect any change in our expectations with regard to those statements or any other change in events, conditions or circumstances on which any such statement is based, except as required by law. Readers are cautioned not to put undue reliance on such forward-looking statements.

PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

<TABLE>

GENERAL COMMUNICATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

<CAPTION>

ASSETS	(Unaudited) March 31, 2001	December 31, 2000
	(Amounts in thousands)	
<S>	<C>	<C>
Current assets:		
Cash and cash equivalents	$ 7,366	5,962
Receivables:		
Trade	46,691	49,872
Employee	462	378
	47,153	50,250
Less allowance for doubtful receivables	3,408	2,864
Net receivables	43,745	47,386
Prepaid and other current assets	2,413	2,505
Deferred income taxes, net	3,547	3,221
Inventories	5,910	5,717
Property held for sale	---	10,877
Notes receivable with related parties	257	241
Total current assets	63,238	75,909
Property and equipment in service, net of depreciation	347,526	347,802
Construction in progress	12,129	8,097
Net property and equipment	359,655	355,899
Cable franchise agreements, net of amortization of $22,800,000 and $21,509,000 at March 31, 2001 and December 31, 2000, respectively	184,085	184,983
Goodwill, net of amortization of $6,267,000 and $5,952,000 at March 31, 2001 and December 31, 2000, respectively	39,686	40,002
Other intangible assets, net of amortization of $880,000 and $729,000 at March 31, 2001 and December 31, 2000, respectively	4,443	3,936
Property held for sale	1,550	1,550
Deferred loan and senior notes costs, net of amortization of $4,509,000 and $4,166,000 at March 31, 2001 and December 31, 2000, respectively	8,059	8,402
Notes receivable with related parties	3,289	3,235
Other assets, at cost, net of amortization of $64,000 and $63,000 at March 31, 2001 and December 31, 2000, respectively	9,470	5,091

Total other assets	250,582	247,199
Total assets	$ 673,475	679,007

See accompanying notes to interim condensed consolidated financial statements.
</TABLE>

<TABLE>
GENERAL COMMUNICATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Continued)
<CAPTION>

LIABILITIES AND STOCKHOLDERS' EQUITY	(Unaudited) March 31, 2001	December 31, 2000
	(Amounts in thousands)	
<S>	<C>	<C>
Current liabilities:		
Current maturities of obligations under capital leases	$ 1,547	1,600
Accounts payable	29,766	29,094
Accrued interest	5,065	9,256
Accrued payroll and payroll related obligations	11,042	10,385
Deferred revenue	9,985	9,477
Accrued liabilities	4,271	4,134
Subscriber deposits and other current liabilities	1,307	1,362
Total current liabilities	62,983	65,308
Long-term debt, excluding current maturities	322,753	334,400
Obligations under capital leases, excluding current maturities	46,506	46,882
Obligations under capital leases due to related party, excluding current maturities	203	214
Deferred income taxes, net of deferred income tax benefit	23,973	22,057
Other liabilities	4,973	4,077
Total liabilities	461,391	472,938
Preferred stock. $1,000 par value, authorized 1,000,000 shares; issued and outstanding 20,000 shares at March 31, 2001 and December 31, 2000; convertible into Class A common stock at $5.55 per share of Class A common stock, redemption price at March 31, 2001 and December 31, 2000 of $1,035 and $1,014 per share, respectively; $2,677,000 dividends accrued, pending stock issuance at March 31, 2001 and December 31, 2000	22,589	22,589
Stockholders' equity:		
Common stock (no par):		
Class A. Authorized 100,000,000 shares; issued and outstanding and issuable 49,057,117 and 48,642,870 shares at March 31, 2001 and December 31, 2000, respectively	186,296	182,706
Class B. Authorized 10,000,000 shares; issued and outstanding 3,900,135 and 3,904,038 shares at March 31, 2001 and December 31, 2000, respectively; convertible on a share-per-share basis into Class A common stock	3,296	3,299
Less cost of 357,958 Class A common shares held in treasury at March 31, 2001 and December 31, 2000	(1,659)	(1,659)
Paid-in capital	7,848	7,368
Notes receivable with related parties issued upon stock option exercise	(2,976)	(2,976)
Retained deficit	(3,310)	(5,258)
Total stockholders' equity	189,495	183,480
Commitments and contingencies		
Total liabilities and stockholders' equity	$ 673,475	679,007

See accompanying notes to interim condensed consolidated financial statements.
</TABLE>

<TABLE>
GENERAL COMMUNICATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
<CAPTION>
(Unaudited)
Three Months Ended

	March 31, 2001	March 31, 2000
	(Amounts in thousands except per share amounts)	
<S>	<C>	<C>
Revenues	$ 96,917	68,277
Cost of sales and services	42,086	29,658
Selling, general and administrative expenses	27,850	24,654
Depreciation and amortization expense	13,939	13,088
Operating income	13,042	877
Interest expense	8,883	10,014
Interest income	163	175
Interest expense, net	8,720	9,839
Net income (loss) before income taxes	4,322	(8,962)
Income tax (expense) benefit	(1,899)	3,464
Net income (loss)	$ 2,423	(5,498)
Basic income (loss) per common share	$ 0.04	(0.12)
Diluted income (loss) per common share	$ 0.03	(0.12)

See accompanying notes to interim condensed consolidated financial statements.
</TABLE>

<TABLE>

GENERAL COMMUNICATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
THREE MONTHS ENDED MARCH 31, 2001 AND 2000

<CAPTION>

(Unaudited) (Amounts in thousands)	Class A Common Stock	Class B Common Stock	Class A Shares Held in Treasury	Paid-in Capital	Notes Receivable Issued to Related Parties	Retained Earnings (Deficit)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balances at December 31, 1999	$ 176,740	3,422	(1,607)	6,343	(2,167)	9,817
Net loss	---	---	---	---	---	(5,498)
Tax effect of excess stock compensation expense for tax purposes over amounts recognized for financial reporting purposes	---	---	---	182	---	---
Class B shares converted to Class A	119	(119)	---	---	---	---
Shares issued under stock option plan	3	---	---	---	---	---
Shares issued under officer stock option agreements and notes issued upon officer stock option exercise	450	---	---	---	(372)	---
Amortization of the excess of GCI stock market value over stock option exercise cost on date of stock option grant	---	---	---	113	---	---
Shares issued to Employee Stock Purchase Plan	1,243	---	---	---	---	---
Preferred stock dividends	---	---	---	---	---	(441)
Balances at March 31, 2000	$ 178,555	3,303	(1,607)	6,638	(2,539)	3,878
Balances at December 31, 2000	$ 182,706	3,299	(1,659)	7,368	(2,976)	(5,258)
Net income	---	---	---	---	---	2,423
Tax effect of excess stock compensation expense for tax purposes over amounts recognized for financial reporting purposes	---	---	---	309	---	---
Class B shares converted to Class A	3	(3)	---	---	---	---
Shares issued under stock option plan	511	---	---	---	---	---
Amortization of the excess of GCI stock market value over stock option exercise cost on date of stock option						

grant	---	---	---	171	---	---
Shares issued to Employee Stock Purchase Plan	688	---	---	---	---	---
Acquisition of G.C. Cablevision, Inc. net assets and customer base	2,388	---	---	---	---	---
Preferred stock dividends	---	---	---	---	---	(475)
Balances at March 31, 2001	$ 186,296	3,296	(1,659)	7,848	(2,976)	(3,310)

See accompanying notes to interim condensed consolidated financial statements.
</TABLE>

<TABLE>
GENERAL COMMUNICATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
<CAPTION>

	(Unaudited) Three Months Ended March 31, 2001	2000
	(Amounts in thousands)	
<S>	<C>	<C>
Operating activities:		
Net income (loss)	$ 2,423	(5,498)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	13,939	13,088
Amortization charged to selling, general and administrative	9	323
Deferred income tax (benefit) expense	1,899	(3,464)
Non-cash cost of sale	10,877	---
Deferred compensation and compensatory stock options	242	165
Bad debt expense, net of write-offs	544	323
Employee Stock Purchase Plan expense funded with issuance of General Communication, Inc. Class A common stock	---	704
Write-off of capitalized interest	---	1,955
Other noncash income and expense items	(84)	(62)
Change in operating assets and liabilities	1,393	1,178
Net cash provided by operating activities	31,242	8,712
Investing activities:		
Purchases of property and equipment	(13,522)	(9,685)
Advances and billings to Kanas Telecom, Inc.	(2,716)	---
Purchases of property held for sale	---	(1,550)
Payment of deposit	(1,200)	---
Purchases of other assets	(796)	(129)
Notes receivable issued to related parties	(121)	(735)
Payments received on notes receivable with related parties	146	600
Net cash used in investing activities	(18,209)	(11,499)
Financing activities:		
Repayments of long-term borrowings and capital lease obligations	(12,140)	(138)
Payment of debt issuance costs	---	(333)
Note receivable with related parties issued upon stock option exercise	---	(372)
Proceeds from common stock issuance	511	453
Net cash used by financing activities	(11,629)	(390)
Net increase (decrease) in cash and cash equivalents	1,404	(3,177)
Cash and cash equivalents at beginning of period	5,962	13,734
Cash and cash equivalents at end of period	$ 7,366	10,557

See accompanying notes to interim condensed consolidated financial statements.
</TABLE>

GENERAL COMMUNICATION, INC. AND SUBSIDIARIES
Notes to Interim Condensed Consolidated Financial Statements
(Unaudited)

(1) General

In the following discussion, General Communication, Inc. and its direct and indirect subsidiaries are referred to as "we," "us" and "our."

(a) Business

General Communication, Inc. ("GCI"), an Alaska corporation, was incorporated in 1979. We offer the following services:

- Long-distance telephone service between Anchorage, Fairbanks, Juneau, and other communities in Alaska and the remaining United States and foreign countries
- Cable television services throughout Alaska
- Facilities-based competitive local access services in Anchorage, Alaska
- Internet access services
- Termination of traffic in Alaska for certain common carriers
- Private line services
- Managed services to certain commercial customers
- Sales and service of dedicated communications systems and related equipment
- Private network point-to-point data and voice transmission services between Alaska and the western contiguous United States
- Lease and sell capacity on two undersea fiber optic cables used in the transmission of interstate and intrastate private line, switched message long-distance and Internet services between Alaska and the remaining United States and foreign countries

(b) Principles of Consolidation

The consolidated financial statements include the accounts of GCI, GCI's wholly-owned subsidiary GCI, Inc., GCI, Inc.'s wholly-owned subsidiary GCI Holdings, Inc., GCI Holdings, Inc.'s wholly-owned subsidiaries GCI Communication Corp., GCI Cable, Inc. and GCI Transport Co., Inc., GCI Communication Corp.'s wholly-owned subsidiary Potter View Development Co., Inc., GCI Transport Co., Inc.'s wholly-owned subsidiaries GCI Satellite Co., Inc., GCI Fiber Co., Inc. and Fiber Hold Co., Inc. and GCI Fiber Co., Inc.'s and Fiber Hold Co., Inc.'s wholly-owned partnership Alaska United Fiber System Partnership ("Alaska United").

(c) Net Income (Loss) Per Common Share

<TABLE>

Net income (loss) used to calculate basic and diluted net income (loss) per common share is increased (decreased) by preferred stock dividends of ($475,000) and $441,000 for the three months ended March 31, 2001 and 2000, respectively. Shares used to calculate net income (loss) per common share consist of the following (amounts in thousands):

<CAPTION>

	Three Months Ended March 31, 2001	2000
<S>	<C>	<C>
Weighted average common shares outstanding	52,223	50,915
Common equivalent shares outstanding	4,977	---
	57,200	50,915

</TABLE>

Common equivalent shares outstanding totalling 683,000 are anti-dilutive for purposes of calculating the net loss per common share for the three months ended March 31, 2000, and are not included in the diluted net loss per share calculation

<TABLE>

Weighted average shares associated with outstanding stock options for the three months ended March 31, 2001 and 2000 which have been excluded from the diluted income (loss) per share calculations because the options' exercise price was greater than the average market price of the common shares consist of the following (amounts in thousands):

<CAPTION>

	Three Months Ended March 31, 2001	2000
<S>	<C>	<C>
Weighted average shares associated with outstanding stock options	158	1,815

</TABLE>

(d) Preferred and Common Stock

<TABLE>

Following is the statement of preferred and common stock at March 31, 2001 and 2000 (shares, in thousands):

<CAPTION>

	Preferred Stock	Common Stock Class A	Common Stock Class B
<S>	<C>	<C>	<C>
Balances at December 31, 1999	20	46,870	4,048
Class B shares converted to Class A	---	140	(140)
Shares issued under stock option plan	---	153	---
Shares issued to Employee Stock Purchase Plan	---	236	---
Balances at March 31, 2000	20	47,399	3,908
Balances at December 31, 2000	20	48,643	3,904
Class B shares converted to Class A	---	4	(4)
Shares issued under stock option plan	---	172	---
Shares issued upon acquisition of G.C. Cablevision, Inc. net assets and customer base	---	238	---
Balances at March 31, 2001	20	49,057	3,900

</TABLE>

(e) Accounting for Derivative Instruments and Hedging Activities
Effective January 1, 2001, we adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133"), as amended. SFAS No. 133 requires companies to record derivatives on the balance sheet as assets or liabilities, measured at fair value. Effective January 3, 2001, we entered into an interest rate swap agreement to convert $50 million of 9.75% fixed rate debt to a variable interest rate equal to the 90 day Libor rate plus 334 basis points. The interest rate swap terms mirror the underlying fixed rate debt, except the interest rate swap may be called at no cost by the issuer on August 1, 2002. Under SFAS No. 133, the interest rate swap is accounted for as a fair value hedge. We entered into the transaction to take advantage of the decline in interest rates. As of March 31, 2001, the amount of change in the fair value of debt that does not perfectly off-set the change in the fair value of the interest rate swap is approximately $30,000.

(f) Reclassifications
Reclassifications have been made to the 2000 financial statements to make them comparable with the 2001 presentation.

(g) Other
The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. The interim condensed consolidated financial statements include the consolidated accounts of GCI and its wholly owned subsidiaries with all significant intercompany transactions eliminated. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three-month period ended March 31, 2001 are not necessarily indicative of the results that may be expected for the year ended December 31, 2001. For further information, refer to the financial statements and footnotes thereto included in our annual report on Form 10-K for the year ended December 31, 2000.

(2) Consolidated Statements of Cash Flows Supplemental Disclosures

<TABLE>

Changes in operating assets and liabilities consist of (amounts in thousands):

<CAPTION>

Three-month periods ended March 31,	2001	2000
<S>	<C>	<C>
Decrease in receivables	$ 3,100	5,540
Decrease in prepaid and other current assets	96	74
(Increase) decrease in inventory	(193)	564

Increase (decrease) in accounts payable	672	(356)
Increase in accrued liabilities	824	225
Increase (decrease) in accrued payroll and payroll related obligations	657	(656)
Decrease in accrued interest	(4,191)	(4,405)
Increase (decrease) in subscriber deposits and other current liabilities	(55)	343
Increase (decrease) in deferred revenues	490	(318)
Increase (decrease) in components of other long-term liabilities	(7)	167
	$ 1,393	1,178

</TABLE>

We paid no income taxes and received no income tax refunds during the three-month periods ended March 31, 2001 and 2000.

We paid interest totalling approximately $13,074,000 and $13,265,000 during the three-month periods ended March 31, 2001 and 2000, respectively.

We recorded $309,000 and $182,000 during the three months ended March 31, 2001 and 2000, respectively, in paid-in capital in recognition of the income tax effect of excess stock compensation expense for tax purposes over amounts recognized for financial reporting purposes.

During the three months ended March 31, 2000 we funded the employer matching portion of Employee Stock Purchase Plan contributions by issuing GCI Class A common stock valued at $704,000. We purchased such shares on the open market during the three months ended March 31, 2001.

We financed the purchase of satellite transponder capacity pursuant to a long-term capital lease arrangement with a leasing company during the three month period ended March 31, 2000 at a cost of $48.2 million.

Effective March 31, 2001 we acquired the assets and customer base of G.C. Cablevision, Inc. The seller received 238,199 unregistered shares of GCI Class A common stock with a future payment in additional shares contingent upon certain conditions.

(3) Fiber Capacity Sale

During the three-month period ending March 31, 2001 we completed a $19.5 million sale of long-haul capacity in the Alaska United undersea fiber optic cable system ("fiber capacity sale") in a cash transaction. The sale included both capacity within Alaska, and between Alaska and the lower 48 states. We used the proceeds from the fiber capacity sale to repay $11.7 million of the Fiber Facility debt and to fund capital expenditures and working capital.

(4) Industry Segments Data

Our reportable segments are business units that offer different products. The reportable segments are each managed separately because they manage and offer distinct products with different production and delivery processes.

We have four reportable segments as follows:

Long-distance services. We offer a full range of common-carrier long-distance services to commercial, government, other telecommunications companies and residential customers, through our networks of fiber optic cables, digital microwave, and fixed and transportable satellite earth stations and our SchoolAccess(TM) offering to rural school districts and a similar offering to rural hospitals and health clinics.

Cable services. We provide cable television services to residential, commercial and government users in the State of Alaska. Our cable systems serve 31 communities and areas in Alaska, including the state's three largest urban areas, Anchorage, Fairbanks and Juneau. We offer digital cable television services in Anchorage and Fairbanks and retail cable modem service (through our Internet services segment) in Anchorage, Fairbanks, Juneau and Valdez. We plan to provide cable modem service in the Kenai-Soldotna area in 2002. We plan to expand our product offerings as plant upgrades are completed in other communities in Alaska.

Local access services. We offer facilities based competitive local exchange services in Anchorage and plan to provide similar competitive local exchange services in Fairbanks during 2001 and Juneau during

2002.

Internet services. We offer wholesale and retail Internet services. We offer cable modem service in Anchorage, Fairbanks, Juneau and Valdez and plan to provide cable modem service in the Kenai-Soldotna area in 2002. Our undersea fiber optic cable allows us to offer enhanced services with high-bandwidth requirements.

Included in the "Other" segment in the tables that follow are our managed services, product sales, cellular telephone services, and management services for Kanas Telecom, Inc. ("Kanas"), a related party company that owns and operates a fiber optic cable system constructed along the trans-Alaska oil pipeline corridor extending from Prudhoe Bay to Valdez, Alaska. None of these business units have ever met the quantitative thresholds for determining reportable segments. Also included in the Other

segment are corporate related expenses including marketing, customer service, management information systems, accounting, legal and regulatory, human resources and other general and administrative expenses. In 2001 the Other segment includes revenues and costs associated with a sale of undersea fiber optic cable system capacity.

We evaluate performance and allocate resources based on (1) earnings or loss from operations before depreciation, amortization, net interest expense and income taxes, and (2) operating income or loss. The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies in note 1. Intersegment sales are recorded at cost plus an agreed upon intercompany profit.

We earn all revenues through sales of services and products within the United States of America. All of our long-lived assets are located within the United States of America.

<TABLE>

Summarized financial information for our reportable segments for the three month periods ended March 31, 2001 and 2000 follows (amounts in thousands):

<CAPTION>

	Long-Distance Services	Cable Services	Local Access Services	Internet Services	Other	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>
2001						
Revenues:						
Intersegment	$ 4,835	377	1,635	1,210	203	8,260
External	46,236	18,046	5,958	2,619	24,058	96,917
Total revenues	$ 51,071	18,423	7,593	3,829	24,261	105,177
Earnings (loss) from operations before depreciation, amortization, net interest expense and income taxes	$ 18,884	9,210	2,079	(2,263)	(697)	27,213
Operating income (loss)	$ 14,737	5,760	1,272	(2,876)	(5,619)	13,274
2000						
Revenues:						
Intersegment	$ 2,608	368	1,500	546	---	5,022
External	43,620	15,930	4,520	1,713	2,494	68,277

Total revenues	$ 46,228	16,298	6,020	2,259	2,494	73,299
Earnings (loss) from operations before depreciation, amortization, net interest expense and income taxes	$ 16,236	7,796	656	(2,375)	(8,294)	14,019
Operating income (loss)	$ 11,248	3,161	(1,090)	(2,777)	(9,611)	931

</TABLE>

<TABLE>
A reconciliation of total segment revenues to consolidated revenues follows:
<CAPTION>

Quarters ended March 31,	2001	2000
<S>	<C>	<C>
Total segment revenues	$ 105,177	73,299
Less intersegment revenues eliminated in consolidation	(8,260)	(5,022)
Consolidated revenues	$ 96,917	68,277

</TABLE>
<TABLE>
A reconciliation of total segment earnings from operations before depreciation, amortization, net interest expense and income taxes to consolidated net income (loss) before income taxes follows:
<CAPTION>

Quarters ended March 31,	2001	2000
<S>	<C>	<C>
Total segment earnings from operations before depreciation, amortization, net interest expense and income taxes	$ 27,213	14,019
Less intersegment contribution eliminated in consolidation	(232)	(54)
Consolidated earnings from operations before depreciation, amortization, net interest expense and income taxes	26,981	13,965
Depreciation and amortization	13,939	13,088
Consolidated operating income	13,042	877
Interest expense, net	8,720	9,839
Consolidated net income (loss) before income taxes	$ 4,322	(8,962)

</TABLE>
<TABLE>
A reconciliation of total segment operating income to consolidated net income (loss) before income taxes follows:
<CAPTION>

Quarters ended March 31,	2001	2000
<S>	<C>	<C>
Total segment operating income	$ 13,274	931
Less intersegment contribution eliminated in consolidation	(232)	(54)
Consolidated operating income	13,042	877
Interest expense, net	8,720	9,839
Consolidated net income (loss) before income taxes	$ 4,322	(8,962)

</TABLE>

(5) Commitments and Contingencies

Acquisition

We have agreed to acquire from WorldCom, a related party, its 85% controlling interest in Kanas, which owns the 800-mile fiber optic cable system that extends from Prudhoe Bay, Alaska to Valdez, Alaska via Fairbanks. Under terms of the agreement, we will issue to WorldCom shares of a new series of GCI Class C preferred stock valued at $10 million. The stock will be convertible at $12 per share into GCI Class A common stock. The new series will be non-voting and pays a 6% per annum quarterly cash dividend. The corporation owning the fiber optic system will be operated as GCI Fiber Communication Co., Inc. We expect regulatory approval of this acquisition during the second quarter

of 2001. We have agreed to manage the operations of Kanas and to fund its operations and working capital requirements prior to closing. The acquisition is contingent upon certain conditions precedent to closing.

At March 31, 2001 we have made advances to and provided services to Kanas totalling approximately $6.3 million which are classified as Other Assets.

Kanas has entered into an interim services agreement with Alyeska Pipeline Service Company ("Alyeska Pipeline") to provide certain voice, video and data services to support operations of the Trans Alaska Pipeline System that is operated by Alyeska Pipeline. A fifteen-year agreement has been drafted and has been submitted to each company's Board of Directors for approval. The interim agreement provides for provisional services during this review process.

Litigation and Disputes
We are routinely involved in various lawsuits, billing disputes, legal proceedings and regulatory matters that have arisen in the normal course of business. While the ultimate results of these items cannot be predicted with certainty, we do not expect at this time the resolution of them to have a material adverse effect on our financial position, results of operations or our liquidity.

PART I.
ITEM 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS
(Unaudited)

In the following discussion, General Communication, Inc. and its direct and indirect subsidiaries are referred to as "we," "us" and "our."

The following discussion and analysis should be read in conjunction with our Interim Condensed Consolidated Financial Statements and the notes thereto. See - Cautionary Statement Regarding Forward-Looking Statements.

Overview
We have experienced significant growth in recent years through strategic acquisitions, deploying new business lines and expansion of our existing businesses. We have historically met our cash needs for operations and maintenance capital expenditures through our cash flows from operating activities. Cash requirements for acquisitions and other capital expenditures have been provided largely through our financing activities.

Long-Distance Services
During the first quarter of 2001 long-distance services revenue represented 47.7% of consolidated revenues. Our provision of interstate and intrastate long-distance services to residential, commercial and governmental customers and to other common carriers (principally WorldCom and Sprint), and provision of private line and leased dedicated capacity services accounted for 95.1% of our total long-distance services revenues during the first quarter of 2001. Factors that have the greatest impact on year-to-year changes in long-distance services revenues include the rate per minute charged to customers, usage volumes expressed as minutes of use, and the number of private line and leased dedicated service products in use.

Revenues from private line and other data services sales increased 44.5% to $9.3 million during the first quarter of 2001 as compared to the first quarter of 2000 due primarily to increasing demand for our data services by commercial and governmental customers.

We introduced a broadband product offering to hospitals and health clinics in 2000, supplementing broadband revenues derived from our SchoolAccess(TM) offering to rural school districts. Total broadband revenues increased 60.8% to $2.6 million during the first quarter of 2001 as compared to the first quarter of 2000. We will provide SchoolAccess(TM) services to nine school districts in Arizona and New Mexico beginning July 2001.

Our long-distance cost of sales and services has consisted principally of direct costs of providing services, including local access charges paid to Local Exchange Carriers ("LECs") for originating and terminating long-distance calls in Alaska, and fees paid to other long-distance carriers to carry calls terminating in areas not served by our network (principally the lower 49 states, most of which calls are carried over WorldCom's network, and international locations, which calls are carried principally over Sprint's network). During the first quarter of 2001, local access charges accounted for 68.5% of long-distance cost of sales and services, fees paid to other long-distance carriers represented 25.3%, satellite transponder lease and undersea fiber maintenance costs represented 3.4%, and other costs represented 2.8% of long-distance cost of sales and services.

Our long-distance selling, general, and administrative expenses have consisted of operating and engineering, customer service, sales and communications, management information systems, general and administrative, and legal and regulatory expenses. Most of these expenses consist of salaries, wages and benefits of personnel and certain other indirect costs (such as rent, travel, utilities, insurance and property taxes). A significant portion of long-distance selling, general, and administrative expenses, 37.1% during the first quarter of 2001, represents operating and engineering costs.

Long-distance services face significant competition from AT&T Alascom, Inc., long-distance resellers, and from local telephone companies that have entered the long-distance market. We believe our approach to developing, pricing, and providing long-distance services and bundling different business segment services will continue to allow us to be competitive in providing those services.

Revenues derived from other common carriers increased 7.6% to $17.9 million during the first quarter of 2001 as compared to the first quarter of 2000. The average rate charged other common carriers increased 13.2% due to a certain category of wholesale minutes no longer carried for such customers. The increase in the average rate was off-set by a 5.0% decrease in the total minutes carried for such customers. In conjunction with our intent to purchase a controlling interest in Kanas (see note 5 to the accompanying Notes to Interim Condensed Consolidated Financial Statements) we negotiated a contract amendment with WorldCom in March 2001. The amendment extends the contract term for five years to March 2006 and reduces the rate to be charged by us for certain WorldCom traffic over the extended term of the contract. The Sprint contract was also amended in March 2001 extending its term two years to March 2004 with two one-year automatic extensions to March 2006. The amendment reduces the rate to be charged by us for certain Sprint traffic over the extended term of the contract.

Other common carrier traffic routed to us for termination in Alaska is largely dependent on traffic routed to WorldCom and Sprint by their customers. Pricing pressures, new program offerings and market consolidation continue to evolve in the markets served by WorldCom and Sprint. If, as a result, their traffic is reduced, or if their competitors' costs to terminate or originate traffic in Alaska are reduced, our traffic will also likely be reduced, and our pricing may be reduced to respond to competitive pressures. We are unable to predict the effect on us of such changes, however given the materiality of other common carrier revenues to us, a significant reduction in traffic or pricing could have a material adverse effect on our financial position, results of operations and liquidity.

Cable Services

During the first quarter of 2001, cable television revenues represented 18.6% of consolidated revenues. The cable systems serve 31 communities and areas in Alaska, including the state's three largest population centers, Anchorage, Fairbanks and Juneau.

On March 31, 2001 we acquired the assets and customer base of G.C. Cablevision, Inc., with approximately 1,000 subscribers in Fairbanks and North Pole, Alaska. We expect revenues associated with this transaction to reach $600,000 during the year ended December 31, 2001.

We generate cable services revenues from four primary sources: (1) digital and analog programming services, including monthly basic or premium subscriptions and pay-per-view movies or other one-time events, such as sporting events; (2) equipment rentals or installation; (3) advertising sales; and (4) cable modem services (shared with our Internet services segment). During the first quarter of 2001 programming services generated 81.1% of total cable services revenues, equipment rental and installation fees accounted for 9.8% of such revenues, cable modem services accounted for 5.3% of such revenues, advertising sales accounted for 2.7% of such revenues, and other services accounted for the remaining 1.1% of total cable services revenues. The primary factors that contribute to year-to-year changes in cable services revenues are average monthly subscription and pay-per-view rates, the mix among basic, premium and pay-per-view services and digital and analog services, the average number of cable television and cable modem subscribers during a given reporting period, and revenues generated from new product offerings.

The cable systems' cost of sales and selling, general and administrative expenses have consisted principally of programming and copyright expenses, labor, maintenance and repairs, marketing and advertising and equipment rental expense. During the first quarter of 2001 programming and copyright expenses represented 49.4% of total cable cost of sales and selling, general and administrative expenses, and general and administrative costs represented 42.8% of such total. Marketing and advertising costs represented approximately 7.8% of such total expenses.

Cable services face competition from alternative methods of receiving and distributing television signals and from other sources of news, information and entertainment. We believe our cable television services will continue to be competitive by providing, at reasonable prices, a greater variety of programming and other communication services than are available off-air or through other alternative delivery sources and upon superior technical performance and customer service.

Local Access Services
We generate local access services revenues from three primary sources: (1) business and residential basic dial tone services; (2) business private line and special access services; and (3) business and residential features and other charges, including voice mail, caller ID, distinctive ring, inside wiring and subscriber line charges. Local exchange services revenues totaled $6.0 million in the first quarter of 2001 representing 6.2% of consolidated revenues. The primary factors that contribute to year-to-year changes in local access services revenues are the average number of business and residential subscribers to our services during a given reporting period, the average monthly rates charged for non-traffic sensitive services and the number and type of additional premium features selected.

Local access cost of sales represented approximately 51.9% of total local access services cost of sales and selling, general and administrative expenses during the first quarter of 2001. General and administrative and customer service costs represented approximately 37.6% of such total expenses, marketing and advertising costs represented approximately 8.5% of such total expenses, and operating and engineering expenses represented approximately 2.0% of such total expenses.

Our local access services segment faces significant competition in Anchorage from the ILEC Alaska Communications Systems, Inc. ("ACS") and AT&T Alascom, Inc. We believe our approach to developing, pricing, and providing local access services and bundling different business segment services will allow us to be competitive in providing those services.

Internet Services
We generate Internet services revenues from three primary sources: (1) access product services, including commercial, Internet service provider, and retail dial-up access; (2) network management services; and (3) cable modem services (a portion of cable modem revenue is also recognized by our cable services segment). Internet services segment revenues totaled $2.6 million representing 2.7% of total revenues in the first quarter of 2001. The primary factors that contribute to year-to-year changes in Internet services revenues are the average number of subscribers to our services during a given reporting period, the average monthly subscription rates, and the number and type of additional premium features selected.

Operating and general and administrative expenses represented approximately 45.8% of total Internet services cost of sales and selling, general and administrative expenses during the first quarter of 2001. Internet cost of sales represented approximately 38.3% of such total expenses and marketing and advertising represented approximately 15.9% of such total expenses.

Marketing campaigns continue to be deployed targeting residential and commercial customers featuring bundled Internet products. Our Internet offerings are coupled with our long-distance and local access services offerings and provide free basic Internet services or discounted premium Internet services if certain long-distance or local access services plans are selected. Value-added premium Internet features are available for additional charges.

We compete with a number of Internet service providers in our markets. We believe our approach to developing, pricing, and providing Internet services allows us to be competitive in providing those services.

Other Services and Other Expenses
Telecommunications services revenues reported in the Other segment as described in note 4 in the accompanying Notes to Interim Condensed Consolidated Financial

Statements include sales of undersea fiber optic system capacity (see below), corporate network management contracts, telecommunications equipment sales and service, management services for Kanas, and other miscellaneous revenues (including revenues from cellular resale services, prepaid and debit calling card sales, and installation and leasing of customer's very small aperture terminal ("VSAT") equipment).

During the first quarter of 2001 we completed a $19.5 million fiber capacity sale in a cash transaction.

Other services segment revenues represented 24.8% of total revenues in 2001 and included the fiber capacity sale described above, network solutions and outsourcing revenues totalling $3.6 million, communications equipment sales, cellular resale and other revenues totalling $1.0 million.

Depreciation, amortization and net interest expense on a consolidated basis decreased $268,000 in the first quarter of 2001 as compared to 2000 resulting primarily from decreased interest rates on variable rate debt, decreased average outstanding long-term debt balances, a $2.0 million charge to interest expense in 2000 to write-off previously capitalized interest expense, and a $1.7 million charge to depreciation expense in 2000 resulting from a change in the estimated remaining lives of assets that were replaced. The decrease was partially off-set by increased average outstanding capital lease obligation balances and additional depreciation on 2000 and 2001 capital expenditures.

RESULTS OF OPERATIONS

<TABLE>
The following table sets forth selected Statement of Operations data as a percentage of total revenues for the periods indicated and the percentage changes in such data as compared to the corresponding prior year period:

(Underlying data rounded to the nearest thousands)
<CAPTION>

(Unaudited)	Three Months Ended March 31, 2001	2000	Percentage Change 2001 vs. 2000
<S>	<C>	<C>	<C>
Statement of Operations Data:			
Revenues			
Long-distance services	47.7%	63.9%	6.0%
Cable services	18.6%	23.3%	13.3%
Local access services	6.1%	6.6%	31.8%
Internet services	2.7%	2.5%	52.9%
Other services	24.9%	3.7%	864.6%
Total revenues	100.0%	100.0%	41.9%
Cost of sales and services	43.4%	43.4%	41.9%
Selling, general and administrative expenses	28.7%	36.1%	13.0%
Depreciation and amortization	14.4%	19.2%	6.5%
Operating income	13.5%	1.3%	1,387.1%
Net income (loss) before income taxes	4.5%	(13.1%)	148.2%
Net income (loss)	2.5%	(8.1%)	144.1%
Other Operating Data (1):			
Cable operating income (2)	31.9%	11.9%	82.2%
Local operating income (loss) (3)	21.3%	(64.4%)	216.7%
Internet operating loss (4)	(109.8%)	(89.6%)	(3.6%)

<FN>

(1) Includes customer service, marketing and advertising costs.
(2) Computed as a percentage of total cable services revenues.
(3) Computed as a percentage of total local access services revenues.
(4) Computed as a percentage of total Internet services revenues.
</FN>
</TABLE>

THREE MONTHS ENDED MARCH 31, 2001 ("2001") COMPARED TO THREE MONTHS ENDED MARCH 31, 2000 ("2000")

Revenues

Total revenues increased 41.9% from $68.3 million in 2000 to $96.9 million in 2001. Excluding the fiber optic cable capacity sale in 2001 as previously described, total revenues increased 13.3%.

Long-distance revenues from residential, commercial, governmental, and other common carrier customers increased 6.0% to $46.2 million in 2001. The increase was largely due to the following:

- An increase of 44.5% in private line and private network transmission services revenues to $9.3 million in 2001 due to an increased number of leased circuits in service,

- An increase of 7.6% in revenues from other common carriers (principally WorldCom and Sprint) to $17.9 million in 2001, and
- An increase of 60.8% to $2.6 million in 2001 revenues from our SchoolAccess(TM) offering to rural school districts and our packaged telecommunications offering to rural hospitals and health clinics. Our SchoolAccess(TM) product was provided to 154 schools at March 31, 2001, a 4.8% increase from March 31, 2000.

Long-distance revenue increases were offset by the following:

- A decrease of 5.3% in total minutes of use to 241.6 million minutes primarily due to a certain category of wholesale minutes no longer carried for other common carriers,
- A 5.7% decrease in our average rate per minute on long-distance traffic to $0.117 per minute in 2001 attributed to our promotion of and customers' enrollment in calling plans offering discounted rates and length of service rebates, such plans being prompted in part by our long-distance competitors reducing their rates, off-set by an increase in the average rate per minute on minutes carried for other common carriers due to a certain category of wholesale minutes no longer carried, and
- A decrease of 5.0% in the number of active residential, small business and commercial customers billed to 87,400 at March 31, 2001 primarily due to a competitor's offering allowing customers to place unlimited intrastate and interstate calls for a flat monthly fee. The competitor announced March 29, 2001 that it will discontinue the unlimited minutes offering.

Cable revenues increased 13.3% to $18.0 million in 2001. Programming services revenues increased 6.3% to $14.6 million in 2001 resulting from an increase of approximately 3,500 basic subscribers served to approximately 121,000 (of which approximately 1,000 basic subscribers were acquired from G.C. Cablevision, Inc. on March 31, 2001), an increase of $0.82 or 1.7% in average gross revenue per average basic subscriber per month due to rate increases in several cable systems in February 2001, and increased pay-per-view, premium, and digital service revenues. New facility construction efforts in 2000 resulted in approximately 2,400 additional homes passed which contributed to additional subscribers and revenues in 2001. Digital subscriber counts increased 137.3% to 17,300 at March 31, 2001 as compared to March 31, 2000. The cable services segment's share of cable modem revenue (offered through our Internet services segment) increased $600,000 to $1.0 million in 2001.

Local access services revenues increased 31.8% in 2001 to $6.0 million. At March 31, 2001 approximately 65,000 lines were in service and approximately 700 additional lines were awaiting connection as compared to approximately 50,000 lines in service and approximately 1,700 additional lines awaiting connection at March 31, 2000.

Internet services revenues increased 52.9% to $2.6 million in 2001 primarily due to growth in the average number of customers served. We had approximately 65,000 active residential, commercial and small business retail dial-up Internet subscribers at March 31, 2001 as compared to approximately 56,000 at March 31, 2000. We had approximately 18,500 active residential, commercial and small business retail cable modem subscribers at March 31, 2001 as compared to approximately 8,700 at March 31, 2000.

The increase in other services revenues from $2.5 million in 2000 to $24.1 million in 2001 is primarily due to the $19.5 million fiber capacity sale in 2001 as previously described and increased revenues from management services provided to Kanas.

Cost of Sales and Services

Cost of sales and services totaled $42.1 million in 2001 and $29.7 million in 2000. As a percentage of total revenues, cost of sales and services were 43.4% in 2001 and 2000. Excluding the fiber capacity sale in 2001, cost of sales and services as a percentage of total revenues decreased from 43.4% in 2000 to 40.3% in 2001.

Long-distance cost of sales and services decreased from $19.9 million in 2000 to $18.2 million in 2001. Long-distance cost of sales as a percentage of long-distance revenues decreased from 45.7% in 2000 to 39.4% in 2001 primarily due to the effect of reassigning traffic carried by satellite transponders and fiber optic cable from leased to owned capacity and reductions in access costs due to distribution and termination of our traffic on our own local services network instead of paying other carriers to distribute and terminate our traffic. Offsetting the 2001 decrease as compared to 2000 is a decrease in the average rate per minute billed to customers without a comparable decrease in access charges paid by us. We expect cost savings to occur when traffic carried on our own facilities grows.

Cable cost of sales and services as a percentage of cable revenues, which is less as a percentage of revenues than are long-distance, local access and Internet services cost of sales and services, increased from 26.9% in 2000 to 27.4% in 2001. Cable services rate increases did not keep pace with increases in programming costs in 2001. Programming costs increased for most of our cable services offerings, and we incurred additional costs on new programming introduced in 2000 and 2001.

Local access services cost of sales and services as a percentage of local access services revenues decreased from 53.5% in 2000 to 52.7% in 2001 primarily due to the fluctuations in cost of sales and services as a percentage of revenues inherent in this segment as it develops.

Internet services cost of sales and services increased 8.4% to $1.2 million in 2001. Internet services costs of sales as a percentage of Internet services revenues totaled 62.6% and 44.4% in 2000 and 2001, respectively. The Internet services costs of sales decrease as a percentage of Internet services revenues is primarily due to a $1.1 million increase in Internet's portion of cable modem revenue which generally has higher margins than do other Internet products. As Internet revenues increase, economies of scale and more efficient network utilization result in reduced Internet cost of sales and services as a percentage of Internet revenues.

Selling, General and Administrative Expenses
Selling, general and administrative expenses increased 13.0% to $27.9 million in 2001 and, as a percentage of total revenues, decreased from 36.1% in 2000 to 28.7% in 2001. Excluding the fiber capacity sale in 2001, selling, general and administrative expenses, as a percentage of total revenues, decreased from 36.1% in 2000 to 34.3% in 2001.

Depreciation and Amortization
Depreciation and amortization expense increased 6.5% to $13.9 million in 2001. The increase is attributable to our $48.9 million investment in equipment and facilities placed into service during 2000 for which a full year of depreciation will be recorded during the year ended December 31, 2001, the acquisition of a $48.2 million satellite transponder asset for which depreciation began in second quarter 2000, and the $13.5 million investment in other equipment and facilities during the first quarter of 2001 for which a partial year of depreciation will be recorded during 2001. Additionally, $1.7 million was charged to depreciation expense in 2000 resulting from a change in the estimated remaining lives of assets that were replaced.

Interest Expense, Net
Interest expense, net of interest income, decreased 11.4% to $8.7 million in 2001. This decrease resulted primarily from a $2.0 million charge to interest expense in 2000 to write-off previously capitalized interest expense, decreased interest rates in 2001 on our variable rate debt, the effect of an interest rate swap agreement described below, and decreased average outstanding long-term debt balances. Partially offsetting

these decreases was an increase in our average outstanding capital lease obligation balances resulting from the lease of satellite transponder capacity.

On January 3, 2001 we entered into an interest rate swap agreement to convert $50 million in 9.75% fixed rate debt to a variable interest rate equal to the 90 day Libor rate plus 334 basis points. The differential to be paid or received is recorded as an increase or decrease in interest expense in the consolidated statements of operations in the period in which it is recognized. The agreement extends through August 1, 2007 and is cancelable at the option of the counterparty beginning August 1, 2002. We are exposed to credit losses from counterparty nonperformance, but do not anticipate any such losses from our agreement.

Income Tax Benefit (Expense)
Income tax benefit (expense) was $3.5 million in 2000 and ($1.9) million in 2001. The change was due to net income before income taxes in 2001 as compared to net loss before income taxes in 2000. Our effective income tax rate increased from 38.7% in 2000 to 43.9% in 2001 due to the effect of items that are nondeductible for income tax purposes.

At March 31, 2001, we have (1) tax net operating loss carryforwards of approximately $101.0 million that will begin expiring in 2008 if not utilized, and (2) alternative minimum tax credit carryforwards of approximately $2.5 million available to offset regular income taxes payable in future years. Our utilization of remaining net operating loss carryforwards is subject to certain limitations pursuant to Internal Revenue Code section 382.

Tax benefits associated with recorded deferred tax assets are considered to be more likely than not realizable through future reversals of existing taxable temporary differences and future taxable income exclusive of reversing temporary differences and carryforwards. The amount of deferred tax asset considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carryforward period are reduced. We estimate that our effective income tax rate for financial statement purposes will be approximately 41% in 2001.

FLUCTUATIONS IN QUARTERLY RESULTS OF OPERATIONS

<TABLE>
The following chart provides selected unaudited statement of operations data from our quarterly results of operations during 2001 and 2000:
<CAPTION>

	(Amounts in thousands, except per share amounts)				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
<S>	<C>	<C>	<C>	<C>	<C>
2001					
Revenues:					
Long-distance services	$ 46,236				46,236
Cable services	18,046				18,046
Local access services	5,958				5,958
Internet services	2,619				2,619
Other services	24,058				24,058
Total revenues	96,917				96,917
Operating income	13,042				13,042
Net loss before income taxes	4,322				4,322
Net income	2,423				2,423
Basic net income per common share	0.04				0.04
Diluted net income per common share	0.03				0.03
2000					
Revenues:					
Long-distance services	$ 43,620	44,855	48,185	46,016	182,676
Cable services	15,930	16,660	16,708	18,600	67,898
Local access services	4,520	4,789	5,236	5,660	20,205
Internet services	1,713	2,018	2,188	2,506	8,425
Other services	2,494	3,104	3,589	4,214	13,401
Total revenues	68,277	71,426	75,906	76,996	292,605
Operating income	877	3,550	5,610	5,966	16,003
Net loss before income taxes	(8,962)	(5,665)	(3,954)	(3,068)	(21,649)
Net loss	(5,498)	(3,526)	(2,352)	(1,858)	(13,234)
Basic and diluted net loss per common share	(0.12)	(0.08)	(0.05)	(0.04)	(0.29)

</TABLE>

Revenues

Total revenues for the quarter ended March 31, 2001 ("first quarter") were $96.9 million, representing a 25.9% increase from $77.0 million for the quarter ended December 31, 2000 ("fourth quarter"). Excluding the first quarter fiber capacity sale, total revenues increased 0.5%.

Cost Of Sales and Services

Cost of sales and services increased from $30.5 million in the fourth quarter to $42.1 million in the first quarter. As a percentage of revenues, first and fourth quarter cost of sales and services totaled 43.4% and 39.6%, respectively. Excluding the fiber capacity sale in first quarter, cost of sales and services increased to 40.3% as a percentage of revenues in first quarter. The increase is due to a decrease in the average rate per minute billed to customers without a comparable decrease in access charges paid by us, and increased programming costs for cable products without a corresponding revenue increase. Off-setting the first quarter increase is the effect of reductions in access costs due to distribution and termination of our traffic on our own local services network instead of paying other carriers to distribute and terminate our traffic. We expect cost savings to continue as traffic carried on our own facilities grows.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased $400,000 in the first quarter as compared to the fourth quarter. As a percentage of revenues, first quarter selling, general and administrative expenses were 28.7% as compared to 35.7% for the fourth quarter. Excluding the fiber capacity sale in the first quarter, selling, general and administrative expenses were 34.3% as a percentage of revenues in the first quarter.

Net Income (Loss)

We reported net income of $2.4 million for the first quarter as compared to a net loss of ($1.9) million for the fourth quarter. The increase is primarily due to the fiber capacity sale in the first quarter.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows from operating activities totaled $31.2 million in the three-month period ended March 31, 2001 ("2001") as compared to $8.7 million in the three-month period ended March 31, 2000 ("2000"), net of changes in the components of working capital. The increase in 2001 is primarily due to the fiber capacity sale in 2001. Expenditures for property and equipment, including construction in progress, totaled $13.5 million in 2001. Other uses of cash during 2001 included repayment of $12.1 million of long-term borrowings and capital lease obligations, advances to Kanas and payments on Kanas' behalf of approximately $1.2 million (see note 5 to the accompanying Notes to Interim Condensed Consolidated Financial Statements), and payment of a $1.2 million equipment lease deposit.

Receivables decreased $3.1 million from December 31, 2000 to March 31, 2001 primarily due to a decrease in other common carrier trade receivables.

Working capital totaled $255,000 at March 31, 2001, a $10.3 million decrease from working capital of $10.6 million as of December 31, 2000. The decrease is primarily attributed to our use of proceeds from the fiber capacity sale to purchase long-term capital assets and repay long-term debt.

On October 25, 2000 and March 23, 2001 we amended the Holdings $150,000,000 and $50,000,000 credit facilities. The October amendment is contingent upon closing the acquisition of a controlling interest in Kanas (see note 5 to the accompanying Notes to Interim Condensed Consolidated Financial Statements). The amendments contain, among other things, provision for payment of a one-time amendment fee of $192,500, changes in certain financial covenants and ratios, and a limit of $70 million for 2001 capital expenditures (excluding capital expenditures by certain subsidiaries).

Upon the effectiveness of these amendments, Holdings may not permit the ratio of senior debt to annualized operating cash flow (as defined) of Holdings and certain of its subsidiaries to exceed 2.50 to 1.0 from October 1, 2000 to September 30, 2003 and must maintain a ratio of annualized operating cash flow to fixed charges of at least 1.0 to 1.0 effective January 1, 2002 (which adjusts to 1.05 to 1.0 in April, 2003 and thereafter).

We were in compliance with all loan covenants at March 31, 2001.

Our expenditures for property and equipment, including construction in progress, totaled $13.5 million and $9.7 million during the first quarter of 2001 and 2000, respectively. Planned capital expenditures over the next five years include those necessary for continued expansion of our long-distance, local exchange and Internet facilities, continuing development of our PCS network and upgrades to our cable television plant.

Dividends earned on our convertible redeemable accreting preferred stock ("Preferred Stock") payable at the semi-annual payment date of April 30, 2001 will be paid in a cash payment of $960,000. The determination

of whether additional dividends will be paid in cash or additional fully-paid shares of Preferred Stock is made at each semi-annual payment date through the four-year anniversary of the April 30, 1999 closing. Dividends earned after the four-year anniversary of closing are payable semi-annually in cash only.

The long-distance, local access, cable, Internet and wireless services industries are experiencing increasing competition and rapid technological changes. Our future results of operations will be affected by our ability to react to changes in the competitive environment and by our ability to fund and implement new technologies. We are unable to determine how competition, technological changes and our net losses (excluding the effect of the fiber capacity sale) will affect our ability to obtain financing.

We believe that we will be able to meet our current and long-term liquidity and capital requirements, including fixed charges and Preferred Stock dividends, through our cash flows from operating activities, existing cash, cash equivalents, short-term investments, credit facilities, and other external financing and equity sources. Should cash flows be insufficient to support additional borrowings, capital expenditures will likely be reduced.

The Alaska Economy

We offer voice and data telecommunication and video services to customers primarily throughout Alaska. As a result of this geographic concentration, growth of our business and of our operations depends upon economic conditions in Alaska. The economy of Alaska is dependent upon the natural resource industries, and in particular oil production, as well as investment earnings, tourism, government, and United States military spending. Any deterioration in these markets could have an adverse impact on us. In fiscal 2000 oil revenues were the second largest source of state revenues, following investment income. In fiscal 2001 the state forecasts that Alaska's oil revenues and federal funding will supply 43% and 35% of the state's projected revenues. Investment earning will supply only 0.2% of the state's projected revenues in fiscal 2001 due to the recent decline in stock market investments. All of the federal funding is dedicated for specific purposes, however, leaving oil revenues as the primary funding source of general operating expenditures.

The volume of oil transported by the TransAlaska Oil Pipeline System ("TAPS") over the past 20 years has been as high as 2.0 million barrels per day in fiscal 1988. Production has been declining over the last several years and the state forecasts an average of 1.0 million barrels per day in fiscal 2001. The state continues to forecast a temporary reversal of the production rate decline in fiscal 2002-2006 due to new developments at the Alpine, Nanuq, Northstar and Meltwater fields and new Prudhoe Bay satellite production.

Market prices for North Slope oil averaged $30.10 in fiscal 2000 and is forecasted to average $27.61 in fiscal 2001. The state forecasts the average price of North Slope oil to decline to $22.35 in fiscal 2002 and $20.97 in fiscal 2003. The closing price per barrel was $28.00 on April 30, 2001.

The state believes the crude oil demand growth will slow in 2001 and 2002 as the result of slower economic growth and in response to the higher energy prices of the past two years. The state also believes that much of the current volatility in oil prices revolves around the issue of whether or not the Organization of Petroleum Exporting Countries ("OPEC") will take steps to cut back production even more as the market enters the slack period between the end of the winter heating fuel market and the beginning of the summer gasoline-dominated driving market. The production policy of OPEC and its ability to continue to act in concert represents a key uncertainty in the state's revenue forecast.

The state of Alaska maintains the Constitutional Budget Reserve Fund that is intended to fund budgetary shortfalls. If the state's current projections are realized, the Constitutional Budget Reserve Fund will be depleted in 2005. If the fund is depleted, aggressive state action will be necessary to increase revenues and

reduce spending in order to balance the budget. The Governor of the state of Alaska and the Alaska Legislature continue to pursue cost cutting and revenue enhancing measures.

Tourism, air cargo, and service sectors have helped offset the prevailing pattern of oil industry downsizing that has occurred during much of the last several years. Funds from federal sources of $1.8 billion are expected to be distributed to the state of Alaska for highways and other federally supported projects in fiscal 2001.

Should new oil discoveries or developments not materialize or the price of oil return to its prior depressed levels, the long term trend of continued decline in oil production from the Prudhoe Bay field area is inevitable with a corresponding adverse impact on the economy of the state, in general, and on demand for telecommunications and cable television services, and, therefore, on us, in particular.

The recent increase in residential and commercial natural gas prices and shortages in California, in particular, have resulted in a renewed effort to allow exploration and development in the Arctic National Wildlife Refuge. Additionally, deploying a natural gas pipeline from Alaska's North Slope to the lower 48 states has been proposed to supplement natural gas supplies. The economic viability of a natural gas pipeline improves as the price of natural gas increases and as demand intensifies. Either project could have a positive impact on the state of Alaska's revenues and the Alaska economy.

We have, since our entry into the telecommunication marketplace, aggressively marketed our services to seek a larger share of the available market. The customer base in Alaska is limited, however, with a population of approximately 627,000 people. 42% of the State's population is located in the Municipality of Anchorage, 13% is located in the Fairbanks North Star Borough, and 5% is located in the City and Borough of Juneau. The rest are spread out over the vast reaches of Alaska. No assurance can be given that the driving forces in the Alaska economy, and in particular, oil production, will continue at levels to provide an environment for expanded economic activity.

No assurance can be given that oil companies doing business in Alaska will be successful in discovering new fields or further developing existing fields which are economic to develop and produce oil with access to the pipeline or other means of transport to market, even with a reduced level of royalties. We are not able to predict the effect of changes in the price and production volumes of North Slope oil on Alaska's economy or on us.

Seasonality

Our long-distance revenues have historically been highest in the summer months as a result of temporary population increases attributable to tourism and increased seasonal economic activity such as construction, commercial fishing, and oil and gas activities. Our cable television revenues, on the other hand, are higher in the winter months because consumers tend to watch more television, and spend more time at home, during these months. Our local service and Internet operations are not expected to exhibit significant seasonality, with the exception of SchoolAccess(TM) Internet services that are reduced during the summer months. Our ability to implement construction projects is also reduced during the winter months because of cold temperatures, snow and short daylight hours.

PART I.
ITEM 3.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to various types of market risk in the normal course of business, including the impact of interest rate changes. We do not hold derivatives for trading purposes.

Our Senior Holdings Loan carries interest rate risk. Amounts borrowed under this Agreement bear interest at either Libor plus 1.0% to 2.5%, depending on the leverage ratio of Holdings and certain of its subsidiaries, or at the greater of the prime rate or the federal funds effective rate (as defined) plus 0.05%, in each case plus an additional 0.0% to 1.375%, depending on the leverage ratio of Holdings and certain of its subsidiaries. Should the Libor rate, the lenders' base rate or the leverage ratios change, our interest expense will increase or decrease accordingly. As of March 31, 2001, we have borrowed $82.7 million subject to interest rate risk. On this amount, a 1% increase in the interest rate would cost us $827,000 in additional gross interest cost on an annualized basis.

On January 3, 2001 we entered into an interest rate swap agreement to convert $50 million in 9.75% fixed rate debt to a variable interest rate equal to the 90 day Libor rate plus 334 basis points. The swap agreement carries interest rate risk. Should the Libor rate change, our interest expense will increase or decrease accordingly. A 1% change in the variable interest rate will change the annualized benefit of the swap by $500,000. As of March 31, 2001, the interest rate spread between the fixed and swapped variable rate is 0.885%, an annualized reduction in interest expense of approximately $442,500. As of May 1, 2001, the interest rate spread between the fixed and swapped variable rate is 2.096%, an annualized reduction in interest expense of approximately $1,048,000.

Our Fiber Facility carries interest rate risk. Amounts borrowed under this Agreement bear interest at either Libor plus 3.0%, or at our choice, the lender's prime rate plus 1.75%. The interest rate will decline to Libor plus 2.5%-2.75%, or at our choice, the lender's prime rate plus 1.25%-1.5% after the project completion date and when the loan balance is $60,000,000 or less. Should the Libor rate, the lenders' base rate or the leverage ratios change, our interest expense will increase or decrease accordingly. As of March 31, 2001, we have borrowed $60.0 million subject to interest rate risk. On this amount, a 1% increase in the interest rate would cost us $600,000 in additional gross interest cost on an annualized basis.

Our Satellite Transponder Capital Lease carries interest rate risk. Amounts borrowed under this Agreement bear interest at Libor plus 3.25%. Should the Libor rate change, our interest expense will increase or decrease accordingly. As of December 31, 2000, we have borrowed $47.3 million subject to interest rate risk. On this amount, a 1% increase in the interest rate would cost us $473,000 in additional gross interest cost on an annualized basis.

PART II. OTHER INFORMATION
ITEM 1. LEGAL PROCEEDINGS

Information regarding pending legal proceedings to which we are a party is included in note 5 to the Interim Condensed Consolidated Financial Statements and is incorporated herein by reference.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

Exhibit 10.89 - Fifth Amendment to Contract for Alaska Access Services between General Communication, Inc. and its wholly owned subsidiary GCI Communication Corp., and MCI WorldCom Network Services, Inc., formerly known as MCI Telecommunications Corporation dated August 7, 2000 *

Exhibit 10.90 - Sixth Amendment to Contract for Alaska Access Services between General Communication, Inc. and

its wholly owned subsidiary GCI Communication Corp., and MCI WorldCom Network Services, Inc., formerly known as MCI Telecommunications Corporation dated February 14, 2001 *

Exhibit 10.91 - Seventh Amendment to Contract for Alaska Access Services between General Communication, Inc. and its wholly owned subsidiary GCI Communication Corp., and MCI WorldCom Network Services, Inc., formerly known as MCI Telecommunications Corporation dated March 8, 2001 *

Exhibit 10.92 - Sixth Amendment to Contract for Alaska Access Services between General Communication, Inc. and its wholly owned subsidiary GCI Communication Corp., and Sprint Communications Company L.P. dated March 9, 2001 *

(b) Reports on Form 8-K filed during the quarter ended March 31, 2001 - None

----

* Filed herewith, certain information has been redacted from this document which we desire to keep undisclosed and a copy of the unredacted document will be filed separately with the Securities and Exchange Commission.

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.

GENERAL COMMUNICATION, INC.

<TABLE>
<CAPTION>

Signature	Title	Date
<S>	<C>	<C>
/s/ Ronald A. Duncan	President and Director (Principal Executive Officer)	May 10, 2001
/s/ John M. Lowber	Senior Vice President, Chief Financial Officer, Secretary and Treasurer (Principal Financial Officer)	May 10, 2001
/s/ Alfred J. Walker	Vice President, Chief Accounting Officer (Principal Accounting Officer)	May 10, 2001

</TABLE>

FIFTH AMENDMENT TO CONTRACT FOR ALASKA ACCESS SERVICES

This FIFTH AMENDMENT TO CONTRACT FOR ALASKA ACCESS SERVICES ("Fifth Amendment") is made and entered into as of this 7th day of August, 2000, by and between GENERAL COMMUNICATIONS, INC. and its wholly owned subsidiary, GCI COMMUNICATIONS CORP., an Alaska corporation (together, "GCI") with offices located at 2550 Denali Street, Suite 1000, Anchorage, Alaska 99503-2781 and MCI WORLDCOM NETWORK SERVICES, INC. ("MWNS"), formerly known as MCI Telecommunications Corporation, with offices located at 1133 19th Street, N.W., Washington, D.C. 20036.

RECITALS

WHEREAS, GCI and MWNS entered into that certain Contract for Alaska Access Services dated January 1, 1993 (the "Original Agreement"), as amended by (i) the First Amendment to Contract for Alaska Access Services dated March 1, 1996, (ii) the Third Amendment to Contract for Alaska Access Services dated March 1, 1998, and (iii) the Fourth Amendment to Contract for Alaska Access Services dated as of January 1, 1999 (collectively, the "Agreement") which set forth the general terms and conditions under which GCI provides certain telecommunications services to MWNS; and

WHEREAS, MWNS and the General Services Administration ("GSA") have entered into an agreement for the provision of telecommunications services by MWNS to GSA. MWNS desires to purchase certain services from GCI pursuant to the Agreement in support of the awarded government contract; and

WHEREAS, effective September 30, 1999 WorldCom Network Services, Inc. merged into MWNS pursuant to that certain Certificate of Merger dated as of September 15, 1999; and

WHEREAS, MWNS and GCI desire to further amend the Agreement to modify certain terms and conditions under which GCI will lease FTS2001 Service (as defined herein) to MWNS.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Definition of Terms. All capitalized terms used in this Fifth Amendment but not defined herein shall have the meanings given to such terms in the Agreement. Additionally, any reference to "MWNS" in this Fifth Amendment shall be a reference to "MCI" in the Agreement, as amended, and vice versa.

2. FTS2001 Service.

(a) Notwithstanding anything in the Agreement to the contrary, all telecommunications services, including dedicated access between a POP and an authorized government agency location, that are ordered by MWNS in support of the GSA FTS2001 government contract (Solicitation Number TQC-SS-97-2001) between MWNS and the General Services Administration as more fully described in the Scope of Work attached hereto and incorporated herein as Schedule A (collectively, the "FTS2001 Service") shall be handled in accordance with the terms and conditions set forth in this Fifth Amendment. FTS2001 Service shall include the following services:

(1) FTS2001 Dedicated On-Net Services. Upon placement of an ASR for "FTS2001 Dedicated On-Net Services", GCI shall provide to MWNS dedicated access services for originating and terminating traffic from (i) authorized government agency location designated in the ASR (hereinafter a "FTS2001 End User") to the nearest GCI POP, (ii) from one FTS2001 End User to another FTS2001 End User or (iii) from one GCI POP to another GCI POP. GCI shall then transport all originating and terminating FTS2001 Dedicated On-Net Service going to GCI's nearest POP to either (i) MWNS' Seattle switch along trunk groups dedicated to MWNS or (ii) to the designated intrastate end user along as many trunk groups dedicated to MWNS as possible (e.g., if the designated end user is not another FTS2001 End User then the traffic will be terminated from the last GCI POP connected to a dedicated circuit over non-dedicated circuits). Such dedicated trunk groups shall include, but not be limited to, trunks between GCI's Fairbanks switch and GCI's Anchorage switch, GCI's Juneau switch and GCI's anchorage switch and GCI's Anchorage switch and MWNS' Seattle switch. Trunks supporting Anchorage, Fairbanks and Juneau must support ********** capability for switched data and video applications in order to support **********. Pricing for dedicated access services between an FTS2001 End User and the nearest GCI POP, between an FTS2001 End User and an FTS End User and use of the dedicated trunks along GCI's backbone network or any combination thereof shall be set forth in Schedule B.

(2) FTS2001 ********** Services. Upon placement of an ASR

for "FTS2001 ********** Services", GCI shall make arrangements with the local LEC to redirect ("PIC") the originating and terminating traffic from the authorized government agency location designated in the ASR to the nearest GCI POP. GCI shall then transport all originating and terminating FTS2001 ********** Service going to GCI's nearest POP to either (i) MWNS' Seattle switch along trunk groups dedicated to MWNS or (ii) to the designated intrastate end user along as many trunk groups dedicated to MWNS as possible (e.g., if the designated end user is not another FTS2001 End User then the traffic will be terminated from the last GCI POP connected to a dedicated circuit over non-dedicated circuits). Such dedicated trunk groups shall include, but not be limited to, trunks between GCI's Fairbanks switch and GCI's Anchorage switch, GCI's Juneau switch and GCI's anchorage switch and GCI's Anchorage switch and MWNS' Seattle switch. Trunks supporting Anchorage, Fairbanks and Juneau must support **********

capability for switched data and video applications in order to support ********** services. Pricing for dedicated access services between an FTS2001 End User and the nearest GCI POP, between an FTS2001 End User and an FTS End User and use of the dedicated trunks along GCI's backbone network or any combination thereof shall be set forth in Schedule B.

(3) FTS2001 ********** Services. In the event that MWNS orders ********** services in support of GSA FTS2001 government contract ("FTS ********** Service"), GCI shall provide the ********** services along FTS2001 ********** Services which support ********** capability for switched data and video applications. All FTS2001 ********** Service to be transported to the MWNS Seattle switch must be interconnected from GCI's POP to MWNS' Seattle switch via dedicated trunks without echo cancellation. Pricing for FTS2001 ********** Services are set forth in Schedule B.

(4) FTS2001 General Services. GCI shall also provide all other services listed in Section 2 of the Agreement to FTS2001 End Users via FTS2001 ********** and ********** Services as designated by MWNS ("FTS2001 General Services"). All FTS2001 General Services shall be governed by the terms and conditions set forth in the Agreement regarding such services described in Section 2; provided, however, the pricing applicable to such FTS2001 General Services shall be governed by the pricing set forth in Schedule B attached hereto and incorporated herein. (FTS2001 ********** Services, FTS2001 ********** Services, FTS2001 ********** Services and FTS2001 General Services shall hereinafter be collectively referred to as "FTS2001 Service").

(5) GCI agrees to support MWNS' private network 700 number dialing plan for all designated FTS2001 Service.

(b) FTS2001 Service Ordering. To order FTS2001 Service to be furnished at FTS2001 locations, MWNS shall submit an ASR to GCI, including the requested in-service date for the FTS2001 Service (the "Requested In-Service Date"). All ASRs shall designate the FTS2001 End User and the requested FTS2001 Service. Within five (5) business days after receipt of the ASR, GCI shall issue a Firm Order Commitment (a "FOC") to MWNS. GCI shall use its best efforts to ensure that the FTS2001 Service is tested and accepted by MWNS and is available for MWNS' use by the Requested In-Service Date. MWNS shall have the right, in its sole discretion, to cancel an ASR, without incurring any termination liability, at any time (a) prior to the Requested In-Service Date, or (b) after the Requested In-Service Date in the event the FTS2001 Service is not tested, accepted and available for MWNS' use by such date. If the FTS2001 Service is not tested, accepted and available for MWNS' use by the Requested In-Service Date and MWNS chooses not to cancel the ASR, GCI will credit to MWNS, against the first invoice(s) due hereunder, an amount equal to the prorated daily billing that would have been payable for such FTS2001 Service for each day the FTS2001 Service is unavailable to MWNS after the Requested In-Service Date.

(c) FTS2001 Service Pricing. Notwithstanding anything in the Agreement to the contrary, the prices MWNS pays to GCI for the above-described FTS2001 Service shall be at the rates set forth in the attached Schedule B. The costs associated with each FTS ********** and ********** Service from an FTS2001 End User designated on an ASR shall vary by the type of call and its originating and terminating locations as more specifically set forth in Schedule B. All Private Line and Frame Relay revenue generated from FTS2001 Service shall be applied to all applicable volume discount calculations set forth in the Agreement.

(1) The charges for FTS2001 Service will begin to accrue on the later to occur of (a) the Requested In-Service Date, or (b) the date on which the FTS2001 Service has been tested and accepted by MWNS and is available

for MWNS' use. Notwithstanding the foregoing, if MWNS is unable, due to Customer or other delays, to make use of FTS2001 Service at a FTS2001 End User at the time charges would begin to accrue pursuant to the preceding sentence, MWNS shall have the option to either (i) instruct GCI to disconnect the affected circuit(s), without incurring termination liability, or (b) defer the accrual of charges and commencement of billing for not more than thirty (30) days. MWNS shall have the right at any time during such thirty (30) day period to instruct GCI to disconnect the affected circuit(s), without incurring termination liability.

(2) The non-recurring fee set forth in Schedule B will be included in the first monthly invoice submitted to MWNS with respect to the FTS2001 Service; provided, however, that GCI shall not charge MWNS any non-recurring or installation charges for FTS2001 Service ordered within the year of 1999.

(3) GCI and MWNS agree to review and audit the traffic mix and applicable revenue derived from FTS2001 Service ordered pursuant to this Fifth Amendment six (6) months after the execution of this Fifth Amendment with the intent to negotiate, in good faith, a fixed rate for FTS2001 Service.

(d) FTS2001 Service Testing and Acceptance. The FTS2001 Service shall be tested and accepted in accordance with the Specifications and the testing acceptance criteria set forth in the Schedule C attached hereto and incorporated herein. GCI shall promptly notify the MWNS representative identified on Schedule C that the interconnection between MWNS' facilities and GCI's facilities is complete and that the FTS2001 Service is available for testing. The notice may be given by facsimile, electronic mail or telephone at the numbers specified on Schedule C. The notice shall identify the place where the test (or retest) will take place and the date and time of the test (or retest), which date and time shall be not less than two (2) business days after notification. MWNS shall have the right to have a representative present during the testing. GCI shall make the FTS2001 Service available for use upon receipt of MWNS' final acceptance of the test results.

(e) Interruptions. The FTS2001 Service shall meet the applicable

[CERTAIN INFORMATION HAS BEEN REDACTED FROM THIS DOCUMENT WHICH THE COMPANY DESIRES TO KEEP UNDISCLOSED AND A COPY OF THE UNREDACTED DOCUMENT WILL BE FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]

Specifications and shall be provided in accordance with industry standards. In the event that the FTS2001 Service fails to meet the Specifications, MWNS may be entitled to receive a credit as set forth below. An Interruption shall be measured from the time that the Interruption starts to the time of full compliance with the applicable Specifications. For the purpose of calculating the duration of an Interruption, the parties agree to use GCI's maintenance log and any other relevant reports of either MWNS or GCI.

(1) MWNS shall be entitled to receive a credit in the event of an Interruption in the FTS2001 Service. Except as set forth in subsection (3) below, the amount of the credit per FTS2001 circuit shall be as follows:

Length of Interruption	Credit
Less than 2 hours	4 hours
Each additional 2 hour period or fraction thereof	4 hours

The dollar value of the credit, if any, to be applied against GCI's invoice for each billing month shall be determined by adding together the products of (a) the number of credit hours to which MWNS is entitled for Interruption(s) in each circuit, multiplied by (b) the pro rata hourly cost to MWNS of such circuit during the month in which the Interruption(s) occurred. Multiple Interruptions in a circuit shall be aggregated for purposes of determining the total credit hours to which MWNS is entitled under this subsection (1).

(2) Notwithstanding anything in the Agreement or this Fifth Amendment to the contrary, if any FTS2001 Service fails to meet the Specifications for any consecutive twenty-four (24) hour period, or for more than five percent (5%) of the time over a consecutive thirty (30) day period, MWNS may immediately terminate such FTS2001 Service, at MWNS' sole discretion, without incurring any termination liability. In the event of any such termination, GCI will reimburse MWNS for any and all installation charges MWNS incurs in obtaining replacement services by an alternate method; provided, however, that such charges shall not exceed the then prevailing rates charged by the ILEC for comparable FTS2001 Service.

(3) Notwithstanding the foregoing, MWNS shall be entitled to receive a credit equal to one (1) month's service in the event that there is an Interruption equal to or greater than one (1) minute during a particular

month at a GCI location serviced by a **********. The credit will be applicable to all FTS2001 Service affected by the Interruption. In no event, however, shall MWNS' credit for any Interruption during a particular month at a location serviced by a ********** exceed one (1) month, regardless of the actual number of Interruptions during that particular month.

[CERTAIN INFORMATION HAS BEEN REDACTED FROM THIS DOCUMENT WHICH THE COMPANY DESIRES TO KEEP UNDISCLOSED AND A COPY OF THE UNREDACTED DOCUMENT WILL BE FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]

(f) Customer Service. GCI and MWNS agree to coordinate their customer service and technical support efforts regarding the FTS2001 Service. MWNS' Cary, North Carolina Technical Service Center shall be the single point of contact for all authorized government agencies being provided FTS2001 Service. GCI shall interface with MWNS' technical service center on a 7 day a week, 24 hours a day basis. GCI shall provide to MWNS technical support, inventory management, tracking and trouble reporting for the FTS2001 Service. The trouble reporting contacts for the parties are listed in the Schedule D attached hereto and incorporated herein.

(g) Trunk Forecasting. In order to maintain appropriate levels of dedicated trunks for the FTS2001 Service, MWNS agrees to provide GCI forecasts of projected originating and terminating FTS2001 Service traffic levels on a quarterly basis. The forecasts shall be itemized by switch location and shall include all information necessary to allow GCI to manage its trunking facilities.

(h) Service Order Termination. MWNS and GCI hereby acknowledge and agree that in the event the (i) General Services Administration terminates or cancels an order for FTS2001 Service pursuant to the terms of the GSA FTS2001 government contract with MWNS, or (ii) the term of any FTS2001 Service ordered under the GSA FTS2001 government contract expires (as dictated by the GSA FTS2001 government contract), MWNS shall have the right to cancel the applicable ASR(s) without any termination liability.

(i) In connection with the provision of FTS2001 Service, GCI agrees to abide by the following Federal Acquisition Regulations: FAR 52.2444-6; FAR 52.222-26, Equal Opportunity (E.O. 11246); FAR 52.222-35, Affirmative Action for Special Disabled and Vietnam Era Veterans (38 U.S.C. 4212(a)); and FAR 52.222-36, Affirmative Action for Handicapped Workers (29 U.S.C. 793).

(j) Service Level Agreement. MWNS and GCI hereby agree to abide by the terms and provisions of the Service Level Agreement between GCI and MWNS for FTS2001 Services in Alaska attached hereto as Schedule E. In the event of any inconsistency between this Fifth Amendment and the Service Level Agreement, the Service Level Agreement shall govern.

(k) Statement of Work. MWNS and GCI hereby agree to abide by the terms and provisions of the Statement of Work attached hereto as Schedule F. In the event of any inconsistency between this Fifth Amendment and the Statement of Work, the Statement of Work shall govern.

3. Tariffed Rates. The following shall be added to the Original Agreement as a new Section 2H:

"H. Tariffed Rates. Notwithstanding anything contained in this Agreement or

Schedule A to the contrary, the price MCI pays to GCI for services hereunder in ********** shall at all times be ********** for similar telecommunications services. GCI will decrease the rates chargeable hereunder to MCI in accordance with the **********. Such ********** will be ********** or any change thereof."

4. Term. The following shall be added to Section 3, Term, of the Original Agreement:

"The services for FTS2001 Service shall be for a term of ********** commencing on the effective date of the GSA FTS2001 government contract. The term for FTS2001 Service shall be automatically extended for **********, unless the GSA terminates the GSA FTS2001 government contract between MCI and the GSA. In the event that either (i) the GSA terminates the GSA FTS2001 government contract between MCI and the GSA or (ii) the term of the GSA FTS2001 government contract expires, MCI may terminate the FTS2001 Services without liability. Such MCI termination shall be effective as of the date that the GSA FTS2001 government contract either terminates or expires, as applicable."

5. Arbitration Procedures. Section 4C(2) of the Original Agreement is hereby deleted in its entirety and replaced by the following:

"2. Arbitration Procedures. Any dispute arising out of or related to this Agreement or any ASR which cannot be resolved by negotiation, shall be settled by binding arbitration in accordance with the J.A.M.S./ENDISPUTE Arbitration Rules and Procedures, as amended by this Agreement. The costs of arbitration, including the fees and expenses of the arbitrator, shall be shared equally by MWNS and GCI unless the arbitration award provides otherwise. MCI and GCI shall each bear the cost of preparing and presenting its case. The parties agree that this provision and the arbitrator's authority to grant relief shall be subject to the United States Arbitration Act, 9 U.S.C. 1-16 et seq. ("USAA"), the provisions of this Agreement, and the ABA-AAA Code of Ethics for Arbitrators in Commercial Disputes. The parties agree that the arbitrator shall have no power or authority to make awards or issue orders of any kind except as expressly permitted by this Agreement, and in no event shall the arbitrator have the authority to make any award that provides for punitive or exemplary damages. The arbitrator's decision shall follow the plain meaning of the relevant documents, and shall be final and binding. The award may be confirmed and enforced in any court of competent jurisdiction. All post-award proceedings shall be governed by the USAA."

6. Year 2000 Warranty. The following is hereby added to the Agreement as a new Section 5K:

"K. Year 2000 Warranty. GCI hereby represents and warrants that GCI is using commercially reasonable efforts to ensure that its Network, facilities, equipment, support systems, features and/or hardware, software and firmware involved in or in any way related to the provision of services, whether functioning independently or within a system, shall be able to accurately process date data (including, but not limited to, calculating, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, including leap year calculations, when used in accordance with the provision of services by GCI. GCI will indemnify, defend (by counsel reasonably acceptable to MCI) and hold MCI and its Customers harmless from and against any claims made and/or loss suffered (including reasonable attorneys' fees which shall include allocable costs of in-house counsel) as a consequence of any breach of this warranty."

7. Effect of Amendment. All terms and conditions of the Agreement not modified by this Fifth Amendment shall remain in full force and effect. FTS2001 Service shall be treated as services under the Agreement, and shall be subject to all the terms and conditions thereof, except as such terms and conditions are expressly modified by this Fifth Amendment.

8. Further Assurances. MWNS and GCI shall cooperate in good faith, and shall enter into such other instruments and take such other actions as may be necessary or desirable, to fully implement the intent of this Fifth Amendment.

9. Counterparts. This Fifth Amendment may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned authorized representatives of MWNS and GCI have executed and delivered this Fifth Amendment as of the date first written above.

GENERAL COMMUNICATIONS, INC.	MCI WORLDCOM NETWORK SERVICES, INC.
By: /s/	By: /s/
Name: Richard Westlund	Name: Peter H. Reyndels
Title: Vice President/G.M. Wholesale Services	Title: Director
Date: August 30, 2000	Date: August 25, 2000

Schedule A

Scope of Work

Schedule B

<TABLE>

Pricing Schedule

<CAPTION>

Telecommunication Services	Pricing Structure	Dedicated Access
<S>	<C>	<C>
Switched - Voice and Data (1), (2)		
Gov't switched location (equal access) to Gov't switched location	$**********	**********
Gov't switched location (equal access) to Gov't dedicated location	$**********	**********
Gov't switched location (equal access) to non Gov't switched location	$**********	**********
Gov't switched location (equal access) to lower 48	$**********	**********
Gov't dedicated location to Gov't switched location	$**********	**********
Gov't dedicated location to Gov't dedicated location	$**********	**********
Gov't dedicated location to non Gov't switched location	$**********	**********
Gov't dedicated location to lower 48	$**********	**********
Gov't switched location (non equal access) to Gov't switched location	$**********	**********
Gov't switched location (non equal access) to Gov't dedicated location	$**********	**********
Gov't switched location (non equal access) to non Gov't switched location	$**********	**********
Gov't switched location (non equal access) to lower 48	$**********	**********
Intrastate Private Line	GCI Tariff- FCC **********	**********
Intrastate ISDN(PRI and BRI)	GCI Tariff- FCC **********	**********
Intrastate Frame Relay	GCI Tariff- FCC **********	**********
Anchorage to Seattle Private Line	GCI Tariff- FCC **********	**********
Other Services		

</TABLE>

[CERTAIN INFORMATION HAS BEEN REDACTED FROM THIS DOCUMENT WHICH THE COMPANY DESIRES TO KEEP UNDISCLOSED AND A COPY OF THE UNREDACTED DOCUMENT WILL BE FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]

<TABLE>

<CAPTION>

Telecommunication Services	Pricing Structure	Dedicated Access
<S>	<C>	<C>
Rate call detail for intra Alaska calls Call Record Detail for Interstate calls	$**********	**********
Switch Port on GCI Switch in Seattle	$**********	**********
DAC Port on GCI Switch in Seattle	$**********	**********

</TABLE>

Notes:

(1) For ********** connections, when the gov't facility is using centrex service, the elements that MWNS will be charged are ********** between the LEC EO and the LEC SWC and ********** between the LEC SWC and the GCI POP.

(2) For ********** connections, when the gov't facility is using a PBX, the elements that MWNS will be charged are ********** between the LEC EO and the LEC SWC, ********** between the LEC SWC and the GCI POP and ********** between the PBX and the LEC EO.

(3) ********** service charges will be billed directly to the gov't by the LEC.

(4) Initially, there will be ********** LEC ********** between the GSA and GCI POP in **********. There will be ********** LEC ********** connection between the GSA and the GCI POP in **********.

(5) Initially, there will be ********** connecting ********** and **********.

(6) Initially, there will be ********** between ********** and **********: ********** for ********** and ********** for **********.

[CERTAIN INFORMATION HAS BEEN REDACTED FROM THIS DOCUMENT WHICH THE COMPANY DESIRES TO KEEP UNDISCLOSED AND A COPY OF THE UNREDACTED DOCUMENT WILL BE FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]

Schedule C

Specifications and Testing Acceptance Criteria

1. TECHNICAL SPECIFICATIONS

Any and all dedicated access services furnished by GCI shall meet ********** as stated within the MWNS **********.

1.1 Circuits designed as ********** shall be available with either ********** or ********** signaling format. ********** format shall be available as an option.

1.2 Circuits designed as ********** may be used with **********.

1.3 All equipment shall be fully protected in a ********** arrangement.

1.4 GCI shall use its best efforts to furnish alternate/diverse paths into the MWNS location, i.e., no single point of failure.

1.5 All GCI equipment must be **********.

1.6 Mean time to Restore Electronics and Network Circuit Path: Four (4) hours

2. ACCEPTANCE TESTING CRITERIA FOR DEDICATED ACCESS SERVICES

The following acceptance tests will be conducted:

2.1. **********: A test for a period of seventy-two (72) hours where Bit Error Ratio ("BER"), Error Free Seconds ("EFS") and Burst Error Seconds ("BES") shall meet the parameters of the Specifications.

2.2. ********** Operation: The protection switch shall operate within all manufacturer's specific operating parameters.

2.3. ********** Functionality: All ********** indicators provided by the equipment vendor will function properly under all simulated (non-destructive) alarm conditions.

2.4 MWNS Testing Acceptance Contact:

[CERTAIN INFORMATION HAS BEEN REDACTED FROM THIS DOCUMENT WHICH THE COMPANY DESIRES TO KEEP UNDISCLOSED AND A COPY OF THE UNREDACTED DOCUMENT WILL BE FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]

Schedule D

Trouble Reporting Contacts

1. MWNS Trouble Reporting Contact.
   Cary, NC 1-800-FTS-SVC1

2. GCI Trouble Reporting Contacts.

1st level

Anchorage

Rock Moreland	Supervisor Anchorage Distribution Center	907-777-6972
Ersa Kelley	Supervisor Network Operations Center	907-265-5594
Chris Mace	Supervisor Network Operations Center	907-265-5561
Victor Griffith	Supervisor Network Operations Center	907-265-5564

Juneau

John Foster	Supervisor - Operations	907-586-1944

Fairbanks

Larry Bendall	Supervisor - Operations	907-456-3434

Seattle

Bob Pfeiffer	Sr. Technician - Operations	206-448-0966

2nd level

Dennis Handman	Director Network Operations	907-265-5554

3rd level

Tony Lewkowski	VP Network Operations	907-265-5515

4th level
Dick Westlund VP Carrier Relations 907 265 5632

Schedule E

Service Level Agreement

SERVICE LEVEL AGREEMENT BETWEEN GCI AND MCIW FOR FTS2001 SERVICES IN ALASKA

1. In return for MCIW making GCI the 1st choice provider for all required services of the FTS contract in Alaska **********, GCI will provide certain customer service and sales and marketing support functionality to the government base of FTS prospects and customers as MCIW' marketing alliance partner. GCI may not bind MCIW to any performance that is not stated in the FTS2001 contract and agrees to operate in the best interests of both companies' objective of maximizing market share with the Federal Government customer, at the lowest possible cost. It is understood that, for both companies to succeed, services must be presented, proposed, and installed in the most timely manner and in accordance with the MCIW/GCI Statement Of Work. MCIW and GCI representatives will act together to present a cohesive marketing presence to the Federal Government customers in Alaska.

2. GCI will identify and compensate a dedicated point of contact to support the FTS2001 contract.

3. MCIW will provide:

- - Access and training to FTSNet (includes pricing tools, trouble tracking, network performance, ordering tools, etc.)
- - Customer training information
- - Sales and Marketing information.
- - MCIW account team points of contact

4. To facilitate the customers' ordering of GCI and MCIW services, GCI will serve as a reference point for simple ordering questions. Orders will be submitted directly to MCIW. However, customers may need local information that could be provided by GCI. Also, GCI should provide guidance on proper MCIW Account Team points of contact to customers to support the ordering process.

5. GCI will provide information to government customers regarding services that can be delivered in Alaska, MCI WorldCom FTS2001 pricing, and the feature functionality the customer can expect. This information may include detailed diagrams of the connectivity to the lower 48 MCIW FTS2001 network or diverse access as defined in the MCIW/GCI Statement of Work. GCI may distribute MCIW brochures to government customers from time to time or upon request of the customer or MCIW.

[CERTAIN INFORMATION HAS BEEN REDACTED FROM THIS DOCUMENT WHICH THE COMPANY DESIRES TO KEEP UNDISCLOSED AND A COPY OF THE UNREDACTED DOCUMENT WILL BE FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]

6. GCI may be asked to be present at formal MCIW sales presentations that will take place from time to time, as a part of the new business acquisition process.

7. In addition to the reports defined in the MCIW/GCI Statement of Work, GCI will provide the MCIW business office director a monthly report regarding customer meetings. This report will contain information elements such as customer contact, nature of the customer inquiry, referral data, etc. The MCIW business office director will distribute this report to all interested parties.

8. GCI understands that MCI has bid a firm, fixed price contract with some prices declining over the life of the contract. While it is recognized that GCI's price to MCIW may be higher, in certain circumstances, than the prices that MCIW is authorized to charge the government, this information may not be divulged at any time to the government or any third parties.

9. GCI is authorized to quote budgetary prices to the government with the understanding that the only authorized pricing source is the MCIW on-line pricing tool, the contract, and the FCC Tariff #4.

10. GCI will solicit and provide sales leads to the extent that MCIW is unique in its offering of FTS2001 services in the Alaska market. GCI agrees to maximize the use of the facilities procured by MCIW for purpose of delivering traffic to the lower 48.

11. MCIW will provide quarterly sales forecasts of FTS2001 traffic and services.

12. GCI will follow FTS2001 support requirements. This includes providing the customer service phone number, 888-FTS-SVC1, and customer order information (e-mail addresses, fax numbers, point of contact) to the FTS2001 customer base in Alaska.

Schedule F

Statement of Work

[MCI WorldCom logo]

MCI WorldCom/GCI FTS2001Alaska Services
Statement of Work

FTS2001 ALASKA CIRCUIT SWITCHED SERVICES STATEMENT OF WORK

1.0 OVERVIEW

MCI WorldCom, Government Markets division has been awarded the FTS2001 contract, in response to the Government's RFP for communications services (voice, data and video) including network management and access to customer data. The FTS2001contract requires services both domestically and internationally including the domestic offshore locations of Alaska, Hawaii, Puerto Rico, Guam, Northern Marianas, and the U.S. Virgin Islands. In the process of providing services to these locations, MCI WorldCom has identified some locations where they will require the support of their partners and/or subcontractor. Hence, this Statement Of Work (SOW) will define the support required by MCI WorldCom partner GCI to provided frame relay service (FRS), circuit switched services (CSS) and Dedicated Transmission Service (DTS) for the FTS2001 Government users in Alaska. CSS includes switched voice service (SVS), and circuit switched data service (CSDS) services. Dedicated Transmission service addressed in this SOW will only include **********. ********** service and ********** will be supported using the existing commercial agreement between MCIW and GCI.

MCI WorldCom is committed to providing these services and will work with GCI to ensure a smooth and timely transition and implementation meeting FTS2001 contract requirements.

[CERTAIN INFORMATION HAS BEEN REDACTED FROM THIS DOCUMENT WHICH THE COMPANY DESIRES TO KEEP UNDISCLOSED AND A COPY OF THE UNREDACTED DOCUMENT WILL BE FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]

1.1 Background

The purpose of the FTS2001 program, as defined by the Government, is to provide Government users with up-to-date, cost-effective, and easy to utilize telecommunications services. In addition, the FTS2001 program is designed to enhance the goals of the National Information Infrastructure (NII) and to support implementation of key information technology recommendations of the National Performance Review (NPR). The FTS2001 program is expected to provide the bulk of telecommunications services for the emerging Government Services Information Infrastructure (GSII). The program includes long distance (domestic and non-domestic), and local (MAA contracts) telecommunications service requirements. The Government's authorized users include: All Federal agencies; authorized Federal contractors; agency-sponsored universities and laboratories; and as authorized by law or regulation, state, local, and tribal Governments, and other organizations. All organizations listed in GSA Order ADM 4800.2D (as updated) are eligible.

The term of each FTS2001 contract is ********** basic contract period with ********** option periods of ********** each. The contracts also include provisions for internal competitive contract administration actions (Price Re-determination), at the Government's discretion. This Statement of Work will be reviewed by both GCI and MCIW concurrent with Government renewals or contract administrative changes.

Services to be acquired by Government users from MCIW include: circuit switched services (switch voice, circuit switch data, 800 and 900 services), switched data services (Packet Switched, Frame Relay, ATM and Internet Protocol services), and dedicated transmission services (private lines). The services to be provided by GCI in Alaska include ********** Services, **********, and **********. These services are discussed in more detail in Section 3.0.

MCI WorldCom has a Program Management team in place that has been addressing the FTS2001 requirements, issues and tasks included in the FTS2001 contract. In addition, MCI WorldCom's FTS2001 Program Management Team has guided and managed all the inter-organization coordination, schedules and meetings as they design, develop, and plan the transition and implementation of the FTS2001 program requirements. GCI will play a major role in supporting MCI WorldCom in managing and performing the tasks for FTS2001 service requirements to/from Alaska.

[CERTAIN INFORMATION HAS BEEN REDACTED FROM THIS DOCUMENT WHICH THE COMPANY DESIRES TO KEEP UNDISCLOSED AND A COPY OF THE UNREDACTED DOCUMENT WILL BE FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]

2.0 OBJECTIVE

The purpose of this SOW is to define the process and procedures required by MCI

WorldCom and GCI to support the delivery of Government agency's FTS2001 SVS (On and OffNet voice), ********** and ********** requirements in Alaska. Delivery and support for Frame Relay and Inter-State PL service will follow the commercial agreements in place between MCIW and GCI.

3.0 TECHNICAL DESCRIPTION

GCI will act as MCI WorldCom's agent in Alaska for the provision of FTS2001 services as defined in this Statement of Work. In general this includes:

a) Arranging for dedicated access facilities where ordered between Government agency locations subscribing to MCI WorldCom's FTS2001 services and the nearest GCI POP (Juneau, Anchorage, Fairbanks). GCI will comply with the FTS2001 contract by accepting Government customer provided access, where required.
b) Providing circuit switching for voice and circuit switched data calls within Alaska.
c) Supporting toll free originating and terminating traffic in Alaska. 800 number portability, under the control of the LEC SMS database, will also be supported.
d) Transporting originating 900 traffic from Alaska to MCI WorldCom by routing on the 900-NXX number ranges assigned to MCI WorldCom.
e) Supporting frame relay traffic and inter-state PL to/from Alaska via existing commercial service arrangements between MCI WorldCom and GCI.
f) Supporting 700 number dial plans.

3.1 Specific responsibilities for switched voice and circuit switched data services include:

a) For subscribing FTS2001 users who are behind LEC Centrex switches, GCI shall:

   - Accept calls from the Centrex switch via a dedicated trunk group, or
   - Accept calls from the Centrex switch via a shared trunk group and identify MCI WorldCom subscribers on the basis of ANI or calling line ID in the signaling setup message. MCI WorldCom would be responsible for providing GCI with the authorized list of ANIs.
   - Terminate calls from MCI WorldCom FTS2001 users via the same trunks.

b) GCI shall act as MCI WorldCom's agent to contact LECs in equal access areas in Alaska such that subscribing FTS2001 users will be repointed (PIC'd) to GCI's access trunk groups. Calls from these virtual on-net users will be routed according to the mutually agreed upon FTS2001 routing plan. Since MCI WorldCom has no PIC in Alaska, the GCI PIC will be used to provide MCIW FTS2001 service.

[CERTAIN INFORMATION HAS BEEN REDACTED FROM THIS DOCUMENT WHICH THE COMPANY DESIRES TO KEEP UNDISCLOSED AND A COPY OF THE UNREDACTED DOCUMENT WILL BE FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]

c) Non-equal access areas, within Alaska, will be served using the FTS2001 calling card.
d) In the three major cities in Alaska (Anchorage, Fairbanks, and Juneau), GCI will support PRI ISDN access trunks to subscribing FTS2001 users. These trunks must support ********** capability for switched data and video applications.

GCI shall support MCI WorldCom's FTS2001 dialing plan, which will include the use of private network 700 numbers.

[CERTAIN INFORMATION HAS BEEN REDACTED FROM THIS DOCUMENT WHICH THE COMPANY DESIRES TO KEEP UNDISCLOSED AND A COPY OF THE UNREDACTED DOCUMENT WILL BE FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]

3.2 GCI interconnection responsibilities will include:

"MCI FTS-2001 Alaska Network Diagram V.3...December 22, 1999"

[A DIAGRAM USING SYMBOLS AND FLOW LINES IN DESCRIBING THE USE OF FACILITIES TO SUPPORT THE COMPANY'S PROVIDING FTS-2001 SERVICES IN ALASKA]

"MCI FTS-2001 Alaska Network Diagram V.3...January 13, 2000"

[A DIAGRAM USING SYMBOLS AND FLOW LINES IN DESCRIBING THE USE OF FACILITIES TO SUPPORT THE COMPANY'S PROVIDING FTS-2001 SERVICES IN ALASKA]

a) Installing trunks dedicated to MCI WorldCom FTS2001 SVS traffic between:
   - The GCI Fairbanks switch and the GCI Anchorage switch
   - The GCI Juneau switch and the GCI Anchorage switch
   - The GCI Anchorage switch and the MCI WorldCom Seattle switch

   The sizing of these trunks will be mutually determined to ensure a P.01 grade of service for the applicable peak traffic requirements.

b) Dedicated access only - Switching and aggregating MCI WorldCom FTS2001 SVS originating traffic in Alaska. The Fairbanks and Juneau switches will pass the traffic they aggregate to the Anchorage switch which will in turn aggregate it with Anchorage traffic and pass it to the MCI WorldCom Seattle switch via a dedicated trunk group with echo cancellation. GCI will provide undersea fiber optic capacity for this between their facilities in Anchorage and Seattle. MCI WorldCom will assign LEC provided access capacity between the GCI Seattle POP and the MCI WorldCom Seattle POP.

c) Switching and aggregating MCI WorldCom FTS2001 circuit switched data (CSDS) traffic in a manner similar to (b) above and passing it to the MCI WorldCom Seattle switch via a dedicated trunk group without echo cancellation. This includes ********** capability for switched data and video applications via the GCI "5E" network.

Switching and terminating MCI WorldCom FTS2001 SVS and CSDS traffic from the MCI WorldCom Seattle switch to dedicated on-net FTS2001 terminations via the trunking arrangements described above.

4.0 CUSTOMER SUPPORT

MCI WorldCom will administer the customer service functions consistent with those as outlined in the FTS2001 contract. Customer service includes service ordering, billing, trouble reporting and account management. MCI WorldCom's Technical Service Center (TSC) in Cary, NC will act as the single interface for all Government inquires and will coordinate with the MCIW account teams for non-service affecting inquiries and GCI's services centers and personnel for service affecting issues. Customer service processes and procedures are defined in the following sections:

- Pricing/Pre-Sale Support
- Service Ordering
- Billing
- Network Management
- Reporting
- Trouble/Inquiry reporting

4.1 Pricing/Pre-Sale Support

GCI will support sales efforts for FTS2001 services in Alaska. MCI WorldCom will provide GCI the necessary information and training to enable GCI sales personnel to directly pursue and

[CERTAIN INFORMATION HAS BEEN REDACTED FROM THIS DOCUMENT WHICH THE COMPANY DESIRES TO KEEP UNDISCLOSED AND A COPY OF THE UNREDACTED DOCUMENT WILL BE FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]

manage the sales of FTS2001 service with Alaska customers. GCI will notify and work with the MCIW agency specific account teams as required.
MCI WorldCom will provide the following information to assist with GCI's FTS2001 sales efforts:

- Electronic Files containing FTS2001 pricing information
- Access to FTSNet
  - Price Quote Tool: Enables GCI reps to develop price quotes for FTS2001 service on-line
  - access: Enable GCI to view order information
  - Any other applications to support sales efforts
- MCIW Agency Specific account team points of contact
- MCIW Business Office points of contact
  - Manages contract changes, modifications, multi-year and complex pricing requests
  - Manage GCI Statement of Work

MCI WorldCom will advise GCI of ongoing contract modifications and price changes, when possible, at least 30 days in advance of implementation of the modification or change.

4.2 Service Ordering

The customer service ordering process for Alaska services defined in this SOW will be consistent with the service ordering process for FTS2001 services offered in the lower 48 states.

Government users will be able to initiate service orders using a standard template via the FTSNet, web site, email, verbally or by facsimile. Copies and descriptions of these order forms are available at the FTS2001 website (www.mciwcomgovt.com).

- Government users may request FTS2001 service in Alaska through MCIW directly or via GCI. Orders may be initiated via the following means:
  - FTSNet: Government users that have been authorized and registered may enter orders directly to MCIW, on-line via FTSNet.
  - Facsimile: Government users may fax orders to: 888-HELP 2K1 (888-435-7251)
  - E-mail: Government users may attach order templates to e-mail messages and send to: ftssvc1@wcom.com
  - GCI: Government users may submit orders to the GCI/FTS2001 Account Representatives. GCI must submit the order to MCI WorldCom COB receipt of order date via facsimile as defined above.
- This set of standard service order intervals adheres to standard commercial intervals for MCI's best commercial customers. The service order intervals begin the next business day following service order notification.

Table 3.9.4.1-1. Standard Service Order Intervals - Mandatory Services *

Service	Standard Interval (With Telco)/business days	Standard Interval (Without Telco)
Circuit Switched		
Switched voice	19-25 days	7-12 days
Circuit switched data	19-25 days	7-12 days
Toll-free service	19-25 days	7-12 days
900 service	19-25 days	7-12 days
Switched Data		
Frame relay	36-41 days with MCI provided routers; 22-27 days with Government provided routers	15-20 days
Dedicated Transmission	19-24 days*	11-16 days

*Note: Service order intervals associated with the transition process will adhere to the agreed upon Transition Plan.

**DS3 requests evaluated on an ICB.

Note: Disconnect orders and orders without telco loops are 30 days from service order notification.

- - All received orders will be entered into the centralized FTS ordering system, OrderMCI, and managed through to implementation by MCIW's Program Office. When the Government submits a service request to MCI WorldCom for service(s) in Alaska:
  - MCI WorldCom will verify that the individual requesting the service is authorized to request that type of service.
  - Review the request data for completeness.
  - If the service request is for services and/or equipment that are fully defined and priced, MCI WorldCom will immediately assign a service order number and issue the service order for processing by GCI.
    - All FTS2001 orders will be captured and tracked in MCI WorldCom's centralized service order tracking system. GCI will provide the MCIW Program Office with the information necessary to support the required order status notifications. Information required includes the following:The Service Order Notification message will contain pertinent information including the OrderMCI Service Order ID number, agency service request number, relevant technical information, service initiation charges and other costing data, and the expected implementation date.
    - When Government involvement is required to support the installation or removal of equipment, and the due date is more than 10 days in the future, GCI must advise MCIW to enable MCI WorldCom to notify the LGC or the DAR of required Government actions as soon as possible and at least 10 business days prior to the required Government action. This notification will allow MCI WorldCom to comply with the installation or removal due date. GCI will provide the MCI WorldCom PMO with any Firm Order Commitment dates/changes upon receipt.
    - Within 24 hours of service order completion, GCI will provide the information
      necessary to enable the dedicated Account Team Service Order specialist to notify the Government representatives identified in the service order that implementation is complete by generating and transmitting a Service Order Completion Notice. This message will identify all costs billed to the Government, including any discounted or waived costs including SIC charges, if waived, that are known for that billing period. MCI WorldCom will initiate billing for the service on the Effective Billing Date (EBD), contained within the Service Order Notification Message. This date may directly correspond to Government acceptance testing of the service. For successful 72-hour acceptance testing, billing will begin upon completion of acceptance testing. Billing will not occur for services that do not pass acceptance testing. Billing will cease for any service disconnects on the approved or accepted disconnect date and upon issuance of a notification to the requester.

The Government will have the option of requesting service for an interval less than the stated standard interval of that service. GCI will make every effort to support expedited order requests and will advise MCIW of any associated charges above and beyond those outlined in the GCI/MCIW contract.

The Government requires special ordering and handling for NSEP (National Security Emergency Preparedness). GCI will make every effort to support and manage these services as described in the FTS2001 contract and will provide MCIW the information needed to meet the Government's requirements.

4.2.1 Switched Voice Service (PICs)

The MCIW/GCI account teams will follow the standard procedures for PIC service by acquiring the Letter of Agreement (LOA) from the customer. The MCIW account team member or designated MCIW representative will forward the LOA along with the form required by GCI authorizing GCI to act as MCIW's agent requesting the

PICs to GCI for MCIW.

The PIC forms and associated information (NPA/NXXs, agency, agency hierarchy code, etc.,) will be submitted to the GCI Carrier Account Manager. MCIW will provide a point of contact and an order number, per order, to GCI.

GCI Marketing will perform the following once the PIC orders are received:

- - Upon receipt of PIC orders from MCIW, GCI will review orders to determine which NPA/NXXs are in equal access areas and non-equal access areas. GCI will notify the MCIW account team of requests in non-equal access areas. The MCIW account team will work with the customer to order calling card service to provide service in these areas.
- - GCI will advise MCIW of the GCI FTS20001 Agency account for billing to MCI WorldCom.
- - MCIW and GCI will reconcile ANI inventory information based on customer provided information, LEC provided information and GCI provided information
- - GCI will implement the PIC changes with the local telco's.
- - GCI will notify the MCIW PMO upon PIC completion and will assist with customer testing as necessary.

4.2.2 Switched Voice: ISDN/PRI

4.2.3 Inter-State Private Lines and Frame Relay:

MCIW and GCI will follow the procedures agreed upon to support commercial services.

4.3 BILLING

4.3.1 Intra-Alaska Calls:

- GCI will provide rated call detail records to MCIW no later than the 5th calendar day of the month following the traffic period. Records provided will be consistent with MCIW's standard Vnet Call Detail Record information and will identify the Alaska end-user customer. MCIW will provide GCI the FTS 2001 contractual rates to be used and will advise GCI of any required rate changes no less than 30 calendar days in advance. GCI will implement any required rate changes within 30 calendar days of notification from MCIW.
- GCI will provide flat files of print ready information to MCIW containing the Summary of Amount Due, and Usage Summary by Location reports. The reports will contain the Government defined Agency Hierarchy Code, MCI WorldCom provided Account Numbers, i.e., Corporate ID, BillPayer ID, OBUS Account Number, as well as the customer name. These files will be provided no later than the 5th calendar day of the month following the traffic period.

Long Term Billing Solution: MCIW and GCI will establish a working team to address the long term solution.

4.3.2 Billing Disputes

MCI WorldCom will act as the interface to receive FTS2001 customer billing disputes. FTS users may initiate a billing dispute by initiating a ticket in FTSNet, contacting the Customer Service Office (888-FTS-SVC1) or contacting their MCIW/GCI account team. GCI will support any billing dispute inquires, as required, for GCI provided services. MCIW will coordinate and manage the resolution of all billing disputes and will maintain responsibility for any customer facing activity.

4.4 NETWORK MANAGEMENT

The Technical Service Center (TSC) in Cary, NC is MCI WorldCom's primary network management center for monitoring FTS2001 networks. The TSC will be supported by GCI's Network Operation Center (NOC).

Network Service Affecting Events relating to MCIW Services supported by GCI will be coordinated by GCI NOC with MCIW's TSC. The TSC can be reached by calling 1-800-FTS-SVC1. Planned network events that effect all services will be communicated to the MCIW TSC via email and telephone no less than 48 hours before the event occurs. Maintenance events that result in an outage shall be scheduled with MCIW via email and telephone communications on average of fourteen (14) days (but no less than seven (7) days) before the event. Unplanned network events such as equipment failures and weather related outages shall be communicated to MCIW's TSC as soon as possible via either email and/or telephone communications.

The primary interface with the Government will be through MCI WorldCom. GCI will provide data to MCI WorldCom to support its interface to the Government. GCI NOC will be available 24x7.

4.5 REPORTING

This section identifies the items that GCI shall provide to MCIW. In this section, the items GCI provides are called "deliverables."

GCI shall provide the deliverables in the media specified by MCIW. See Section

C.3.2.7 Data Requirements for the Government's requirements regarding the use of off-line media format.

GCI shall provide the deliverables in "calendar" days unless otherwise specified. The deliverables include the items listed in Attachment 1, Schedule F attached hereto.

GCI shall provide all the deliverables listed in Attachment 1, Schedule F to MCIW's FTS2001 CDRL Manager, unless the Manager specifies an alternate and/or secondary delivery location.

GCI shall reference the "Contract Data Requirements List (CDRL) #", the "Section", and the "Description", as provided in Attachment 1, Schedule F for any correspondence, information, label and/or title that designates a deliverable.

CDRL # identification for all deliverables shall be: "M-CDRL(number from Attachment 1)-(mmddyy)". The "M" in front of "CDRL#" is a subcontractor identifier. The "(mmddyy)" shall be assigned by GCI and shall represent the deliverable's delivery date to the Government.

Examples of CDRL #'s:
One Time Deliverables: M-CDRL0166-032599 is contract deliverable "Transition Verification Test Plan" (CDRL # 0166) with a represented delivery date to the Government of March (03) 25th (25), 1999 (99).

Reoccurring Deliverables: M-CDRL0140-020900 is contract deliverable "Contract Modification Status Report" (CDRL # 0140) with a represented delivery date to the Government of February (02) 9th (09), 2000 (00). This is a monthly reoccurring deliverable. The next occurrence of the deliverable will be in the month of March and the CDRL # could be, "M-CDRL0140-031000", contract deliverable "Contract Modification Status Report" (CDRL # 0140) with a represented delivery date to the Government of March (03) 10th (10), 2000 (00). The first part of the CDRL # for this deliverable will always remain the same, "M-CDRL0140-", since it will always represent the deliverable "Contract Modification Status Report". The last part of the CDRL #, "-mmddyy", will change with each monthly submission of the deliverable. This same principle applies for any reoccurring deliverable whether it is a weekly, monthly, quarterly, semi-annual, or annual. If the deliverable occurs more than once for any reason this CDRL numbering scheme shall be applied.

4.6 TROUBLE REPORTING/CUSTOMER INQUIRIES

MCI WorldCom will act as the primary interface for Government users and will provide the support required by the FTS2001 contract. GCI's NOC will act as an extension of MCI's TSC by providing technical support, inventory management, and tracking capability for MCI WorldCom's Alaska FTS2001 services. GCI's NOC will be available 7 days a week, 24 hours a day to support MCI WorldCom's Customer Service Office.

GCI will support MCI WorldCom in providing rapid trouble management of network problems via MCI WorldCom's TSC in Cary, NC, which operates 24 hours a day, 7 days a week. The GCI NOC will provide direct monitoring of all MCIW supported services that are dedicated to the FTS2001 program. If a problem is identified, the GCI NOC, in coordination with the MCI WorldCom TSC, will resolve the problem and be responsible for the following issues.

- Identifying and clearing trouble for both agency-identified, mission-critical Telecommunication Service Priority (TSP) services and non mission-critical services
- Working cooperatively with other contractors (Government and non-Government) to rapidly resolve problems
- Maintaining audit trails of trouble resolution activities
- Responding to inquiries concerning trouble resolution status
- Providing trend analysis and sorting of trouble reports and administrative reports
- Providing trouble escalation for normal and emergency events

MCIW will utilize its NSTHS (Network Systems Trouble Handling Standards) to support FTS2001 customer trouble management. The NSTHS contains the parameters used to status and escalate trouble tickets.

GCI's NOC will address all Trouble Ticket inquires for all Alaska locations by MCIW and will work with MCIW to follow NSTHS. Appendix C attached hereto contains 1st-3rd Level GCI contacts available 7x24 by pager.

Network Service Affecting Events relating to MCIW Services supported by GCI will be coordinated by GCI NOC with MCIW's TSC. The TSC can be reached by calling 1-888-FTS-SVC1. Planned network events that effect all services will be communicated to the MCIW TSC via email and telephone no less than 48 hours before the event occurs. Maintenance events that result in an outage shall be scheduled with MCIW via email and telephone communications on average of fourteen (14) days (but no less than seven (7) days) before the event. Unplanned network events such as equipment failures and weather related outages shall be communicated to the MCIW's TSC as soon as possible via either email and/or telephone communications.

5.0 PLANNING AND ENGINEERING

GCI will provide planning and engineering support to ensure that appropriate network services will be available to meet evolving Government requirements. These activities will include the following:

- Ensuring network wide interoperability with other sub-contractors (i.e. LECs, etc.,) as well as Government and commercial networks, where the Government requires such interoperability.
- Developing and maintaining a contingency and restoration plan that prevents deterioration of network services.

6.0 TRANSITION, MIGRATION AND IMPLEMENTATION

Transition, Migration and Implementation will be as defined in the FTS2001 Alaska TMI SOW.

Appendix C

GCI Trouble Reporting Escalation Points of Contact

1st level		
Anchorage		

Rock Moreland	Supervisor Anchorage Distribution Center	907-777-6972
Ersa Kelley	Supervisor Network Operations Center	907-265-5594
Chris Mace	Supervisor Network Operations Center	907-265-5561
Victor Griffith	Supervisor Network Operations Center	907-265-5564
Juneau		

John Foster	Supervisor - Operations	907-586-1944
Fairbanks		

Larry Bendall	Supervisor - Operations	907-456-3434
Seattle		

Bob Pfeiffer	Sr. Technician - Operations	206-448-0966
2nd level		
Dennis Handman	Director Network Operations	907-265-5554
3rd level		
Tony Lewkowski	VP Network Operations	907-265-5515
4th level		
Dick Westlund	VP Carrier Relations	907 265 5632

ATTACHMENT 1, SECTION F

deliveries or performance

F.1 52.252-2 CLAUSES INCORPORATED BY REFERENCE (JUN 1988)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

Clause No.	FAR Clause No.	Title and Date
F.1.1	52.242-15	Stop Work Order (AUG 1989)
F.1.2	52.242-17	Government Delay of Work (APR 1984)
F.1.3	52.247-35	F.O.B. Destination with Consignees Premises (APR 1984)

F.2 DELIVERIES

This section identifies the items that GCI shall deliver to MCIW, to the Government and/or the Government's agent(s).

In this section, the items GCI delivers are called "deliverables."

GCI shall provide the deliverables in the media specified by MCIW. Media needs to be delivered in one or more of the following formats: a) Web Browsers/Server Technology; b) E-mail; c) Magnetic tape cartridge; d) CD-ROM; e) Write Once, Read Many (WORM); f) 3-1/2" diskette; g) Paper h) Facsimile. See Section C.3.2.7 Data Requirements for the Government's requirements regarding the use of on-line electronic access to data, off-line media, and electronic media formats.

GCI shall provide the deliverables in "calendar" days unless otherwise specified. The deliverables include, but are not limited to, the items listed in Table F.2-1.

GCI shall deliver all the deliverables listed in Table F.2-1 to the Contracting Officer's Technical Representative (COTR), unless the COTR specifies an alternate and/or secondary delivery location.

GCI shall reference the "Contract Data Requirements List (CDRL) #", the "Section", and the "Description", as provided in Table F.2-1, for any correspondence, information, label and/or title that designates a deliverable. CDRL # identification for all deliverables shall be: "M-CDRL(number from Table F.2-1)-(mmddyy)". The "M" in front of "CDRL#" is a subcontractor identifier. The "(mmddyy)" shall be assigned by GCI and shall represent the deliverable's delivery date to the Government.

Examples of CDRL #'s:
One Time Deliverables: M-CDRL0166-032599 is contract deliverable "Transition Verification Test Plan" (CDRL # 0166) with a represented delivery date to the Government of March (03) 25th (25), 1999 (99).

Reoccurring Deliverables: M-CDRL0140-020900 is contract deliverable "Contract Modification Status Report" (CDRL # 0140) with a represented delivery date to the Government of February (02) 9th (09), 2000 (00). This is a monthly reoccurring deliverable. The next occurrence of the deliverable will be in the month of March and the CDRL # could be, "M-CDRL0140-031000", contract deliverable "Contract Modification Status Report" (CDRL # 0140) with a represented delivery date to the Government of March (03) 10th (10), 2000 (00). The first part of the CDRL # for this deliverable will always remain the same, "M-CDRL0140-", since it will always represent the deliverable "Contract Modification Status Report". The last part of the CDRL #, "-mmddyy", will change with each monthly submission of the deliverable. This same principle applies for any reoccurring deliverable whether it is a weekly, monthly, quarterly, semi-annual, or annual. If the deliverable occurs more than once for any reason this CDRL numbering scheme shall be applied.

Any inconsistency between Section F and Sections B, C, E or H, shall be resolved by giving Sections B, C, E or H precedence.
<TABLE>
Table F.2-Attachment 1. GCI Deliverables for Mandatory Services (Continued)
<CAPTION>

CDRL #	Descriptions From C.2: "Service Descriptions, Technical Requirements, and Performance"	Quantity	Media of Delivery	Where to Deliver	Submittal Date
<S>	<C>	<C>	<C>	<C>	<C>
0004	Station Identified Call Detail Record Information - Centralized Billing	As required	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office	Monthly or as requested
0005	Station Identified Call Detail Record Information - Direct Billing	As required	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office	Monthly or as requested
0006	Updated Security Plan	1 plan	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office	Annually or as requested
0007	Report of All Security Violations and Breaches	As required	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office	Within 4 hours of the incident
0015	Security Procedures	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office	Within 60 calendar days after contract award
0016	Graphical Representation of Access Circuit Routes Showing Implementation of Diversity or Avoidance	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office and to affected agencies	Within 30 calendar days of the implementation of access diversity or avoidance and a change is made

</TABLE>
<TABLE>
Table F.2-Attachment 1. GCI Deliverables for Mandatory Services (Continued)
<CAPTION>

CDRL #	Descriptions From C.2: "Service Descriptions, Technical Requirements, and Performance"	Quantity	Media of Delivery	Where to Deliver	Submittal Date
<S>	<C>	<C>	<C>	<C>	<C>

0017	Proposed Reconfiguration of Routes for Implementing Access Diversity or Avoidance	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office and to affected agencies	At least 30 calendar days in advance of implementation
0020	Call Status Report	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office	Daily within 24 hours after end of day (unless affected by weekends or Federally observed holiday); also available weekly, monthly, and quarterly
0021	Caller Profile Report	1	Refer to Section C.3.2.7	To the subscribing agency and to the FTS 2001 Bus. Program Office (upon request)	Daily within 24 hours after end of day (unless affected by weekends or Federally observed holiday)

</TABLE>
<TABLE>

Table F.2-Attachment 1. GCI Deliverables for Mandatory Services (Continued)

<CAPTION>

CDRL #	Descriptions From C.2: "Service Descriptions, Technical Requirements, and Performance"	Quantity	Media of Delivery	Where to Deliver	Submittal Date
<S>	<C>	<C>	<C>	<C>	<C>
0022	Caller Information Report	1	Refer to Section C.3.2.7	To the subscribing agency and to the FTS 2001 Bus. Program Office (upon request)	Daily within 24 hours after end of day (unless affected by weekends or Federally observed holiday)
0023	Caller Response Report Information	1	Refer to Section C.3.2.7	To the subscribing agency	Daily within 24 hours after end of day (unless affected by weekends or Federally observed holiday)
0025	Call Status Report	1	Refer to Section C.3.2.7	To the subscribing agency	Daily within 24 hours after end of day (unless affected by weekends or Federally observed holiday); also available weekly, monthly, and quarterly

</TABLE>
<TABLE>

Table F.2-Attachment 1. GCI Deliverables for Mandatory Services (Continued)

<CAPTION>

CDRL #	Descriptions From C.2: "Service Descriptions, Technical		Media of Delivery	Where to Deliver	Submittal Date

Requirements,
and Performance"

CDRL #	Descriptions	Quantity	Media of Delivery	Where to Deliver	Submittal Date
0026	Caller Profile Report	1	Refer to Section C.3.2.7	To the subscribing agency and to the FTS 2001 Bus. Program Office (upon request)	Daily within 24 hours after end of day (unless affected by weekends or Federally observed holiday)
0027	Caller Information Report	1	Refer to Section C.3.2.7	To the subscribing agency and to the FTS 2001 Bus. Program Office (upon request)	Monthly
0028	Graphical Representation of Transport Circuit Routes Showing Implementation of Diversity or Avoidance	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office and to affected agencies	Within 30 calendar days of the imple-mentation of transport diversity or avoidance and when a change is made
0029	Proposed Reconfiguration of Routes for Implementing Transport Diversity or Avoidance	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office and to affected agencies	At least 30 calendar days in advance of implementation

</TABLE>
<TABLE>

Table F.2-Attachment 1. GCI Deliverables for Mandatory Services (Continued)

CDRL #	Descriptions From C.3: "Management and Operations"	Quantity	Media of Delivery	Where to Deliver	Submittal Date
0038	User Trouble and Complaint Report Procedures	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office	Within 60 calendar days after contract award and revised within 60 calendar days afterreceiving notice that revisions are required
0039	Updated Service Ordering and Tracking System Procedures and Related Intervals	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office	Within 30 calendar days after contract award
0044	Service Order Notification, Request for Clarification, or Rejection Notice	1	Refer to Section C.3.2.7	To the Designated Agency Representative and to the FTS 2001 Bus. Program Office	Within 3 business days after issuance of Service Request Acknowledgment

</TABLE>
<TABLE>

Table F.2-Attachment 1. GCI Deliverables for Mandatory Services (Continued)

CDRL #	Descriptions From C.3: "Management and Operations"	Quantity	Media of Delivery	Where to Deliver	Submittal

Date
<S> <C> <C> <C> <C> <C>

0045	Service Order Completion Notice	1	Consistent with medium of submission as specified in Section C.3.5.4.1 except for voice-only notification, which is not permitted	To Government representatives identified in the service order and to the FTS 2001 Bus. Program Office	Within 24 hours of completion of the service order
0047	Standard Service Order Processing Intervals	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office and to affected agencies	Within 30 calendar days prior to any change to service order intervals; within 7 calendar days prior to any extension of the intervals
0049	Service Order Tracking and Administrative Measurements	1 set	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office and to subscribing agencies	Monthly within 15 business days after the end of the previous month
0050	Centralized Billing Data and CDR Exchange	1 set	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office and to authorized agency users	Monthly

</TABLE>
<TABLE>

Table F.2-Attachment 1. GCI Deliverables for Mandatory Services (Continued)

<CAPTION>

CDRL #	Descriptions From C.3: "Management and Operations"	Quantity	Media of Delivery	Where to Deliver	Submittal Date
<S>	<C>	<C>	<C>	<C>	<C>
0051	Direct Billing Data and CDR Exchange	1 set	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office	Monthly
0052	Call Detail Records	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office	Monthly, or with 60 calendar days notice to specified agencies
0056	Invoice Format Changes	1 set	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office	60 calendar days advance notice
	FTS 2001 Bus. Program Office			FTS 2001 Bus. Program Office	
	FTS 2001 Bus. Program Office			FTS 2001 Bus. Program Office	
0065	Network Service Affecting Event Reports	1 set	As specified by GCI	To the FTS 2001 Bus. Program Office	As events occur
0204	Notification of Any Subcontractor Network and Related Support Systems' Configuration Changes Affecting or Likely to Affect Users'	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office	As required

	Services and Resources				
0066	Network Security Breach Detections	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office	Within the time frame normally provided commercial customers

</TABLE>
<TABLE>

Table F.2-Attachment 1. GCI Deliverables for Mandatory Services (Continued)

<CAPTION>

CDRL #	Descriptions From C.3: "Management and Operations"	Quantity	Media of Delivery	Where to Deliver	Submittal Date
<S>	<C>	<C>	<C>	<C>	<C>
0067	Fraud Detections	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office and affected agencies	Within the time frame normally provided commercial customers
0068	Fraud Prevention Procedures	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office	Initial update within 60 calendar days after notice to proceed with further updates as requested by the FTS 2001 Bus. Program Office
0206	Notification to the FTS 2001 Bus. Program Office (PMO) of All Significant Planned Changed to GCI's Network	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office	At least 60 calendar days in advance of the planned changes
0070	Archived Trouble Report Data	1 set	As specified by GCI	To the FTS 2001 Bus. Program Office and to the agencies	As requested by the FTS 2001 Bus. Program Office within the timeframe normally provided commercial customers

</TABLE>
<TABLE>

Table F.2-Attachment 1. GCI Deliverables for Mandatory Services (Continued)

<CAPTION>

CDRL #	Descriptions From C.3: "Management and Operations"	Quantity	Media of Delivery	Where to Deliver	Submittal Date
<S>	<C>	<C>	<C>	<C>	<C>
0109	Revised Private Dialing Plan for Implementation	1	Refer to Section C.3.2.7	To the Implementation Control Center	Within 15 calendar days after receiving the review from the Implementation Control Center
0215	Establishment (Notification) of an Office of Implementation Management (OIM)	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office	Within 15 calendar days following notice to begin an

implementation

project

0110	Content and Status of Service Orders Information Associated with Implementation of Services	1	As specified by GCI	To the FTS 2001 Bus. Program Office	Updated daily
0111	Implementation Network and User Location Inventories	1 set	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office	No later than 15 calendar days after GCI begins conducting network and user location inventories
0112	Implementation Traffic Statistics	1 set	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office	No later than 15 calendar days after approval of GCI's Implementation Plan

</TABLE>
<TABLE>

Table F.2-Attachment 1. GCI Deliverables for Mandatory Services (Continued)

<CAPTION>

CDRL #	Descriptions From C.3: "Management and Operations"	Quantity	Media of Delivery	Where to Deliver	Submittal Date
<S>	<C>	<C>	<C>	<C>	<C>
0114	Implementation Notification and Scheduling for Local Government Contact	As required	Refer to Section C.3.2.7	To the Local Government Contact and to the FTS2001 Bus Office	At least 60 calendar days before the location is to be implemented, except as otherwise directed by the Government
0115	Implementation Notification and Documentation for Local Government Contact and Implementation Control Center	As required	Refer to Section C.3.2.7	To the Local Government Contact and Implementation Control Center and to the FTS2001 Bus Office	At least 60 calendar days prior to implementation activities beginning at a location
0216	Establishment (Notification) of Local Committee(s) for Implementation	1	Refer to Section C.3.2.7	To the Implementation Control Center	At least 50 calendar days prior to the start of service initiation activities at the location

</TABLE>
<TABLE>

Table F.2-Attachment 1. GCI Deliverables for Mandatory Services (Continued)

<CAPTION>

CDRL #	Descriptions From C.5: "National Security and Emergency Preparedness"	Quantity	Media of Delivery	Where to Deliver	Submittal Date
<S>	<C>	<C>	<C>	<C>	<C>
0116	Updated Assured Switched Voice	1	Refer to Section C.3.2.7	To the FTS 2001 Bus.	First

	Service Administrative Plan			Program Office	update one year after contract award; updated annually thereafter on each anniversary of contract award
0117	Updated Assured Switched Voice Service Operational Plan	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office	First update one year after contract award; updated annually thereafter on each anniversary of contract award
0118	Updated Assured Switched Voice Service Management Plan	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office	First update one year after contract award; updated annually thereafter on each anniversary of contract award
0119	Updated Subcontractor Emergency Management Plans	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office	Annually on each anniversary of contract award
0120	Notification of Major Consequences on the Network	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office and to affected agencies	Immediately

</TABLE>
<TABLE>

Attachment 1Table F.2-1. GCI Deliverables for Mandatory Services (Continued)

<CAPTION>

CDRL #	Descriptions From C.6: "Performance Data Reporting Requirements"	Quantity	Media of Delivery	Where to Deliver	Submittal Date
<S>	<C>	<C>	<C>	<C>	<C>
0121	Performance Data Reports	As required	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office and to subscribing agencies	Monthly - on or before the 15th Government business day of the month following the reporting interval; Daily - by 0800 Local Time of each Government business day
0122	Performance Data Reports (Printed format)	As required and requested	Paper	To FTS 2001 Bus. Program Office and subscribing agencies, upon request	Within 5 business days from when the report was due electronically
0123	Special Reports	1 set	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office and to requesting agencies	Case-by-case basis as negotiated with the

Government

0124	Archived Reports	1 set	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office and to the requesting agencies	Within 96 hours after request is made

</TABLE>
<TABLE>

Attachment 1Table F.2-1. GCI Deliverables for Mandatory Services (Continued)

<CAPTION>

CDRL #	Descriptions From C.6: "Performance Data Reporting Requirements"	Quantity	Media of Delivery	Where to Deliver	Submittal Date
<S>	<C>	<C>	<C>	<C>	<C>
0125	Agency-Specific Performance Data	1 set	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office and to subscribing agencies	As requested by the FTS 2001 Bus. Program Office or a subscribing agency
0126	Status of Network Fraud and Security Breach Detections Report	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office and subscribing agencies	Monthly - on or before the 15th Government business day of the month following the reporting interval
0127	Service Order Completion Status Report	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office and the subscribing agencies	Monthly - on or before 15th Government business day of the month following the reporting interval

</TABLE>
<TABLE>

Attachment 1Table F.2-1. GCI Deliverables for Mandatory Services (Continued)

<CAPTION>

CDRL #	Descriptions From C.6: "Performance Data Reporting Requirements"	Quantity	Media of Delivery	Where to Deliver	Submittal Date
<S>	<C>	<C>	<C>	<C>	<C>
0128	Trouble Reports Status Report	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office and to the subscribing agencies	Monthly - on or before 15th Government business day of the month following the reporting interval
	FTS 2001 Bus. Program Office			FTS 2001 Bus. Program Office	
0130	FTS 2001 Bus. Program Office Monthly Dispute Report	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office	Monthly by the 15 th business day
0132	Direct Billing Monthly Dispute Report	1 each	Refer to Section C.3.2.7	To each directly billed agency	Monthly by the 15 th business day
	FTS 2001 Bus. Program Office			FTS 2001 Bus. Program Office	
0143	Service Assurance Service Restoral	1	Refer to Section C.3.2.7	To the FTS 2001 Bus.	Monthly -

CDRL #	Descriptions From C.6: "Performance Data Reporting Requirements"	Quantity	Media of Delivery	Where to Deliver	Submittal Date
	Time Reports - Access and Transport Segments			Program Office and to subscribing agencies	on or before the 15th business day of the month following the reporting interval

</TABLE>
<TABLE>

Attachment 1Table F.2-1. GCI Deliverables for Mandatory Services (Continued)

<CAPTION>

CDRL #	Descriptions From C.6: "Performance Data Reporting Requirements"	Quantity	Media of Delivery	Where to Deliver	Submittal Date
0144	Circuit Switched Services Percent Availability - Access Segment	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office and to subscribing agencies	Monthly - on or before the 15th Government business day of the month following the reporting interval
0145	Circuit Switched Services Percent Availability - Transport Segment	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office and to subscribing agencies	Monthly - on or before the 15th Government business day of the month following the reporting interval
0146	Circuit Switched Service Busy Hour Grade of Service for Blockage - Access Segment	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office and to subscribing agencies	Monthly - on or before the 15th Government business day of the month following the reporting interval

</TABLE>
<TABLE>

Attachment 1Table F.2-1. GCI Deliverables for Mandatory Services (Continued)

<CAPTION>

CDRL #	Descriptions From C.6: "Performance Data Reporting Requirements"	Quantity	Media of Delivery	Where to Deliver	Submittal Date
0147	Circuit Switched Services Busy Hour Grade of Service for Blockage - Transport Segment	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office and to subscribing agencies	Monthly - on or before the 15th Government business day of the month following the reporting interval
0151	Circuit Switched Service Trouble Reports	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office and to subscribing agencies	Monthly - on or before the 15th Government business day of the month following the reporting interval
0152	Switched Data Services Percent	1	Refer to Section C.3.2.7	To the FTS 2001 Bus.	Monthly - on or before

	Availability - Access Segment			Program Office and to the subscribing agencies	the 15th Government business day of the month following the reporting interval

</TABLE>
<TABLE>

Attachment 1Table F.2-1. GCI Deliverables for Mandatory Services (Continued)

<CAPTION>

CDRL #	Descriptions From C.6: "Performance Data Reporting Requirements"	Quantity	Media of Delivery	Where to Deliver	Submittal Date
<S>	<C>	<C>	<C>	<C>	<C>
0153	Switched Data Services Percent Availability Reports - Transport Segment	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office and to the subscribing agencies	Monthly - on or before the 15th Government business day of the month following the reporting interval
0154	Switched Data Services Transmission Performance Reports - Access Segment	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office and to the subscribing agencies	Monthly - on or before the 15th Government business day of the month following the reporting interval
0155	Switched Data Services Transmission Performance Reports - Transport Segment	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office and to the subscribing agencies	Monthly - on or before the 15th Government business day of the month following the reporting interval

</TABLE>
<TABLE>

Attachment 1Table F.2-1. GCI Deliverables for Mandatory Services (Continued)

<CAPTION>

CDRL #	Descriptions From C.6: "Performance Data Reporting Requirements"	Quantity	Media of Delivery	Where to Deliver	Submittal Date
<S>	<C>	<C>	<C>	<C>	<C>
0156	DTS Availability for Access and Transport Segments	1	Refer to Section C.3.2.7	To the FTS 2001 Bus. Program Office and to the subscribing agencies	Monthly - on or before the 15th Government business day of the month following the reporting interval
0158	Daily Status Morning Report	1	As specified in Section C.3.7.1.1	To the FTS 2001 Bus. Program Office and to the subscribing agencies	By 0800 local time of each Government business day

</TABLE>

SIXTH AMENDMENT TO CONTRACT FOR ALASKA ACCESS SERVICES

This SIXTH AMENDMENT TO CONTRACT FOR ALASKA ACCESS SERVICES ("Sixth Amendment") is made and entered into as of this 14th day of February, 2001 (the "Effective Date"), by and between GENERAL COMMUNICATIONS, INC. and its wholly owned subsidiary, GCI COMMUNICATIONS CORP., an Alaska corporation (together, "GCI") with offices located at 2550 Denali Street, Suite 1000, Anchorage, Alaska 99503-2781 and MCI WORLDCOM NETWORK SERVICES, INC. ("MWNS"), formerly known as MCI Telecommunications Corporation, with offices located at 1133 19th Street, N.W., Washington, D.C. 20036.

RECITALS

WHEREAS, GCI and MWNS entered into that certain Contract for Alaska Access Services dated January 1, 1993 (the "Original Agreement"), as amended by (i) the First Amendment to Contract for Alaska Access Services dated March 1, 1996, (ii) the Third Amendment to Contract for Alaska Access Services dated March 1, 1998, (iii) the Fourth Amendment to Contract for Alaska Access Services dated as of January 1, 1999, and (iv) the Fifth Amendment to Contract for Alaska Access Services dated August 7, 2000 (the "Fifth Amendment") (the Original Agreement together with all subsequent amendments thereto is sometimes hereinafter referred to as the "Agreement") which sets forth the general terms and conditions under which GCI provides certain telecommunications services to MWNS; and

WHEREAS, MWNS and the General Services Administration ("GSA") have entered into an agreement for the provision of telecommunications services by MWNS to GSA. MWNS desires to purchase certain services from GCI pursuant to the Agreement in support of the awarded government contract; and

WHEREAS, effective September 30, 1999 WorldCom Network Services, Inc. merged into MWNS pursuant to that certain Certificate of Merger dated as of September 15, 1999; and

WHEREAS, MWNS and GCI desire to further amend the Agreement to modify certain terms and conditions under which GCI will lease FTS2001 Service (as defined herein) to MWNS.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Definition of Terms. All capitalized terms used in this Sixth Amendment but not defined herein shall have the meanings given to such terms in the Agreement. Additionally, any

reference to "MWNS" in this Sixth Amendment shall be a reference to "MCI" in the Agreement, as amended, and vice versa.

2. Replacement of Pricing Schedule. As of the Effective Date, the Pricing Schedule attached to the Fifth Amendment as Schedule B is hereby deleted in its entirety and the Pricing Schedule attached to this Sixth Amendment as Schedule B shall be substituted in lieu thereof.

3. Modification of Statement of Work.

(A) As of the Effective Date, Section 3.1(c) of the Statement of Work attached to the Fifth Amendment as Schedule F is hereby deleted in its entirety and the following is substituted in lieu thereof:

> "c) "Non-equal access areas, within Alaska, will be served using PIC service or the FTS2001 calling card."

(B) As of the Effective Date, the third paragraph of Section 4.2.1 of the Statement of Work attached to the Fifth Amendment as Schedule F is hereby deleted in its entirety and the following is substituted in lieu thereof:

"GCI Marketing will perform the following once the PIC orders are received:

- Upon receipt of PIC orders from MCIW, GCI will review orders to determine which NPA/NXXs are in equal access areas and non-equal access areas. GCI will notify the MCIW account team of requests in non-equal access areas. The customer may choose either calling card or PIC service. GCI will work with AlaskCom to provide PIC service to non-equal access areas.
- GCI will advise MCIW of the GCI FTS20001 Agency account for billing to MCI WorldCom.
- MCIW and GCI will reconcile ANI inventory information based on customer provided information, LEC provided information and GCI

provided information
- GCI will implement the PIC changes with the local telco's. GCI will notify the MCIW PMO upon PIC completion and will assist with customer testing as necessary."

4. Effect of Amendment. All terms and conditions of the Agreement not modified by this Sixth Amendment shall remain in full force and effect.

5. Further Assurances. MWNS and GCI shall cooperate in good faith, and shall enter into such other instruments and take such other actions as may be necessary or desirable, to fully implement the intent of this Sixth Amendment.

6. Counterparts. This Sixth Amendment may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned authorized representatives of MWNS and GCI have executed and delivered this Sixth Amendment as of the date first written above.

GENERAL COMMUNICATIONS, INC.	MCI WORLDCOM NETWORK SERVICES, INC.
By: /s/	By: /s/
Name: Richard Westlund	Name: Jay Slocum
Title: VP/GM Wholesale Services	Title: Vice President
Date: February 14, 2001	Date: March 5, 2001

<TABLE>

Schedule B

Pricing Schedule

<CAPTION>

Telecommunication Services	Pricing Structure	Dedicated Access
<S>	<C>	<C>
Switched - Voice and Data (1), (2)		
Gov't switched location (equal access and non equal access PIC service) to Gov't switched location	$**********	**********
Gov't switched location (equal access and non equal access PIC service) to Gov't dedicated location	$**********	**********
Gov't switched location (equal access and non equal access PIC service) to non Gov't switched location	$**********	**********
Gov't switched location (equal access and non equal access PIC service) to lower 48	$**********	**********
Gov't dedicated location to Gov't switched location	$**********	**********
Gov't dedicated location to Gov't dedicated location	$**********	**********
Gov't dedicated location to non Gov't switched location	$**********	**********
Gov't dedicated location to lower 48	$**********	**********
Gov't switched location (non equal access) to Gov't switched location (For Calling Card only)	$**********	**********
Gov't switched location (non equal access) to Gov't dedicated location (For Calling Card only)	$**********	**********
Gov't switched location (non equal access) to non Gov't switched location (For Calling Card only)	$**********	**********
Gov't switched location (non equal access) to lower 48 (For Calling Card only)	$**********	**********
Intrastate Private Line	GCI Tariff- FCC **********	**********
Intrastate ISDN(PRI and BRI)	GCI Tariff- FCC **********	**********
Intrastate Frame Relay	GCI Tariff- FCC **********	**********

Anchorage to Seattle Private Line	GCI Tariff- FCC **********	**********
Other Services		
Rate call detail for intra Alaska calls	$**********	**********

</TABLE>

[CERTAIN INFORMATION HAS BEEN REDACTED FROM THIS DOCUMENT WHICH THE COMPANY DESIRES TO KEEP UNDISCLOSED AND A COPY OF THE UNREDACTED DOCUMENT WILL BE FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]

<TABLE>
<CAPTION>

Telecommunication Services	Pricing Structure	Dedicated Access
<S>	<C>	<C>
Call Record Detail for Interstate calls		
Switch Port on GCI Switch in Seattle	$**********	**********
DAC Port on GCI Switch in Seattle	$**********	**********

</TABLE>

Notes:

(1) For ********** connections, when the gov't facility is using centrex service, the elements that MWNS will be charged are ********** between the LEC EO and the LEC SWC and ********** between the LEC SWC and the GCI POP.

(2) For ********** connections, when the gov't facility is using a PBX, the elements that MWNS will be charged are ********** between the LEC EO and the LEC SWC, ********** between the LEC SWC and the GCI POP and one channel termination between the PBX and the LEC EO.

(3) ********** service charges will be billed directly to the gov't by the LEC.

(4) Initially, there will be ********** LEC ********** between the GSA and GCI POP in **********. There will be ********** LEC ********** connection between the GSA and the GCI POP in **********.

(5) Initially, there will be ********** connecting ********** and **********.

(6) Initially, there will be ********** between ********** and **********: ********** for ********** and ********** for **********.

[CERTAIN INFORMATION HAS BEEN REDACTED FROM THIS DOCUMENT WHICH THE COMPANY DESIRES TO KEEP UNDISCLOSED AND A COPY OF THE UNREDACTED DOCUMENT WILL BE FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]

SEVENTH AMENDMENT TO CONTRACT FOR ALASKA ACCESS SERVICES

This SEVENTH AMENDMENT TO THE CONTRACT FOR ALASKA ACCESS SERVICES ("Seventh Amendment") is made and entered into as of this 8th day of March 2001 ("Effective Date"), by and between GENERAL COMMUNICATION, INC. and its wholly owned subsidiary, GCI COMMUNICATION CORP., both Alaska corporations (together, "GCI") with offices located at 2550 Denali Street, Suite 1000, Anchorage, Alaska 99503-2781 and MCI WORLDCOM NETWORK SERVICES, INC. ("MWNS"), formerly known as MCI Telecommunications Corporation, with offices located at 1133 19th Street, N.W., Washington, D.C. 20036 (GCI with MWNS, collectively, the "Parties," and individually, a "Party").

RECITALS

WHEREAS, GCI and MWNS entered into that certain Contract for Alaska Access Services dated January 1, 1993 ("Original Agreement"), as amended by (i) the First Amendment to Contract for Alaska Access Services dated March 1, 1996, (ii) the Third Amendment to Contract for Alaska Access Services dated March 1, 1998, and (iii) the Fourth Amendment to Contract for Alaska Access Services dated as of January 1, 1999, and (iv) the Fifth Amendment to Contract for Alaska Access Services dated as of August 7, 2000, and (v) the Sixth Amendment to Contract for Alaska Access Services dated as of February 14, 2001 (collectively, "Agreement") which set forth the general terms and conditions under which GCI provides certain telecommunications services to MWNS; and

WHEREAS, effective September 30, 1999, WorldCom Network Services, Inc. merged into MWNS pursuant to that certain Certificate of Merger dated as of September 15, 1999; and

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1.Term

Paragraph 3 of the Agreement shall be deleted in its entirety and the following inserted in its place:

3. TERM. Except for **********, services provided pursuant to Section 2.A shall be for a term of five (5) years beginning March 31, 2001, and ending March 31, 2006. The term shall be

[CERTAIN INFORMATION HAS BEEN REDACTED FROM THIS DOCUMENT WHICH THE COMPANY DESIRES TO KEEP UNDISCLOSED AND A COPY OF THE UNREDACTED DOCUMENT WILL BE FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]

automatically extended for ********** periods through and including **********, unless either Party elects to cancel the renewal periods by giving written notice of non-renewal at least one (1) year prior to the commencement of the next renewal term. The services for ********** shall be for a term of ********** upon the issue of the first ASR authorizing the turn up of a serving area. The term for ********** shall be automatically extended for ********** periods through and including **********, unless either Party elects to cancel the renewal periods by giving notice of non-renewal at least one (1) year prior to the commencement of any renewal term.

2. Charges

A. Paragraph 2.B.(1) of the Agreement shall be deleted and the following inserted in its place: 2.B (1) MCI Northbound Traffic. MCI Northbound Traffic shall be charged at the following rates per minute in the appropriate periods:

Date	Rate in Dollars
Beginning **********	$**********
Beginning **********	$**********
Beginning **********	$**********
Beginning **********	$**********
Beginning **********	$**********
Beginning **********	$**********
Beginning **********	$**********
Beginning **********	$**********
Beginning **********	$**********
Beginning **********	$**********

There shall be no **********. GCI shall pay the ********** and all ********** charges for the ********** of MCI Northbound Traffic.

B. Paragraph 2. B. (2) of the Agreement shall be deleted and the following inserted in its place:

[CERTAIN INFORMATION HAS BEEN REDACTED FROM THIS DOCUMENT WHICH THE COMPANY DESIRES TO KEEP UNDISCLOSED AND A COPY OF THE UNREDACTED DOCUMENT WILL BE FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]

MCI Southbound Traffic. MCI Southbound Traffic (except for **********) shall be charged at the following rates per minute in the appropriate periods:

Date	Rate in Dollars
Beginning **********	$**********
Beginning **********	$**********
Beginning **********	$**********
Beginning **********	$**********
Beginning **********	$**********
Beginning **********	$**********
Beginning **********	$**********
Beginning **********	$**********
Beginning **********	$**********
Beginning **********	$**********

There shall be no **********. GCI shall pay the ********** and all ********** charges for MCI Southbound Traffic. Any query charges associated with the routing of MCI Southbound Traffic, due to FCC Docket #86-10, will be passed on to MCI.

3. Effect of Amendment. All other terms and conditions of the Agreement not expressly modified by this Seventh Amendment shall remain in full force and effect. The Parties hereby affirm and agree such terms remain binding.

4. Further Assurances. The Parties shall cooperate in good faith, and enter into such other instruments and take such other actions as may be necessary or desirable, to fully implement the intent of this Seventh Amendment.

5.Counterparts; Signatures. This Seventh Amendment may be executed in couterparts, each of which shall be deemed an original and both of which together shall constitute one and the same instrument. When signed by each Party's authorized representative, a copy or facsimile of this Seventh Amendment shall have the same force and effect as one bearing an original signature.

6. Defined Terms. Each capitalized term used but not defined herein shall have the meaning ascribed to such term in the Agreement.

This Seventh Amendment together with the Agreement is the complete agreement of the Parties and supersedes all other prior contracts and representations concerning its subject matter. Any further amendments must be in writing and signed by both Parties.

IN WITNESS WHEREOF, the Parties hereto each acting with proper authority have executed this Amendment as of the Effective Date.

[CERTAIN INFORMATION HAS BEEN REDACTED FROM THIS DOCUMENT WHICH THE COMPANY DESIRES TO KEEP UNDISCLOSED AND A COPY OF THE UNREDACTED DOCUMENT WILL BE FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]

MCI WORLDCOM

By: /s/

Printed Name: Jay Slocum

Title: Vice President

GCI COMMUNICATION CORP.

By: /s/

Printed Name: Richard Westlund

Title: Vice President

SIXTH AMENDMENT TO

CONTRACT FOR ALASKA ACCESS SERVICES

This SIXTH AMENDMENT to the CONTRACT FOR ALASKA ACCESS SERVICES is made as of this 9th day of March, 2001, between GENERAL COMMUNICATIONS, INC. and its wholly owned subsidiary, GCI COMMUNICATION CORP., an Alaska Corporation (together "GCI") with offices located at 2550 Denali Street, Suite 1000, Anchorage, Alaska 99503-2781, and SPRINT COMMUNICATIONS COMPANY L.P., a Delaware Limited Partnership, ("Sprint") with offices located at 3100 Cumberland Circle, Atlanta, Georgia 30339.

WHEREAS, GCI and Sprint entered into a contract for ALASKA ACCESS SERVICES, effective as of July 1, 1993, and

WHEREAS, GCI and Sprint desire to amend the Contract.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, GCI and Sprint agree as follows:

1. Paragraph 2. A. (6) ********** Alaska ********** Service, shall be deleted and the following inserted in its place:

   (6) ********** Alaska ********** Service. GCI shall charge Sprint ********** term rate for the ********** requested from all points in Alaska. Each month GCI will calculate the total ********** Alaska ********** Service charges for all ********** requirements of ********** and below. A ********** credit will be calculated. ********** of the credit will be applied to the following months ********** invoice, and identified as, "Alaska ********** Contract Credit". ********** of the credit will be applied to the following months ********** invoice, and identified as, "Alaska ********** Contract Credit".

2. Paragraph 2. B. (1) of the contract shall be deleted and the following inserted in its place:

(1) Sprint Northbound Traffic. Sprint Northbound Traffic shall be charged at the following rates per minute in the appropriate periods:

Date	Rate in Dollars
**********	**********
**********	**********
**********	**********
**********	**********
**********	**********

There shall be no **********. ********** shall pay the ********** and all ********** charges for the ********** of **********.

[CERTAIN INFORMATION HAS BEEN REDACTED FROM THIS DOCUMENT WHICH THE COMPANY DESIRES TO KEEP UNDISCLOSED AND A COPY OF THE UNREDACTED DOCUMENT WILL BE FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]

3. Paragraph 2. B. (2) of the contract shall be deleted and the following inserted in its place:

   **********. ********** (except for **********) shall be charged at the following rates per minute in the appropriate periods:

Date	Rate in Dollars
**********	**********
**********	**********
**********	**********
**********	**********
**********	**********

   There shall be no **********. ********** shall pay the ********** and all ********** charges for **********. Any query charges associated with the routing of **********, due to FCC Docket #86-10, will be passed on to **********.

4. Paragraph 3. TERM shall be deleted and the following inserted in its place:

3. RENEWAL TERM. All services provided pursuant to Section 2. A. shall be for a renewal term of three (3) years beginning March 31, 2001 and ending March 31, 2004. The renewal term shall be automatically extended for two (2) one (1) year periods through and including March 31, 2006 unless either party elects to cancel the renewal by providing written notice of non-renewal at least 180 days prior to the commencement of any renewal period.

5. All other terms and conditions of the Contract remain unchanged by this Amendment and are in full force and effect.

6. This Amendment will be in effect on March 31, 2001.

7. This Amendment together with the Contract is the complete agreement of the parties and supersedes all other prior contracts and representations concerning its subject matter. Any further amendments must be in writing and signed by both parties.

[CERTAIN INFORMATION HAS BEEN REDACTED FROM THIS DOCUMENT WHICH THE COMPANY DESIRES TO KEEP UNDISCLOSED AND A COPY OF THE UNREDACTED DOCUMENT WILL BE FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.]

IN WITNESS WHEREOF, the parties hereto each acting with proper authority have executed this Amendment on the date indicated above.

SPRINT COMMUNICATIONS COMPANY

By: /s/

Printed Name: Marianne E. Leary

Title: Manager, Network Service Contracts

GCI COMMUNICATION CORPORATION

By: /s/

Printed Name: Richard Westlund

Title: Vice President & General Manager
Long Distance & Wholesale Services