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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2008

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) 868-5600**

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☒
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

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

The number of shares outstanding of the registrant's classes of common stock as of April 30, 2008 was:
49,915,000 shares of Class A common stock; and
3,255,619 shares of Class B common stock.

GENERAL COMMUNICATION, INC.
FORM 10-Q
FOR THE QUARTER ENDED MARCH 31, 2008

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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 (“SEC”). In this Quarterly Report, in addition to historical information, we state our future strategies, plans, objectives or goals and 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,” “project,” or “continue” or the negative of those words and other comparable words. All forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance, achievements, plans and objectives to differ materially from any future results, performance, achievements, plans and objectives expressed or implied by these forward-looking statements. In evaluating those statements, you should specifically consider various factors, including those identified under “Risk Factors” in Item 1A of our December 31, 2007 annual report on Form 10-K, and elsewhere in this Quarterly Report. 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.

You should not place undue reliance on any such forward-looking statements. Further, any forward-looking statement, and the related risks, uncertainties and other factors speak only as of the date on which they were originally made and we expressly disclaim any obligation or undertaking to update or revise any forward-looking statement 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. New factors emerge from time to time, and it is not possible for us to predict what factors will arise or when. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

GENERAL COMMUNICATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Amounts in thousands) ASSETS		(Unaudited) March 31, 2008	December 31, 2007
Current assets:			
Cash and cash equivalents	$	17,165	13,074
Receivables		92,154	97,913
Less allowance for doubtful receivables		1,551	1,657
Net receivables		90,603	96,256
Deferred income taxes		21,870	5,734
Prepaid expenses		6,563	5,356
Inventories		3,814	2,541
Other current assets		679	717
Total current assets		140,694	123,678
Property and equipment in service, net of depreciation		519,675	504,273
Construction in progress		84,950	69,409
Net property and equipment		604,625	573,682
Cable certificates		191,565	191,565
Goodwill		42,181	42,181
Wireless certificates		25,757	25,757
Other intangible assets, net of amortization		11,873	11,769
Deferred loan and senior notes costs, net of amortization		5,985	6,202
Other assets		9,508	9,399
Total other assets		286,869	286,873
Total assets	$	1,032,188	984,233

See accompanying notes to interim consolidated financial statements.

(Continued)

GENERAL COMMUNICATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Continued)

(Amounts in thousands) LIABILITIES, MINORITY INTEREST, AND STOCKHOLDERS' EQUITY		(Unaudited) March 31, 2008	December 31, 2007
Current liabilities:			
Current maturities of obligations under long-term debt and capital leases	$	2,382	2,375
Accounts payable		41,847	35,747
Deferred revenue		17,385	16,600
Accrued payroll and payroll related obligations		15,263	16,329
Accrued liabilities		8,326	7,536
Accrued interest		3,076	8,927
Subscriber deposits		956	877
Total current liabilities		89,235	88,391
Long-term debt		555,667	536,115
Obligations under capital leases, excluding current maturities		2,306	2,290
Obligation under capital lease due to related party, excluding current maturity		441	469
Deferred income taxes		103,207	84,295
Other liabilities		17,175	13,241
Total liabilities		768,031	724,801
Minority interest		6,528	6,478
Commitments and contingencies			
Stockholders' equity:			
Common stock (no par):			
Class A. Authorized 100,000 shares; issued 49,915 and 50,437 shares at March 31, 2008 and December 31, 2007, respectively; outstanding 49,444 and 49,425 shares at March 31, 2008 and December 31, 2007, respectively		150,616	155,980
Class B. Authorized 10,000 shares; issued 3,256 and 3,257 shares at March 31, 2008 and December 31, 2007, respectively; outstanding 3,254 and 3,255 shares at March 31, 2008 and December 31, 2007, respectively; convertible on a share-per-share basis into Class A common stock		2,750	2,751
Less cost of 473 Class A and Class B common shares held in treasury at March 31, 2008 and December 31, 2007		(3,450)	(3,448)
Paid-in capital		22,180	20,132
Retained earnings		85,533	77,539
Total stockholders' equity		257,629	252,954
Total liabilities, minority interest, and stockholders' equity	$	1,032,188	984,233

See accompanying notes to interim consolidated financial statements.

GENERAL COMMUNICATION, INC. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
(Unaudited)

(Amounts in thousands, except per share amounts)	Three Months Ended March 31, 2008	Three Months Ended March 31, (as restated) 2007
Revenues	$ 134,674	125,031
Cost of goods sold (exclusive of depreciation and amortization shown separately below)	51,311	47,990
Selling, general and administrative expenses	46,406	43,605
Depreciation and amortization expense	22,782	20,866
Operating income	14,175	12,570
Other income (expense):		
Interest expense	(8,685)	(8,318)
Loan and senior note fees	(223)	(180)
Interest income	81	184
Minority interest	(50)	13
Other expense, net	(8,877)	(8,301)
Income before income tax expense	5,298	4,269
Income tax expense	2,769	1,963
Net income available to common shareholders	$ 2,529	2,306
Basic net income available to common shareholders per common share	$ 0.05	0.04
Diluted net income available to common shareholders per common share	$ 0.04	0.04

See accompanying notes to interim consolidated financial statements.

GENERAL COMMUNICATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2008 AND 2007
(Unaudited)

(Amounts in thousands)	2008	(as restated) 2007
Cash flows from operating activities:		
Net income	$ 2,529	2,306
Adjustments to reconcile net income to net cash provided by operating activities (net of effects of acquisition):		
Depreciation and amortization expense	22,782	20,866
Deferred income tax expense	2,769	1,963
Share-based compensation expense	1,260	985
Other noncash income and expense items	1,498	1,153
Change in operating assets and liabilities, net of acquisition	4,686	(5,424)
Net cash provided by operating activities	35,524	21,849
Cash flows from investing activities:		
Purchases of property and equipment	(49,647)	(30,454)
Purchases of other assets and intangible assets	(1,183)	(396)
Purchase of business	---	(19,530)
Restricted cash	---	4,612
Other	---	25
Net cash used in investing activities	(50,830)	(45,743)
Cash flows from financing activities:		
Borrowing on Senior Credit Facility	20,000	---
Repayment of debt and capital lease obligations	(567)	(25,577)
Proceeds from common stock issuance	16	1,566
Other	(52)	(8)
Net cash provided by (used in) financing activities	19,397	(24,019)
Net increase (decrease) in cash and cash equivalents	4,091	(47,913)
Cash and cash equivalents at beginning of period	13,074	57,647
Cash and cash equivalents at end of period	$ 17,165	9,734

See accompanying notes to interim consolidated financial statement.

The accompanying unaudited interim consolidated financial statements include the accounts of General Communication, Inc. ("GCI") and its subsidiaries and have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. They should be read in conjunction with our audited consolidated financial statements for the year ended December 31, 2007, filed as part of our annual report on Form 10-K (as described further in note 1(j) below, these audited consolidated financial statements will be amended in connection with the Form 10-K/A to be filed subsequent to the filing of this Form 10-Q). In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The results of operations for interim periods are not necessarily indicative of the results that may be expected for an entire year or any other period.

(l) Business and Summary of Significant Accounting Principles

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

(a) Business

GCI, an Alaska corporation, was incorporated in 1979. We offer the following services:

- Origination and termination of traffic in Alaska for certain common carriers,
- Cable television services throughout Alaska,
- Competitive local access services in Anchorage, Fairbanks, Juneau, Wasilla, Eagle River, Kodiak, Palmer, Kenai, Soldotna, Chugiak, Sitka, Valdez, Ketchikan and Homer, Alaska as of March 31, 2008 with on-going expansion into additional Alaska communities,
- Long-distance telephone service between Alaska and the remaining United States and foreign countries,
- Resale and sale of postpaid and sale of prepaid wireless telephone services and sale of wireless telephone handsets and accessories,
- Data network services,
- Internet access services,
- Broadband services, including our SchoolAccess® offering to rural school districts, our ConnectMD® offering to hospitals and health clinics, and managed video conferencing,
- Managed services to certain commercial customers,
- Sales and service of dedicated communications systems and related equipment,
- Lease, sales and maintenance of capacity on our fiber optic cable systems used in the transmission of interstate and intrastate data, switched message long-distance and Internet services within Alaska and between Alaska and the remaining United States and foreign countries, and
- Distribution of white and yellow pages directories to residential and business customers in certain markets we serve and on-line directory products.

(b) Principles of Consolidation

The consolidated financial statements include the consolidated accounts of GCI and its wholly-owned subsidiaries, as well as a variable interest entity in which we are the primary beneficiary as defined by Financial Accounting Standards Board ("FASB") Interpretation ("FIN") No. 46R, "Consolidation of Variable Interest Entities, an interpretation of ARB No. 51." All significant intercompany transactions are eliminated.

(c) Earnings per Common Share
EPS and common shares used to calculate basic and diluted EPS consist of the following (amounts in thousands, except per share amounts):

	Three Months Ended March 31, 2008			2007 (as amended)		
	Income (Numerator)	Shares (Denominator)	Per-share Amounts	Income (Numerator)	Shares (Denominator)	Per-share Amounts
Basic EPS:						
Net income available to common shareholders	$ 2,529	52,259	$0.05	$ 2,306	53,260	$0.04
Effect of Dilutive Securities:						
Unexercised stock options	---	376	---	---	1,580	---
Unvested stock awards	---	23	---	---	---	---
Diluted EPS:						
Effect of share based compensation that may be settled in cash or shares	(548)	248	---	(193)	113	---
Net income adjusted for effect of share based compensation that may be settled in cash or shares	$ 1,981	52,906	$0.04	$ 2,113	54,953	$0.04

Weighted average shares associated with outstanding share awards for the three months ended March 31, 2008 and 2007, which have been excluded from the computations of diluted EPS because the effect of including these share awards would have been anti-dilutive, consist of the following (shares, in thousands):

	Three Months Ended March 31, 2008	2007
Weighted average shares associated with outstanding stock options	5,004	891

Additionally, weighted average shares associated with contingent awards of 376,000 for the three months ended March 31, 2008 were excluded from the computation of diluted EPS.

We have not issued securities other than common stock that contractually entitle the holder to participate in dividends and earnings when, and if, we declare dividends on our common stock and, therefore, we do not apply the two-class method of calculating earnings per share.

(d) Common Stock
Following are the changes in issued common stock for the three months ended March 31, 2008 and 2007 (shares, in thousands):

	Class A	Class B
Balances at December 31, 2006	50,191	3,370
Class B shares converted to Class A	111	(111)
Shares issued under stock option plan	225	---
Shares retired	(212)	(1)
Balances at March 31, 2007	50,315	3,258

Balances at December 31, 2007	50,437	3,257
Class B shares converted to Class A	1	(1)
Shares issued under stock option plan	2	---
Shares issued under the Director Compensation Plan	20	---
Shares retired	(540)	---
Other	(5)	---
Balances at March 31, 2008	49,915	3,256

GCI's Board of Directors has authorized a common stock buyback program for the repurchase of our Class A and Class B common stock in order to reduce our outstanding shares of Class A and Class B common stock. GCI's Board of Directors authorized us to make up to $80.0 million of repurchases through March 31, 2008, under which we have made repurchases of $68.9 million through March 31, 2008. If stock repurchases are less than the total approved quarterly amount the difference may be carried forward and used to repurchase additional shares in future quarters. The Additional Incremental Term Loan agreement entered into on May 2, 2008 and described in note 7 allows for the repurchase of our common stock under our buyback program when our total debt leverage is below 4.0 times EBITDAS.

During the three months ended March 31, 2008 we repurchased no shares of our Class A and B common stock. During the three months ended March 31, 2007 we received in lieu of a cash payment on a note receivable 113,000 shares of our Class A common stock at a cost of $1.7 million. The cost of the repurchased common stock is recorded in Retained Earnings on our Consolidated Balance Sheets. At March 31, 2008, all repurchased shares of our Class A common stock had been retired. At March 31, 2008, we have authorization to purchase up to $11.1 million of our common stock.

(e) Asset Retirement Obligations

Following is a reconciliation of the beginning and ending aggregate carrying amount of our asset retirement obligations at March 31, 2008 and 2007 (amounts in thousands):

Balance at December 31, 2006	$ 3,408
Liability incurred	86
Accretion expense for the three months ended March 31, 2007	35
Liability settled	(2)
Balance at March 31, 2007	$ 3,527
Balance at December 31, 2007	$ 4,173
Accretion expense for the three months ended March 31, 2008	26
Balance at March 31, 2008	$ 4,199

Our asset retirement obligations are included in Other Liabilities.

(f) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to estimates and assumptions include the allowance for doubtful receivables, reserve for future customer credits, valuation allowances for deferred income tax assets, depreciable and amortizable lives of assets, the carrying value of long-lived assets including goodwill and cable and wireless certificates, and the accrual of cost of goods sold (exclusive of depreciation and amortization expense) ("Cost of Goods Sold"). Actual results could differ from those estimates.

(g) Classification of Taxes Collected from Customers

We report sales, use, excise, and value added taxes assessed by a governmental authority that is directly imposed on a revenue-producing transaction between us and a customer on a net basis in our income statement. We report a certain surcharge on a gross basis in our income statement of $950,000 and $968,000 for the three months ended March 31, 2008 and 2007, respectively.

(h) Change in Accounting Policy

Effective January 1, 2008 we prospectively changed our accounting policy for recording depreciation on our property and equipment placed in service. For assets placed in service on or after January 1, 2008 we are using a mid-month convention to recognize depreciation expense. Previous to this change we used the half-year convention to recognize depreciation expense in the year an asset was placed in service, regardless of the month the property and equipment was placed in service. We believe the mid-month convention is preferable because it results in more precise recognition of depreciation expense over the estimated useful life of the asset. No retroactive adjustment has been made. As a result of this accounting change, our reported amount of depreciation expense has increased $143,000, our reported operating income has decreased $143,000, our reported net income has decreased $67,000, and our earnings per share has not changed from what we would have reported had we continued to use our previous accounting policy during the three months ended March 31, 2008.

(i) Restatement, Immaterial Error Correction and Reclassification

On May 27, 2008, the Audit Committee of GCI's Board of Directors and GCI management concluded that we should restate our previously issued 2007 quarterly results by filing an amendment to our December 31, 2007 annual report on Form 10-K for various corrections as described below. The corrections made as part of the restatement of our results of operations for the three months ended March 31, 2007 follow:

- We decreased depreciation expense $872,000 to correct an error in calculating depreciation in the initial year an asset is placed in service. We originally recorded our estimated depreciation expense evenly throughout the year with periodic adjustments based upon improved estimates or actual results. In accordance with GAAP we now initially record depreciation expense in the month an asset is placed in service. Depreciation was improperly allocated among quarters, but the year-end total was correct. Therefore the restatement impacts the quarterly results but not the December 31, 2007 year-end results;

Additionally we are correcting the 2007 quarters for errors that have been determined to be immaterial individually and in the aggregate. Other than the interest capitalization, the other adjustments impact the quarterly results, but do not impact the December 31, 2007 year-end results. They are as follows:

- We decreased interest expense $382,000 to correct an interest capitalization error on certain assets. Our capitalized interest policy was too restrictive and resulted in no interest capitalization on certain qualifying capital expenditures. Our capitalized interest policy now conforms to GAAP;

- We increased depreciation expense $322,000 due to the recognition of depreciation on additional capitalized interest;
- We increased revenue $319,000 to correct a configuration error in the automated interface between our unified billing system and our general ledger;
- We increased revenue $133,000 to correct revenue recognition for a majority noncontrolling interest in a subsidiary that was recognizing a certain type of revenue on a cash basis rather than an accrual basis;
- We decreased share-based compensation expense $42,000 to correct expense recognition timing for options that did not vest in equal increments over the vesting period;
- We decreased depreciation expense $38,000 due to a revision of the Alaska DigiTel purchase price allocation, and;
- We decreased income tax expense $688,000 to record the income tax effect of the corrections described above.

We will include an immaterial error correction in our amended December 31, 2007 annual report on Form 10-K to correct interest expense due to the interest capitalization error and the related depreciation expense on the capitalized interest assets discussed above. The immaterial error correction will increase depreciation expense $1.3 million, decrease interest expense $1.7 million, and increase income tax expense $201,000 for the year ended December 31, 2007. The immaterial error correction will also increase cash provided by operating activities $1.7 million and increase cash used by investing activities $1.7 million for the year ended December 31, 2007. The immaterial error correction will also increase property and equipment in service $5.9 million and increase accumulated depreciation $4.0 million as of December 31, 2007. The immaterial error correction for periods prior to 2005 will be recorded by increasing property and equipment, net of accumulated depreciation $1.4 million, increasing deferred income tax liability by $611,000 and increasing retained earnings $805,000 as of January 1, 2005. The impact of the immaterial error correction is reflected in the accompanying December 31, 2007 consolidated balance sheet. The impact of the immaterial error correction for the three months ended March 31, 2007 is included in the quarterly restatement as described above.

We reclassified $4.9 million of network maintenance and operations expense from selling, general and administrative expense to Cost of Goods Sold for the three months ended March 31, 2007. We believe this change in accounting more closely aligns our maintenance and operations components to the nature of expenses included in our financial statement captions, and will improve the comparability of our financial statement presentation with our industry peers.

The impact of the restatement and immaterial error correction adjustments and the reclassification as described above for the period presented is as follows (amounts in thousands, except per share amounts):

	Three Months Ended March 31, 2007			
	As previously reported[1]	Adjust-ments	Reclass-ification	As restated
Revenues	$ 124,579	452	---	125,031
Cost of goods sold (exclusive of depreciation and amortization shown separately below)	43,113	---	4,877	47,990
Selling, general and administrative expenses	48,524	(42)	(4,877)	43,605
Depreciation and amortization expense	21,454	(588)	---	20,866
Operating income	11,488	1,082	---	12,570
Other income (expense):				
Interest expense	(8,700)	382	---	(8,318)
Loan and senior note fees	(180)	---	---	(180)
Interest income	184	---	---	184
Minority interest	13	---	---	13

Other expense, net	(8,683)	382	---	(8,301)
Income before income tax expense	2,805	1,464	---	4,269
Income tax expense	1,275	688	---	1,963
Net income available to common shareholders	$ 1,530	776	---	2,306
Basic net income available to common shareholders per common share	$ 0.03	0.01	---	0.04
Diluted net income available to common shareholders per common share	$ 0.02	0.02	---	0.04
Cash provided by operating activities	$ 21,467	382	---	21,849
Cash used in investing activities	(45,361)	(382)	---	(45,743)
Cash used in financing activities	(24,019)	---	---	(24,019)

[1] As reported on Form 10-Q for the quarter ended March 31, 2007

(2) Consolidated Statements of Cash Flows Supplemental Disclosures

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

Three month period ended March 31,	2008	2007 (as restated)
Decrease in accounts receivable	$ 9,466	2,067
Increase in prepaid expenses	(1,008)	(975)
Increase in inventories	(1,273)	(937)
Decrease in other current assets	23	699
Increase in accounts payable	2,784	124
Increase (decrease) in deferred revenues	571	(880)
Decrease in accrued payroll and payroll related obligations	(1,170)	(706)
Increase in accrued liabilities	756	591
Decrease in accrued interest	(5,851)	(5,761)
Increase in subscriber deposits	79	38
Increase in components of other long-term liabilities	309	316
	$ 4,686	(5,424)

We paid interest, exclusive of capitalized interest, totaling $14.9 million and $14.5 million during the three months ended March 31, 2008 and 2007, respectively.

We paid no income taxes and received no income tax refunds during the three months ended March 31, 2008 and 2007.

During the three months ended March 31, 2008 and 2007, we capitalized interest expense of $870,000 and $590,000, respectively.

During the three months ended March 31, 2008, we had $3.4 million in non-cash additions to property and equipment due to unpaid purchases as of March 31, 2008. During the three months ended March 31, 2007, we paid $900,000 for property and equipment additions that had been accrued in prior periods.

We retired Class A common stock in the amount of $5.5 million and $3.3 million during the three months ended March 31, 2008 and 2007, respectively.

In February 2007, our President and Chief Executive Officer tendered 112,000 shares of his GCI Class A common stock to us at $15.50 per share for a total value of $1.7 million. The stock tender was in lieu of a cash payment on his note receivable with related party and a note receivable with related party issued upon stock option exercise, both of which originated in 2002.

(3) Intangible Assets

Amortization expense for amortizable intangible assets was as follows (amounts in thousands):

	Three Months Ended March 31, 2008	Three Months Ended March 31, 2007
Amortization expense	$ 915	821

Amortization expense for amortizable intangible assets for each of the five succeeding fiscal years is estimated to be (amounts in thousands):

Years Ending December 31,	
2008	$ 3,456
2009	3,160
2010	2,642
2011	1,287
2012	722

(4) Share-Based Compensation

Our 1986 Stock Option Plan ("Stock Option Plan"), as amended, provides for the grant of options and restricted stock awards (collectively "award") for a maximum of 15.7 million shares of GCI Class A common stock, subject to adjustment upon the occurrence of stock dividends, stock splits, mergers, consolidations or certain other changes in corporate structure or capitalization. If an award expires or terminates, the shares subject to the award will be available for further grants of awards under the Stock Option Plan. The Compensation Committee of GCI's Board of Directors administers the Stock Option Plan. Substantially all restricted stock awards granted vest over periods of up to five years. Substantially all options vest in equal installments over a period of five years and expire ten years from the date of grant. Options granted pursuant to the Stock Option Plan are only exercisable if at the time of exercise the option holder is our employee, non-employee director, or a consultant or advisor working on our behalf. New shares are issued when stock option agreements are exercised and restricted stock awards are made. Our share repurchase program as described above may include the purchase of shares issued pursuant to stock option agreement exercise transactions.

The fair value of restricted stock awards is determined based on the quoted price of our common stock. We use a Black-Scholes-Merton option pricing model to estimate the fair value of stock options issued under Statement of Financial Accounting Standard No.123(R). The Black-Scholes-Merton option pricing model incorporates various and highly subjective assumptions, including expected term and expected volatility. We have reviewed our historical pattern of option exercises and have determined that meaningful differences in option exercise activity existed among employee job categories. Therefore, for all stock options, we have categorized these awards into two groups for valuation purposes.

The weighted average grant date fair value of options granted during the three months ended March 31, 2008 and 2007 was $4.33 per share and $7.39 per share, respectively. The total fair value of options vesting during the three months ended March 31, 2008 and 2007 was $1.3 million and $1.8 million, respectively.

We have recorded share-based compensation expense of $1.3 million for the three months ended March 31, 2008, which consists of $2.2 million for employee share-based compensation expense and a $931,000 decrease in the fair value of liability-classified share-based compensation. We recorded share-based compensation expense of $985,000 for the three months ended March 31, 2007, which consists of $1.3 million for employee share-based compensation expense and a $280,000 decrease in the fair value of liability-classified share-based compensation. Share-based compensation expense is classified as selling, general and administrative expense in our consolidated income statement. Unrecognized share-based compensation expense was $3.7 million relating to 388,000 restricted stock awards and $11.5 million relating to 6.4 million unvested stock options as of March 31, 2008. We expect to recognize share-based compensation expense over a weighted average period of 3.1 years for stock options and 2.4 years for restricted stock awards.

The following is a summary of our Stock Option Plan activity for the three months ended March 31, 2008:

	Shares (in thousands)	Weighted Average Exercise Price
Outstanding at December 31, 2007	6,751	$9.37
Options granted	315	$7.95
Restricted stock awards granted	20	$6.44
Exercised	(2)	$6.12
Restricted stock awards vested	(107)	$11.77
Forfeited	(72)	$8.96
Outstanding at March 31, 2008	6,905	$9.26
Available for grant at March 31, 2008	1,321	

The following is a summary of activity for stock option grants that were not made pursuant to the Stock Option Plan for the three months ended March 31, 2008:

	Shares (in thousands)	Weighted Average Exercise Price
Outstanding at December 31, 2007 and March 31, 2008	150	$6.50
Available for grant at March 31, 2008	---	

In January 2001 we entered into an aircraft operating lease agreement with a company owned by our President and Chief Executive Officer. The lease was amended effective January 1, 2002 and February 25, 2005. Upon signing the lease, the lessor was granted an option to purchase 250,000 shares of GCI Class A common stock at $6.50 per share, of which 150,000 shares remain and expire on March 31, 2010.

The total intrinsic values, determined as of the date of exercise, of options exercised during the three months ended March 31, 2008 and 2007 were $5,000 and $1.9 million, respectively. We received $16,000 and $1.6 million in cash from stock option exercises during the three months ended March 31, 2008 and 2007, respectively.

(5) Industry Segments Data

Our reportable segments are business units that offer different products. The reportable segments are each managed separately and serve distinct types of customers.

A description of our four reportable segments follows:

Consumer - We offer a full range of voice, video, data and wireless services to residential customers.

Network Access - We offer a full range of voice, data and wireless services to common carrier customers.

Commercial - We offer a full range of voice, video, data and wireless services to business and governmental customers.

Managed Broadband - We offer data services to rural school districts and rural hospitals and health clinics through our SchoolAccess® and ConnectMD® initiatives.

Corporate related expenses including engineering, information technology, accounting, legal and regulatory, human resources, and other general and administrative expenses for the three months ended March 31, 2008 and 2007 are allocated to our segments using segment margin for the years ended December 31, 2007 and 2006, respectively. Bad debt expense for the three months ended March 31, 2008 and 2007 is allocated to our segments using a combination of specific identification and allocations based upon segment revenue for the three months ended March 31, 2008 and 2007, respectively.

We evaluate performance and allocate resources based on earnings from operations before depreciation and amortization expense, net interest expense, income tax expense and share-based compensation expense. The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies in note 1 in the "Notes to Consolidated Financial Statements" included in Part II of our December 31, 2007 annual report on Form 10-K. 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. All of our long-lived assets are located within the United States of America, except approximately 82% of our undersea fiber optic cable systems which transit international waters and all of our satellite transponders.

Summarized financial information for our reportable segments for the three months ended March 31, 2008 and 2007 follows (amounts in thousands):

Three months ended March 31,	Consumer	Network Access	Commer-cial	Managed Broadband	Total Reportable Segments
2008					
Revenues:					
Intersegment	$ ---	301	1,349	---	1,650
External	61,383	39,174	26,591	7,526	134,674
Total revenues	$ 61,383	39,475	27,940	7,526	136,324
Earnings from external operations before depreciation, amortization, net interest expense, income taxes and share-based compensation expense	$ 11,803	19,735	4,152	2,477	38,167

2007 (as restated)					
Revenues:					
Intersegment	$ ---	271	1,625	---	1,896
External	53,603	40,327	24,181	6,920	125,031
Total revenues	$ 53,603	40,598	25,806	6,920	126,927
Earnings from external operations before depreciation, amortization, net interest expense, income taxes and share-based compensation expense	$ 9,958	19,765	3,079	1,632	34,434

A reconciliation of reportable segment revenues to consolidated revenues follows (amounts in thousands):

	Three Months Ended March 31, 2008	2007 (as restated)
Reportable segment revenues	$ 136,324	126,927
Less intersegment revenues eliminated in consolidation	1,650	1,896
Consolidated revenues	$ 134,674	125,031

A reconciliation of reportable segment earnings from external operations before depreciation and amortization expense, net interest expense, income taxes and share-based compensation expense to consolidated income before income taxes (amounts in thousands):

	Three Months Ended March 31, 2008	2007 (as restated)
Reportable segment earnings from external operations before depreciation and amortization expense, net interest expense, income taxes and share-based compensation expense	$ 38,167	34,434
Less depreciation and amortization expense	22,782	20,866
Less share-based compensation expense	1,260	985
Less (plus) other income (expense)	(50)	13
Consolidated operating income	14,175	12,570
Less other expense, net	8,877	8,301
Consolidated income before income tax expense	$ 5,298	4,269

(6) Commitments and Contingencies

Litigation, Disputes, and Regulatory Matters

We are involved in various lawsuits, billing disputes, legal proceedings, and regulatory matters that have arisen from time to time 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 liquidity.

Access to ACS Unbundled Network Elements

On May 22, 2006, the Alaska Communications Systems Group, Inc. (“ACS”) subsidiary serving Anchorage filed a petition with the FCC, seeking forbearance from regulation of interstate broadband and access services. On August 20, 2007, the FCC granted in part and denied in part the requested relief, requiring that ACS comply with certain safeguards to ensure the relief granted would not result in harm to consumers or competition. On September 19, 2007, GCI and ACS both filed petitions for reconsideration on discrete findings in the order. The petitions are pending and we cannot predict the final outcome of the proceeding at this time.

Universal Service

The Universal Service Fund ("USF") pays subsidies to Eligible Telecommunications Carriers ("ETC") to support the provision of local access service in high-cost areas. Under FCC regulations, we have qualified as a competitive ETC in the Anchorage, Fairbanks, Juneau, Matanuska-Susitna Valley, Ketchikan, and Glacier State service areas. Without ETC status, we would not qualify for USF subsidies in these areas or other rural areas where we propose to offer local access services, and our revenue for providing local access services in these areas would be materially adversely affected.

On May 1, 2008, the FCC issued an order adopting the recommendation of the Federal State Joint Board on Universal Service (“Joint Board”) to impose a state-by-state interim cap on high cost funds to be distributed to competitive ETCs. As part of the revised policy, the FCC adopted a limited exception from the cap for competitive ETCs serving tribal lands or Alaska Native regions. While the operation of the cap will generally reduce the high cost fund amounts available to competitive ETCs as new competitive ETCs are designated and as existing competitive ETCs acquire new customers, providers like us who serve tribal lands or Alaska Native regions have the opportunity largely to preserve funding levels. The USF cap will be in place until the FCC takes action on proposals for long-term reform.

The Joint Board has recommended for FCC consideration long-term options for reforming USF support, including establishing separate funds for mobility and broadband support. Separately, the FCC has issued two reform proposals for changing the basis for support amounts. We cannot predict at this time the outcome of the FCC proceedings to consider USF reform proposals or their respective impacts on us. Both these and any future regulatory, legislative, or judicial actions could affect the operation of the USF and result in a change in our revenue for providing local access services in new and existing markets and facilities-based wireless services in new markets.

(7) Subsequent Events

Indefeasible Right to Use (“IRU”) Capacity Sale

In May 2008, we executed a binding contract to provide AT&T, Inc. (“AT&T”) a large amount of undersea fiber optic capacity between Alaska and the lower 48 states. Under the agreement AT&T will receive a large initial increment of capacity on our two undersea fiber networks connecting Alaska with Washington and Oregon. AT&T was also granted options to acquire certain additional amounts of capacity in the future. We expect to receive cash payments in excess of $35.0 million from AT&T in connection with the turn-up of the initial capacity in 2008. Future payments for additional capacity are not expected to exceed $10.0 million. In addition AT&T will make payments to GCI associated with the operation and maintenance of their portion of the undersea fiber networks. We anticipate the transaction will be accounted for as lease with deferred revenue to be recognized over the estimated life of the IRU.

Capital Lease Obligation

On March 31, 2006, through our subsidiary GCI Communication Corp. we entered into an agreement to lease transponder capacity on Intelsat, Ltd.’s (“Intelsat”) Galaxy 18 spacecraft that successfully launched on May 21, 2008. We will also lease capacity on the Horizons 1 satellite, which is owned jointly by Intelsat and JSAT International, Inc. The leased capacity replaced our existing transponder capacity on Intelsat's Galaxy XR satellite.

We will lease C-band and Ku-Band transponders over an expected term of 14 years. The present value of the lease payments, excluding telemetry, tracking and command services and back-up protection, is expected to total $98.6 million. We will record the capital lease obligation and the addition to our Property and Equipment in the second quarter of 2008.

UUI and Unicom Acquisition

On June 3, 2008 we purchased the stock of the United Utilities, Inc. ("UUI") and Unicom Telecommunications ("Unicom") subsidiaries of United Companies, Inc. ("UCI") for $41.8 million. Additionally we assumed approximately $42.7 million in debt as part of the acquisition. UUI together with its subsidiary, United-KUC, provides local telephone service to 60 rural Alaska communities across Alaska. Unicom operates DeltaNet, a long-haul broadband microwave network ringing the Yukon-Kuskokwim Delta – a region of approximately 30,000 square miles in western Alaska. By the summer of 2008, DeltaNet, which is still under construction but has already commenced operations where completed microwave towers have been placed into service, will link more than 40 villages to Bethel, the region's hub.

Capital Lease Amendment

On April 8, 2008, we signed an amendment to a long-term capital lease agreement with our President and CEO and his wife for property we occupy. The amended lease terminates on September 30, 2026. We will increase our existing capital lease asset and liability by $1.3 million in the second quarter of 2008 to record the extension of this capital lease.

A summary of future minimum lease payments for this lease follows (amount in thousands):

Years ending December 31:		
2008	$	194
2009		258
2010		258
2011		261
2012		270
2013 and thereafter		4,691
Total minimum lease payments	$	5,932

Long-term Debt

On May 2, 2008, we signed an agreement to add an Additional Incremental Term Loan of up to $145.0 million to our existing Senior Credit Facility. The Additional Incremental Term Loan will become due under the same terms and conditions as set forth in the existing Senior Credit Facility.

The Additional Incremental Term Loan increased the interest rate on the term loan component of our Senior Credit Facility from LIBOR plus 2.00% to LIBOR plus 4.25%. The interest rate on the revolving loan component of the previous Senior Credit Facility was LIBOR plus a margin dependent upon our Total Leverage Ratio ranging from 1.50% to 2.25%. The Additional Incremental Term Loan increased the revolving credit facility interest rate for our Senior Credit Facility to LIBOR plus the following applicable margin dependent upon our Total Leverage ratio:

Total Leverage Ratio (as defined)	Applicable Margin
≥3.75	4.25%
≥3.25 but <3.75	3.75%
≥2.75 but <3.25	3.25%
<2.75	2.75%

$145.0 million was drawn on the Additional Incremental Term Loan at the time of the debt modification. The proceeds were used to pay down the $30.0 million outstanding under our revolving credit facility including accrued interest and to pay expenses associated with the transaction at closing with the balance deposited in our bank account. Our term loan is fully drawn and we have letters of credit outstanding totaling $4.0 million at the time of the debt modification, which leaves $96.0 million available for unconditional immediate borrowing under the revolving credit facility.

The Additional Incremental Term Loan allows for the repurchase of our common stock under our buyback program when our total debt leverage is below 4.0 times earnings before depreciation and amortization expense, net interest expense, income taxes and share-based compensation expense. The amendment revised various financial covenants in the agreement and made conforming changes to various covenants to permit certain previously announced acquisitions.

This transaction was a substantial modification of a portion of our existing Senior Credit Facility and we expect it will result in a write-off of a portion of previously deferred loan fees during the second quarter of 2008. We do not expect the write-off of deferred loan fees to be material.

At the time of the debt modification, maturities of long-term debt under the Senior Credit Facility were as follows (amounts in thousands):

Years ending December 31,		
2008	$	2,870
2009		3,577
2010		3,558
2011		173,763
2012		171,992
	$	355,760

PART I.
ITEM 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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

Management's Discussion and Analysis of Financial Condition and Results of Operations discusses our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an on-going basis, we evaluate our estimates and judgments, including those related to unbilled revenues, Cost of Goods Sold accruals, allowance for doubtful accounts, share-based compensation expense, depreciation, amortization and accretion periods, intangible assets, income taxes, and contingencies and litigation. We base our estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. See also our "Cautionary Statement Regarding Forward-Looking Statements."

On May 27, 2008, the Audit Committee of GCI's Board of Directors and GCI management concluded that we should restate our previously issued 2007 quarterly results by filing an amendment to our December 31, 2007 annual report on Form 10-K for various corrections as described below. The corrections made as part of the restatement of our results of operations for the three months ended March 31, 2007 follow:

- We decreased depreciation expense $872,000 to correct an error in calculating depreciation in the initial year an asset is placed in service. We originally recorded our estimated depreciation expense evenly throughout the year with periodic adjustments based upon improved estimates or actual results. In accordance with GAAP we now initially record depreciation expense in the month an asset is placed in service. Depreciation was improperly allocated among quarters, but the year-end total was correct. Therefore the restatement impacts the quarterly results but not the December 31, 2007 year-end results;

Additionally we are correcting the 2007 quarters for errors that have been determined to be immaterial individually and in the aggregate. Other than the interest capitalization, the other adjustments impact the quarterly results, but do not impact the December 31, 2007 year-end results. They are as follows:

- We decreased interest expense $382,000 to correct an interest capitalization error on certain assets. Our capitalized interest policy was too restrictive and resulted in no interest capitalization on certain qualifying capital expenditures. Our capitalized interest policy now conforms to GAAP;
- We increased depreciation expense $322,000 due to the recognition of depreciation on additional capitalized interest;
- We increased revenue $319,000 to correct a configuration error in the automated interface between our unified billing system and our general ledger;
- We increased revenue $133,000 to correct revenue recognition for a majority noncontrolling interest in a subsidiary that was recognizing a certain type of revenue on a cash basis rather than an accrual basis;
- We decreased share-based compensation expense $42,000 to correct expense recognition timing for options that did not vest in equal increments over the vesting period;
- We decreased depreciation expense $38,000 due to a revision of the Alaska DigiTel purchase price allocation, and;
- We decreased income tax expense $688,000 to record the income tax effect of the corrections described above.

We will include an immaterial error correction in our amended December 31, 2007 annual report on Form 10-K to correct interest expense due to the interest capitalization error and the related depreciation expense on the capitalized interest assets discussed above. The immaterial error correction will increase depreciation expense $1.3 million, decrease interest expense $1.7 million, and increase income tax expense $201,000 for the year ended December 31, 2007. The immaterial error correction will also increase property and equipment in service $5.9 million and increase accumulated depreciation $4.0 million as of December 31, 2007. The immaterial error correction will also increase cash provided by operating activities $1.7 million and increase cash used by investing activities $1.7 million for the year ended December 31, 2007. The immaterial error correction for periods prior to 2005 will be recorded by increasing property and equipment, net of accumulated depreciation $1.4 million, increasing deferred income tax liability by $611,000 and increasing retained earnings $805,000 as of January 1, 2005. The impact of the immaterial error correction is reflected in the accompanying December 31, 2007 consolidated balance sheet. The impact of the immaterial error correction for the three months ended March 31, 2007 is included in the quarterly restatement as described above.

We reclassified $4.9 million of network maintenance and operations expense from selling, general and administrative expense to Cost of Goods Sold for the three months ended March 31, 2007. We believe this change in accounting more closely aligns our maintenance and operations components to the nature of expenses included in our financial statement captions, and will improve the comparability of our financial statement presentation with our industry peers.

The impact of the restatement and immaterial error correction adjustments and the reclassification as described above for the period presented is as follows (amounts in thousands, except per share amounts):

	Three Months Ended March 31, 2007			
	As previously reported[1]	Adjust-ments	Reclass-ification	As restated
Revenues	$ 124,579	452	---	125,031
Cost of goods sold (exclusive of depreciation and amortization shown separately below)	43,113	---	4,877	47,990
Selling, general and administrative expenses	48,524	(42)	(4,877)	43,605
Depreciation and amortization expense	21,454	(588)	---	20,866
Operating income	11,488	1,082	---	12,570
Other income (expense):				
Interest expense	(8,700)	382	---	(8,318)
Loan and senior note fees	(180)	---	---	(180)
Interest income	184	---	---	184
Minority interest	13	---	---	13
Other expense, net	(8,683)	382	---	(8,301)
Income before income tax expense	2,805	1,464	---	4,269
Income tax expense	1,275	688	---	1,963
Net income available to common shareholders	$ 1,530	776	---	2,306
Basic net income available to common shareholders per common share	$ 0.03	0.01	---	0.04
Diluted net income available to common shareholders per common share	$ 0.02	0.02	---	0.04
Cash provided by operating activities	$ 21,467	382	---	21,849
Cash used in investing activities	(45,361)	(382)	---	(45,743)
Cash used in financing activities	(24,019)	---	---	(24,019)

[1] As reported on Form 10-Q for the quarter ended March 31, 2007

All adjustments noted above have been included in the amounts for the period ending March 31, 2007 shown in Management's Discussion and Analysis.

General Overview

Through our focus on long-term results, acquisitions, and strategic capital investments, we strive to consistently grow our revenues and expand our margins. We have historically met our cash needs for operations, regular capital expenditures and maintenance capital expenditures through our cash flows from operating activities. Historically, cash requirements for significant acquisitions and major capital expenditures have been provided largely through our financing activities.

The Network Access segment provides services to other common carrier customers and the Managed Broadband segment provides services to rural school districts and hospitals and health clinics. Following are our segments and the services and products each offers to its customers:

	Reportable Segments			
Services and Products	Consumer	Network Access	Commercial	Managed Broadband
Voice:				
Long-distance	X	X	X	
Local Access	X	X	X	
Directories			X	
Video	X		X	
Data:				
Internet	X	X	X	X
Data Networks		X	X	X
Managed Services			X	X
Managed Broadband Services				X
Wireless	X	X	X	

An overview of our services and products follows.

Voice Services and Products

Long-distance

We generate long-distance services revenues from monthly plan fees and usage charges.

Factors that have the greatest impact on year-to-year changes in long-distance services revenues include the rate per minute charged to customers and usage volumes expressed as minutes of use.

Common carrier traffic routed to us for termination in Alaska is largely dependent on traffic routed to our common carrier customers by their customers. Pricing pressures, new program offerings, and market and business consolidations continue to evolve in the markets served by our other common carrier customers. 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, consistent with federal law. Additionally, disruption in the economy resulting from terrorist attacks and other attacks or acts of war could affect our carrier customers. We are unable to predict the effect on us of such changes or events. 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.

AT&T acquired Dobson Communications Corporation ("Dobson"), including its Alaska properties, on November 15, 2007. In December 2007 we signed an agreement with AT&T that provides for an orderly four-year transition of our wireless customers from the Dobson/AT&T network in Alaska to our wireless facilities to be built in 2008 and 2009. The agreement allows our current and future customers to use the AT&T wireless network for local access and roaming during the transition period. The four-year transition period, which expires June 30, 2012, provides us adequate time to replace the Dobson/AT&T network in Alaska with our own wireless facilities. Under the agreement, AT&T's obligation to purchase network services from us will terminate as of July 1, 2008. AT&T will provide us with a large block of wireless network usage at no charge to facilitate the transition of our customers to our facilities. We will pay for usage in excess of that base transitional amount. Under the previous agreement with Dobson, our margin was fixed. Under the new agreement with AT&T, we will pay for usage in excess of the block of free minutes on a per minute basis. The block of wireless network usage at no charge will reduce Cost of Goods Sold during the four year period ended June 30, 2012, that we would have otherwise recognized in accordance with the new agreement, however, we are unable to estimate the impact this change will have on our Cost of Goods Sold.

Due in large part to the favorable synergistic effects of our bundling strategy focused on consumer and commercial customers, long-distance service continues to be a significant contributor to our overall performance, although the migration of traffic from our voice products to our data and wireless products continues.

Our long-distance service faces significant competition from ACS, AT&T Alascom, Inc. (“Alascom”), Matanuska Telephone Association ("MTA"), long-distance resellers, and certain smaller rural 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.

Local Access

We generate local access services revenues from four primary sources: (1) basic dial tone services; (2) data network and special access services; (3) origination and termination of long-distance calls for other common carriers; and (4) features and other charges, including voice mail, caller ID, distinctive ring, inside wiring and subscriber line charges.

The primary factors that contribute to year-to-year changes in local access services revenues include the average number of subscribers to our services during a given reporting period, the average monthly rates charged for non-traffic sensitive services, the number and type of additional premium features selected, the traffic sensitive access rates charged to carriers and amounts received from the Universal Service Program.

We estimate that our March 31, 2008 and 2007 total lines in service represent a statewide market share of approximately 29% and 26%, respectively. At March 31, 2008 and 2007, 58% and 44%, respectively, of our lines are provided on our own facilities.

Our local access service faces competition in Anchorage, Fairbanks, and Juneau from ACS, which is the largest incumbent local exchange carrier (“ILEC”) in Alaska, and from Alascom in Anchorage for consumer services. Alascom has received certification from the Regulatory Commission of Alaska ("RCA") to provide local access services in Fairbanks and Juneau. In February 2007, we began offering local access service in certain MTA exchanges and face competition from MTA. In October 2007, we began offering local access service in the Kenai-Soldotna area and face competition from the ILEC, ACS. We compete against other smaller ILECs in certain smaller communities. We believe our approach to developing, pricing, and providing local access services and bundling different services will allow us to be competitive in providing those services.

In 2007 we expanded our local access service areas within Alaska by offering facilities-based services in Eagle River, Chugiak, Wasilla, Palmer, Kenai-Soldotna, Ketchikan, Kodiak, Sitka and Valdez. In 2007 we also began offering resale services in all of the Glacier State study area and those areas in the MTA study area in which we do not offer facilities-based services.

We plan to continue to expand our local access service areas and will offer services in these new areas using a combination of methods. To a large extent, we plan to use our existing coaxial cable network to deliver local access services. Where we do not have cable facilities, we may resell other carriers’ services, lease portions of an existing carrier’s network or seek wholesale discounts.

In 2008 we plan to continue to deploy DLPS lines which utilize our coaxial cable facilities. This service delivery method allows us to utilize our own cable facilities to provide local access service to our customers and avoid paying local loop charges to the ILEC.

The USF pays subsidies to ETCs to support the provision of local access service in high-cost areas. Under FCC regulations, we have qualified as a competitive ETC in the Anchorage, Fairbanks, Juneau, Matanuska-Susitna Valley, Ketchikan and Glacier State service areas. Without ETC status, we would not qualify for USF subsidies in these areas or other rural areas where we propose to offer local access services, and our revenue for providing local access services in these areas would be materially adversely affected.

The Federal-State Joint Board on Universal Service has issued recommendations to the FCC for curbing the growth in the fund, and the FCC has initiated rulemaking proceedings to consider these and its own proposals. We cannot predict at this time the outcome of these proceeding or their impact on us. These and any future regulatory, legislative, or judicial actions could affect the operation of the USF and result in a change in our revenue for providing local access services in new and existing markets and facilities-based wireless services in new markets.

We have signed an agreement to purchase the UUI and Unicom telecommunications subsidiaries of UCI for approximately $40.0 million. Additionally we may assume approximately $37.0 million in debt as part of the acquisition. This transaction is subject to customary closing conditions. We have received regulatory approval from the RCA and FCC for the transaction and expect it will close in the second quarter of 2008. The results of operations generated by the acquired companies will impact our voice and data services in all of our segments.

Directories

We sell advertising in our yellow pages directories to commercial customers, distribute white and yellow pages directories to customers in certain markets we serve, and offer an on-line directory.

Video Services and Products

We generate cable services revenues from three primary sources: (1) digital and analog programming services, including monthly basic and premium subscriptions, video on demand, pay-per-view movies and one-time events, such as sporting events; (2) equipment rentals; and (3) advertising sales.

Our cable systems serve 40 communities and areas in Alaska, including the state’s five largest population centers, Anchorage, Fairbanks, the Matanuska-Susitna Valley, the Kenai Peninsula, and Juneau.

The primary factors that contribute to period-to-period changes in cable services revenues include average monthly subscription rates and pay-per-view buys, the mix among basic, premium and digital tier services, the average number of cable television subscribers during a given reporting period, set-top box utilization and related rates, revenues generated from new product offerings, and sales of cable advertising services.

Our cable service offerings are bundled with various combinations of our long-distance, local access, and Internet services and beginning in the second quarter of 2007 include an offering of free cable service. Value-added premium services are available for additional charges.

Data Services and Products

Internet

We generate Internet services revenues from three primary sources: (1) access product services, including cable modem, dial-up, and dedicated access; (2) network management services; and (3) wholesale access for other common carriers.

The primary factors that contribute to year-to-year changes in Internet services revenues include the average number of subscribers to our services during a given reporting period, the average monthly subscription rates, the amount of bandwidth purchased by large commercial customers, and the number and type of additional premium features selected.

Marketing campaigns continue to be deployed featuring bundled products. Our Internet offerings are bundled with various combinations of our long-distance, cable, and local access services and provide free or discounted basic or premium Internet services. 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.

Data Networks
We generate data network services revenue from two primary sources: (1) leasing capacity on our facilities that utilize voice and data transmission circuits, dedicated to particular subscribers, which link a device in one location to another in a different location, and (2) through the sale of Internet Protocol-based data services on a secured shared network to businesses linking multiple enterprise locations. The factor that has the greatest impact on year-to-year changes in data network services revenues is the number of data networks in use. We compete against Alascom, ACS and other local telecommunication service providers.

Managed Services
We design, sell, install, service and operate, on behalf of certain customers, communications and computer networking equipment and provide field/depot, third party, technical support, communications consulting and outsourcing services. We also supply integrated voice and data communications systems incorporating interstate and intrastate digital data networks, point-to-point and multipoint data network and small earth station services. There are a number of competing companies in Alaska that actively sell and maintain data and voice communications systems.

Our ability to integrate communications networks and data communications equipment has allowed us to maintain our market position based on “value added” support services rather than price competition. These services are blended with other transport products into unique customer solutions, including managed services and outsourcing.

Managed Broadband Services
We generate managed broadband services revenue through our SchoolAccess ®, ConnectMD® and managed video conferencing products. Our customers may purchase end-to-end broadband services solutions blended with other transport and software products. There are several competing companies in Alaska that actively sell broadband services. Our ability to provide end-to-end broadband services solutions has allowed us to maintain our market position based on “value added” products and services rather than solely based on price competition.

SchoolAccess® is a suite of services designed to advance the educational opportunities of students in underserved regions of the country. Our SchoolAccess® division provides Internet and distance learning services designed exclusively for the school environment. The Schools and Libraries Program of the USF makes discounts available to eligible rural school districts for telecommunication services and monthly Internet service charges. The program is intended to ensure that rural school districts have access to affordable services.

Our network, Internet and software application services provided through our Managed Broadband segment’s Medical Services division are branded as ConnectMD®. Our ConnectMD® services are currently provided under contract to medical businesses in Alaska, Washington and Montana. The Rural Health Care Program of the USF makes discounts available to eligible rural health care providers for telecommunication services and monthly Internet service charges. The program is intended to ensure that rural health care providers pay no more for telecommunications services in the provision of health care services than their urban counterparts. Customers utilize ConnectMD® services to securely move data, images, voice traffic, and real time multipoint interactive video.

We offer a managed video conferencing product for use in distance learning, telemedicine and group communication and collaboration environments. The product is designed to offer customers enhanced communication services that support video, audio and data presentation. Our product benefits customers by reducing travel costs, improving course equity in education and increasing the quality of health services available to patients. The product bundles our data products, video conferencing services and optional rental of video conferencing endpoint equipment. Our video conferencing services include multipoint conferencing, integrated services digital network gateway and transcoding services, online scheduling and conference control, and videoconference recording, archiving and streaming. We provide 24-hour technical support via telephone or online.

Wireless Services and Products
We generate wireless services and equipment revenues from four primary sources: (1) monthly plan fees; (2) usage and roaming charges; (3) wireless Internet access; and (4) handset and accessory sales.

We offer wireless services by reselling AT&T services under our brand name and Alaska DigiTel's services under its brand name. We provide limited wireless local access and Internet services using our own facilities. We compete against AT&T, ACS, MTA, and resellers of those services in Anchorage and other markets. The GCI and Alaska DigiTel, LLC ("Alaska DigiTel") brands compete against each other.

In 2008 we are constructing a GSM network throughout the terrestrially served portions of Alaska including the cities of Anchorage, Fairbanks, and Juneau. Alaska DigiTel operates the CDMA portion of our statewide wireless platform and is expanding this network in 2008.

We had a distribution agreement with Dobson allowing us to resell Dobson wireless services. For a discussion of AT&T's acquisition of Dobson please see Part I – Item II – Management's Discussion and Analysis of Financial Condition and Results of Operations – Voice Services and Products – Long Distance.

We have signed a purchase agreement to acquire all of the interests in Alaska Wireless, LLC ("Alaska Wireless") for $13.0 million to $14.0 million, expected to be paid upon closing. In addition to the initial acquisition payment, we have agreed to a contingent payment of approximately $3.0 million in 2010 if certain financial conditions are met. Alaska Wireless is a GSM cellular provider serving approximately 4,000 subscribers in the Dutch Harbor, Alaska area. In addition to the acquisition, we will enter into a management agreement with the existing owners of Alaska Wireless. The business will continue to operate under the Alaska Wireless name and the current management will continue to manage the day-to-day operations. The results of operations generated by the acquired company will impact our wireless services in our Consumer and Commercial segments. We filed an application with the FCC seeking the requisite regulatory consent to the transaction on January 18, 2008. This transaction will close upon regulatory approval which is expected in the second or third quarter of 2008.

We have signed a definitive agreement to acquire the remaining minority interest in Alaska DigiTel for a total consideration of approximately $10.0 million. On January 22, 2008, the FCC initiated its proceedings to review the application seeking requisite regulatory approval of the proposed change in control. Following FCC approval of the change in control expected by the third quarter of 2008, we will own 100% of Alaska DigiTel.

Results of Operations

The following table sets forth selected Statements of Operations data as a percentage of total revenues for the periods indicated (underlying data rounded to the nearest thousands):

(Unaudited)	Three Months Ended March 31, 2008	2007	Percentage Change [1] 2008 vs. 2007
Statements of Operations Data:			
Revenues:			
Consumer segment	45.6%	42.9%	14.5%
Network Access segment	29.1%	32.3%	(2.9%)
Commercial segment	19.7%	19.3%	10.0%
Managed Broadband segment	5.6%	5.5%	8.8%
Total revenues	100.0%	100.0%	7.7%
Selling, general and administrative expenses	34.5%	34.9%	6.4%
Depreciation and amortization expense	16.9%	16.7%	9.2%
Operating income	10.5%	10.1%	12.8%
Other expense, net	6.6%	6.6%	6.9%
Income before income tax expense	3.9%	3.4%	24.1%
Net income	1.9%	1.8%	9.7%

[1] Percentage change in underlying data.

Three Months Ended March 31, 2008 ("2008") Compared to Three Months Ended March 31, 2007 ("2007")

Overview of Revenues and Cost of Goods Sold
Total revenues increased 7.7% from $125.0 million in 2007 to $134.7 million in 2008. Revenue increases in our Consumer, Commercial and Managed Broadband segments were partially off-set by decreased revenue in our Network Access segment. See the discussion below for more information by segment.

Total Cost of Goods Sold increased 6.9% from $48.0 million in 2007 to $51.3 million in 2008. Cost of Goods Sold increased in all of our segments. See the discussion below for more information by segment.

Consumer Segment Overview
Consumer segment revenue represented 45.6% of 2008 consolidated revenues. The components of Consumer segment revenue are as follows (amounts in thousands):

		2008	2007	Percentage Change
Voice	$	11,844	11,353	4.3%
Video		25,647	23,631	8.5%
Data		10,096	7,947	27.0%
Wireless		13,796	10,672	29.3%
Total Consumer segment revenue	$	61,383	53,603	14.5%

Consumer segment Cost of Goods Sold represented 48.1% of 2008 consolidated Cost of Goods Sold. The components of Consumer segment Cost of Goods Sold are as follows (amounts in thousands):

		2008	2007	Percentage Change
Voice	$	5,052	5,064	(0.2%)
Video		9,930	8,858	12.1%
Data		1,826	1,269	43.9%
Wireless		7,893	6,764	16.7%
Total Consumer segment Cost of Goods Sold	$	24,701	21,955	12.5%

Consumer segment EBITDAS, representing 31.5% of 2008 consolidated EBITDAS, is as follows (amounts in thousands):

		2008	2007	Percentage Change
Consumer segment EBITDAS	$	11,803	9,958	18.5%

Selected key performance indicators for our Consumer segment follow:

	March 31, 2008	March 31, 2007	Percentage Change
Voice:			
Long-distance subscribers[1]	90,400	89,600	0.9%
Long-distance minutes carried (in millions)	33.7	34.2	(1.5%)
Total local access lines in service[2]	76,800	67,400	14.0%
Local access lines in service on GCI facilities[2]	55,500	37,400	48.4%
Video:			
Basic subscribers[3]	130,700	124,500	5.0%
Digital programming tier subscribers[4]	68,100	60,600	12.4%
HD/DVR converter boxes[5]	55,400	34,600	60.1%
Homes passed	225,700	220,100	2.5%
Average monthly gross revenue per subscriber[6]	$66.09	$63.38	5.4%

Data:			
Cable modem subscribers[7]	90,900	81,300	11.8%
Wireless:			
Wireless lines in service[8]	73,000	60,000	21.7%
Average monthly gross revenue per subscriber[9]	$56.76	$53.59	5.9%

[1] A long-distance subscriber is defined as a customer account that is invoiced a monthly long-distance plan fee or has made a long-distance call during the month.

[2] A local access line in service is defined as a revenue generating circuit or channel connecting a customer to the public switched telephone network.

[3] A basic cable subscriber is defined as one basic tier of service delivered to an address or separate subunits thereof regardless of the number of outlets purchased.

[4] A digital programming tier subscriber is defined as one digital programming tier of service delivered to an address or separate subunits thereof regardless of the number of outlets or digital programming tiers purchased. Digital programming tier subscribers are a subset of basic subscribers.

[5] A high definition/digital video recorder ("HD/DVR") converter box is defined as one box rented by a digital programming or basic tier subscriber. A digital programming or basic tier subscriber is not required to rent an HD/DVR converter box to receive service.

[6] Quarter-to-date average monthly consumer video revenues divided by the average of consumer video basic subscribers at the beginning and ending of the period.

[7] A cable modem subscriber is defined by the purchase of cable modem service regardless of the level of service purchased. If one entity purchases multiple cable modem service access points, each access point is counted as a subscriber. Cable modem subscribers may also be video basic subscribers though basic cable service is not required to receive cable modem service.

[8] A wireless line in service is defined as a revenue generating wireless device.

[9] Quarter-to-date average monthly consumer wireless revenues divided by the average of consumer wireless subscribers at the beginning and ending of the period.

Consumer Segment Revenues
The increase in voice revenue is primarily due to a $955,000 or 22.3% increase in local service revenue due to increased local access lines. The increase is partially off-set by a $272,000 or 18.6% decrease in support from the Universal Service Program and decreased long-distance billable minutes carried.

The increase in video revenue is primarily due to the following:

- A 6.4% increase in programming services revenue to $20.7 million primarily resulting from an increase in basic and digital programming tier subscribers, and
- A 19.2% increase in equipment rental revenue to $4.6 million primarily resulting from our customers' increased use of digital distribution technology.

The increase in data revenue is primarily due to a 27.2% increase in cable modem revenue to $8.6 million. The cable modem revenue increase is primarily due to increased subscribers and their selection of more value-added premium features in 2008 as compared to 2007.

The increase in wireless revenue is primarily due to an increase in the number of wireless subscribers.

Consumer Segment Cost of Goods Sold
The video Cost of Goods Sold increase is primarily due to increased channels offered to our subscribers, increased rates paid to programmers, increased costs associated with delivery of digital services offered over our HD/DVR converter boxes due to the increased number of boxes in service, and increased subscribers.

The data Cost of Goods Sold increase is primarily due to increased internet circuit costs due to increased cable modem subscribers.

The wireless Cost of Goods Sold increase is primarily due to costs associated with the increased number of wireless subscribers discussed above.

Consumer Segment EBITDAS
The EBITDAS increase was primarily due to increased margin resulting from increased subscribers in 2008. The increased margin was partially offset by an increase in the selling, general and administrative expense that was allocated to our Consumer segment primarily due to an increase in the 2007 segment margin upon which the allocation is based.

Network Access Segment Overview
Network access segment revenue represented 29.1% of 2008 consolidated revenues. The components of Network Access segment revenue are as follows (amounts in thousands):

		2008	2007	Percentage Change
Voice	$	21,942	24,437	(10.2%)
Data		16,839	15,034	12.0%
Wireless		393	856	(54.1%)
Total Network Access segment revenue	$	39,174	40,327	(2.9%)

Network Access segment Cost of Goods Sold represented 20.0% of 2008 consolidated Cost of Goods Sold. The components of Network Access segment Cost of Goods Sold are as follows (amounts in thousands):

		2008	2007	Percentage Change
Voice	$	7,308	7,592	(3.7%)
Data		2,726	3,433	(20.6%)
Wireless		221	220	0.5%
Total Network Access segment Cost of Goods Sold	$	10,255	11,245	0.5%

Network Access segment EBITDAS, representing 52.1% of 2008 consolidated EBITDAS, is as follows (amounts in thousands):

		2008	2007	Percentage Change
Network Access segment EBITDAS	$	19,735	19,765	(0.2%)

Selected key performance indicators for our Network Access segment follow:

	2008	2007	Percentage Change
Voice:			
Long-distance minutes carried (in millions)	314.6	315.8	(0.4%)
Data:			
Internet service provider access lines in service[1]	2,600	3,100	(16.1%)

[1] An Internet service provider access line in service is defined as a revenue generating circuit or channel connecting a customer to the public switched telephone network.

Network Access Segment Revenues
The decrease in voice revenue is primarily due to a 9.1% decrease in our average rate per minute on billable minutes carried for our common carrier customers, the transition of voice traffic to dedicated data networks, and decreased billable minutes. The average rate per minute decrease is primarily due to a change in the composition of traffic and a 3.0% rate decrease mandated by federal law which will result in annual rate decreases of 3.0%.

The increase in data revenue is primarily due to an increase in circuits sold and from other common carriers moving switched voice services to data networks.

The decrease in wireless revenue results from a decrease in our rate per minute on billable minutes carried for customers roaming on our network.

Network Access Segment Cost of Goods Sold
The decrease in voice Cost of Goods Sold is primarily due to decreased long-distance minutes carried.

The decrease in data Cost of Goods Sold is primarily due to fiber repair costs in 2007 that did not occur in 2008.

Network Access Segment EBITDAS
The EBITDAS decrease was primarily due to decreased margin resulting from decreased long-distance minutes carried in 2008. The decreased margin was partially offset by a decrease in the selling, general and administrative expense allocated to our Network Access segment primarily due to a decrease in the 2007 segment margin upon which the allocation is based.

Commercial Segment Overview
Commercial segment revenue represented 19.7% of 2008 consolidated revenues. The components of Commercial segment revenue are as follows (amounts in thousands):

		2008	2007	Percentage Change
Voice	$	7,214	7,857	(8.2%)
Video		1,820	1,766	3.1%
Data		16,209	13,954	16.2%
Wireless		1,348	604	123.2%
Total Commercial segment revenue	$	26,591	24,181	10.0%

Commercial segment Cost of Goods Sold represented 27.4% of 2008 consolidated Cost of Goods Sold. The components of Commercial segment Cost of Goods Sold are as follows (amounts in thousands):

		2008	2007	Percentage Change
Voice	$	4,929	4,920	0.2%
Video		388	402	(3.5%)
Data		7,580	6,040	25.5%
Wireless		1,174	903	30.0%
Total Commercial segment Cost of Goods Sold	$	14,071	12,265	14.7%

Commercial segment EBITDAS, representing 10.4% of 2008 consolidated EBITDAS, is as follows (amounts in thousands):

		2008	2007	Percentage Change
Commercial segment EBITDAS	$	4,152	3,079	34.8%

Selected key performance indicators for our Commercial segment follow:

	March 31, 2008	2007	Percentage Change
Voice:			
Long-distance subscribers[1]	10,400	11,100	(6.3%)
Long-distance minutes carried (in millions)	32.8	32.9	(0.3%)
Total local access lines in service[2]	43,500	42,100	3.3%
Local access lines in service on GCI facilities[2]	13,400	9,100	47.3%

Data:			
Cable modem subscribers[3]	8,800	8,000	10.0%
Wireless:			
Wireless lines in service[4]	7,200	6,200	16.1%

[1] A long-distance subscriber is defined as a customer account that is invoiced a monthly long-distance plan fee or has made a long-distance call during the month.

[2] A local access line in service is defined as a revenue generating circuit or channel connecting a customer to the public switched telephone network.

[3] A cable modem subscriber is defined by the purchase of cable modem service regardless of the level of service purchased. If one entity purchases multiple cable modem service access points, each access point is counted as a subscriber.

[4] A wireless line in service is defined as a revenue generating wireless device.

Commercial Segment Revenues

The decrease in voice revenue is primarily due to decreased long-distance subscribers. Revenues associated with increased local access lines in service partially off-set these decreases.

The increase in data revenue is primarily due to a $2.1 million or 43.4% increase in managed services project revenue.

The increase in wireless revenue is primarily due to an increase in the number of wireless subscribers.

Commercial Segment Cost of Goods Sold

The increase in data Cost of Goods Sold resulted primarily from an increase in contract labor and internal labor classified as Cost of Goods Sold due to the increase in managed services project revenue discussed above.

The wireless Cost of Goods Sold increase is primarily due to costs associated with the increased number of wireless subscribers discussed above.

Commercial Segment EBITDAS

The EBITDAS increase was primarily due to increased margin resulting from increased managed services projects and increased subscribers in 2008. The increased margin was partially offset by an increase in the selling, general and administrative expenses allocated to our Commercial segment primarily due to an increase in the 2007 segment margin upon which the allocation is based.

Managed Broadband Segment Overview

Managed Broadband segment revenue represented 5.6% of 2008 consolidated revenues, Cost of Goods Sold represented 4.5% of 2008 consolidated Cost of Goods Sold and EBITDAS represented 6.5% of consolidated EBITDAS. The Managed Broadband segment includes data products only.

Selected key performance indicators for our Managed Broadband segment follow:

	2008	2007	Percentage Change
Managed Broadband segment:			
SchoolAccess® customers	51	48	6.3%
Rural health customers	33	22	57.1%

Managed Broadband Segment Revenues

Managed Broadband segment revenue increased 8.8% to $7.5 million in 2008. The increase is primarily due to increased circuits purchased by our rural health and SchoolAccess® customers.

Managed Broadband Segment Cost of Goods Sold
Managed Broadband segment Cost of Goods Sold decreased 9.5% to $2.3 million in 2008 primarily due to a decrease in network maintenance and operating expense.

Managed Broadband Segment EBITDAS
Managed Broadband segment EBITDAS increased $845,000 to $2.5 million in 2008 primarily due to an increase in the margin resulting from increased circuits sold to our rural health and SchoolAccess® customers.

Selling, General and Administrative Expenses
Selling, general and administrative expenses increased 6.4% to $46.4 million in 2008 primarily due to a $810,000 increase in labor costs and a $319,000 increase in our company-wide success sharing bonus accrual partially offset by a $343,000 decrease in bad debt expense.

As a percentage of total revenues, selling, general and administrative expenses decreased to 34.5% in 2008 from 34.9% in 2007, primarily due to revenue increases without corresponding increases in selling, general and administrative expense.

Depreciation and Amortization Expense
Depreciation and amortization expense increased 9.2% to $22.8 million in 2008. The increase is primarily due to our $111.6 million investment in equipment and facilities placed into service during 2007 for which a full year of depreciation will be recorded in 2008 and the $34.2 million investment in equipment and facilities placed into service during the first quarter of 2008 for which a partial year of depreciation will be recorded in 2008.

Effective January 1, 2008 we prospectively changed our accounting policy for recording depreciation on our property and equipment placed in service. For assets placed in service on or after January 1, 2008 we are using a mid-month convention to recognize depreciation expense. Previous to this change we used the half-year convention to recognize depreciation expense in the year an asset was placed in service, regardless of the month the property and equipment was placed in service. We believe the mid-month convention is preferable because it results in more precise recognition of depreciation expense over the estimated useful life of the asset. No retroactive adjustment has been made. As a result of this accounting change, our reported amount of depreciation expense has increased $143,000, our reported operating income has decreased $143,000, our reported net income has decreased $67,000, and our earnings per share has not changed from what we would have reported had we continued to use our previous accounting policy during the three months ended March 31, 2008.

Other Expense, Net
Other expense, net of other income, increased 6.9% to $8.9 million in 2008. Our interest expense increased $367,000 to $8.7 million in 2008 primarily due to an increase in our average outstanding debt balance in 2008 offset by a $280,000 increase in capitalized interest to $870,000 due to increased capital expenditures subject to capitalized interest.

Income Tax Expense
Income tax expense totaled $2.8 million and $2.0 million in 2008 and 2007, respectively. Our effective income tax rate increased from 46.0% in 2007 to 52.3% in 2008 due primarily to lower forecasted pre-tax net income for the year ended December 31, 2008, without a comparable decrease in non-deductible items.

At March 31, 2008, we have (1) tax net operating loss carryforwards of $118.8 million that will begin expiring in 2011 if not utilized, and (2) alternative minimum tax credit carryforwards of $3.2 million available to offset regular income taxes payable in future years. We estimate that we will utilize $40.0 million to $45.0 million in net operating loss carryforwards during the year ended December 31, 2008. Our utilization of certain net operating loss carryforwards is subject to limitations pursuant to Internal Revenue Code section 382.

We have recorded deferred tax assets of $48.7 million associated with income tax net operating losses that were generated from 1995 to 2008, and that expire from 2011 to 2028, and with charitable contributions that were converted to net operating losses in 2006 to 2007, and that expire from 2024 to 2027.

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 assets considered realizable, however, could be reduced if estimates of future taxable income during the carryforward period are reduced which would result in additional income tax expense. We estimate that our effective annual income tax rate for financial statement purposes will be 51% to 53% in the year ended December 31, 2008.

Multiple System Operator ("MSO") Operating Statistics
Our operating statistics include capital expenditures and customer information from our Consumer and Commercial segments which offer services utilizing our cable services' facilities.

Our capital expenditures by standard reporting category for the three months ended March 31, 2008 and 2007 follows (amounts in thousands):

		2008	2007
Line extensions	$	10,320	9,320
Customer premise equipment		6,043	7,556
Scalable infrastructure		1,209	1,268
Support capital		356	210
Upgrade/rebuild		232	171
Commercial		30	32
Sub-total		18,190	18,557
Remaining reportable segments capital expenditures		31,457	11,897
	$	49,647	30,454

The standardized definition of a customer relationship is the number of customers that receive at least one level of service utilizing our cable service facilities, encompassing voice, video, and data services, without regard to which services customers purchase. At March 31, 2008 and 2007 we had 129,400 and 125,000 customer relationships, respectively.

The standardized definition of a revenue generating unit is the sum of all primary analog video, digital video, high-speed data, and telephony customers, not counting additional outlets. At March 31, 2008 and 2007 we had 306,900 and 268,000 revenue generating units, respectively.

Liquidity and Capital Resources

Our principal sources of current liquidity are cash and cash equivalents. We believe, but can provide no assurances, that we will be able to meet our current and long-term liquidity and capital requirements and fixed charges through our cash flows from operating activities, existing cash, cash equivalents, credit facilities, and other external financing and equity sources. Should cash flows be insufficient to support additional borrowings and principal payments scheduled under our existing credit facilities, capital expenditures will likely be reduced.

Cash flows from operating activities totaled $35.5 million for the three months ended March 31, 2008 as compared to $21.8 million for the three months ended March 31, 2007.

Other sources of cash during the three months ended March 31, 2008 included a $20.0 million borrowing on our Senior Credit Facility. Uses of cash during the three months ended March 31, 2008 included expenditures of $49.6 million for property and equipment, including construction in progress, and the purchase of $1.2 million of other assets and intangible assets.

Working capital totaled $51.5 million at March 31, 2008, a $16.2 million increase as compared to $35.3 million at December 31, 2007. The increase is primarily due to an increase in current deferred income taxes resulting primarily from an expected increase in the estimated amount of net operating losses we will utilize during the year ending March 31, 2009 that was partially offset by an increase in accounts payable resulting from increased purchases of property and equipment at March 31, 2008.

Net receivables decreased $5.7 million from December 31, 2007 to March 31, 2008 primarily due to a large payment received from one of our Managed Broadband services customers and two certain common carrier customers partially offset by an account receivable recorded upon an IRU sale.

Senior Notes

At March 31, 2008 we were in compliance with all loan covenants relating to our 7.25% senior notes due 2014.

Senior Credit Facility

We borrowed $20.0 million under our revolving credit facility in the first quarter of 2008. We had outstanding borrowings of $30.0 million and $4.0 million of outstanding letters of credit under our revolving credit facility at March 31, 2008 which left $66.0 million available at March 31, 2008 to draw under the revolving credit facility. We were in compliance with all Senior Credit Facility loan covenants at March 31, 2008.

On May 2, 2008, we signed an agreement to add an Additional Incremental Term Loan of up to $145.0 million to our existing Senior Credit Facility. The Additional Incremental Term Loan will become due under the same terms and conditions as set forth in the existing Senior Credit Facility.

The Additional Incremental Term Loan increased the interest rate on the term loan component of our Senior Credit Facility from LIBOR plus 2.00% to LIBOR plus 4.25%. The interest rate on the revolving loan component of the previous Senior Credit Facility was LIBOR plus a margin dependent upon our Total Leverage Ratio ranging from 1.50% to 2.25%. The Additional Incremental Term Loan increased the revolving credit facility interest rate for our Senior Credit Facility to LIBOR plus the following applicable margin dependent upon our Total Leverage ratio:

Total Leverage Ratio (as defined)	Applicable Margin
≥3.75	4.25%
≥3.25 but <3.75	3.75%
≥2.75 but <3.25	3.25%
<2.75	2.75%

$145.0 million was drawn on the Additional Incremental Term Loan at the time of the debt modification. The proceeds were used to pay down the $30.0 million outstanding under our revolving credit facility including accrued interest and to pay expenses associated with the transaction at closing with the balance deposited in our bank account. Our term loan is fully drawn and we have letters of credit outstanding totaling $4.0 million at the time of the debt modification, which leaves $96.0 million available for unconditional immediate borrowing under the revolving credit facility if needed.

At the time of the debt modification, maturities of long-term debt under the Senior Credit Facility were as follows (amounts in thousands):

Years ending December 31,		
2008	$	2,870
2009		3,577
2010		3,558
2011		173,763
2012		171,992
	$	355,760

Capital Expenditures

Our expenditures for property and equipment, including construction in progress, totaled $53.1 million and $29.5 million during the three months ended March 31, 2008 and 2007, respectively. The 2008 expenditures include non-cash additions of $3.4 million for property and equipment that are accrued in accounts payable as of March 31, 2008. The 2007 expenditures do not include $900,000 for additions of property and equipment that had been accrued in prior periods and paid for during the three months ended March 31, 2007. Our capital expenditures requirements in excess of approximately $25.0 million per year are largely success driven and are a result of the progress we are making in the marketplace. We expect our 2008 expenditures for property and equipment for our core operations, including construction in progress, to total $220.0 million to $230.0 million, depending on available opportunities and the amount of cash flow we generate during 2008.

Other

In May 2008, we executed a binding contract to provide AT&T a large amount of undersea fiber optic capacity between Alaska and the lower 48 states. Under the agreement AT&T will receive a large initial increment of capacity on our two undersea fiber networks connecting Alaska with Washington and Oregon. AT&T was also granted options to acquire certain additional amounts of capacity in the future. We expect to receive cash payments in excess of $35.0 million from AT&T in connection with the turn-up of the initial capacity in 2008. Future payments for additional capacity are not expected to exceed $10.0 million. In addition AT&T will make payments to GCI associated with the operation and maintenance of their portion of the undersea fiber networks.

On June 3, 2008 we purchased the stock of the UUI and Unicom subsidiaries of UCI for $41.8 million. Additionally we assumed approximately $42.7 million in debt as part of the acquisition. UUI together with its subsidiary, United-KUC, provides local telephone service to 60 rural Alaska communities across Alaska. Unicom operates DeltaNet, a long-haul broadband microwave network ringing the Yukon-Kuskokwim Delta – a region of approximately 30,000 square miles in western Alaska. By the summer of 2008, DeltaNet, which is still under construction but has already commenced operations where completed microwave towers have been placed into service, will link more than 40 villages to Bethel, the region's hub.

The long-distance, local access, cable, Internet and wireless services industries continue to experience substantial competition, regulatory uncertainty, and continuing technological changes. Our future results of operations will be affected by our ability to react to changes in the competitive and regulatory environment and by our ability to fund and implement new or enhanced technologies. We are unable to determine how competition, economic conditions, and regulatory and technological changes will affect our ability to obtain financing under acceptable terms and conditions. A complete discussion of our liquidity and capital resources can be found in Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our December 31, 2007 annual report on Form 10-K.

Schedule of Certain Known Contractual Obligations

The following table details future projected payments associated with certain known contractual obligations as of December 31, 2007, the date of our most recent fiscal year-end balance sheet. Our schedule of certain known contractual obligations has been updated to reflect the Senior Credit Facility Additional Incremental Term Loan described above and an amendment to a long-term capital lease agreement with the wife of our President and CEO for property we occupy.

		Payments Due by Period				
		Total	Less than 1 Year	1 to 3 Years	4 to 5 Years	More Than 5 Years
		(Amounts in thousands)				
Long-term debt	$	676,389	3,006	7,221	345,857	320,305
Interest on long-term debt		257,884	46,490	96,968	79,626	34,800
Capital lease obligations, including interest		167,401	6,947	23,300	23,400	113,754
Operating lease commitments		55,429	10,979	15,535	10,600	18,315
Purchase obligations		74,828	60,028	14,800	---	---
Other		66,500	63,500	3,000	---	---
Total contractual obligations	$	1,298,431	190,950	160,824	459,483	487,174

For long-term debt included in the above table, we have included principal payments on our Senior Credit Facility and Senior Notes. Interest on amounts outstanding under our Senior Credit Facility is based on variable rates. We used the current rate paid in March 2008 adjusted for our modified Senior Credit Facility to estimate our future interest payments. Our Senior Notes require semi-annual interest payments of $11.6 million through February 2014. For a discussion of our Senior Notes and Senior Credit Facility see note 7 in the "Notes to Consolidated Financial Statements" included in Part II of our December 31, 2007 annual report on Form 10-K. For a discussion of our modified Senior Credit Facility see note 7 in the accompanying "Notes to Interim Consolidated Financial Statements".

Capital lease obligations include the amended capital lease as discussed in note 7 in the accompanying "Notes to Interim Consolidated Financial Statements." For a discussion of our capital and operating leases and purchase obligations see note 15 in the "Notes to Consolidated Financial Statements included in Part II of our December 31, 2007 annual report on Form 10-K.

The "Other" line item consists of our commitments to acquire the remaining minority interest in Alaska DigiTel for approximately $10.0 million, UUI and Unicom for approximately $40.0 million, and Alaska Wireless for approximately $16.0 million to $17.0 million.

We believe, but can provide no assurances, that we will be able to fund future projected payments associated with our certain known contractual obligations 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 and principal payments scheduled under our existing credit facilities, capital expenditures will likely be reduced.

Critical Accounting Policies

Our accounting and reporting policies comply with U.S. GAAP. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions. The financial position and results of operations can be affected by these estimates and assumptions, which are integral to understanding reported results. Critical accounting policies are those policies that management believes are the most important to the portrayal of our financial condition and results, and require management to make estimates that are difficult, subjective or complex. Most accounting policies are not considered by management to be critical accounting policies. Several factors are considered in determining whether or not a policy is critical in the preparation of financial statements. These factors include, among other things, whether the estimates are significant to the financial statements, the nature of the estimates, the ability to readily validate the estimates with other information including third parties or available prices, and sensitivity of the estimates to changes in economic conditions and whether alternative accounting methods may be utilized under GAAP. For all of these policies, management cautions that future events rarely develop exactly as forecast, and the best estimates routinely require adjustment. Management has discussed the development and the selection of critical accounting policies with our Audit Committee.

Those policies considered to be critical accounting policies for the three months ended March 31, 2008 are the allowance for doubtful accounts, impairment and useful lives of intangible assets, accruals for unbilled costs, and the valuation allowance for net operating loss deferred tax assets. A complete discussion of our critical accounting policies can be found in Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our December 31, 2007 annual report on Form 10-K.

Other significant accounting policies, not involving the same level of measurement uncertainties as those listed above, are nevertheless important to an understanding of the financial statements. Policies related to revenue recognition, share-based expense, and financial instruments require difficult judgments on complex matters that are often subject to multiple sources of authoritative guidance. Certain of these and other matters are among topics currently under reexamination by accounting standards setters and regulators. No specific conclusions reached by these standard setters appear likely to cause a material change in our accounting policies, although outcomes cannot be predicted with confidence. A complete discussion of our significant accounting policies can be found in note 1 included in Part II of our December 31, 2007 annual report on Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to interest rate risk, which is our primary risk, as well as various types of market risk in the normal course of business. We do not hold derivatives for trading purposes.

Our Senior Credit Facility carries interest rate risk. Amounts borrowed under this agreement bear interest at LIBOR plus 2.0% or less depending upon our Total Leverage Ratio (as defined). Should the LIBOR rate change, our interest expense will increase or decrease accordingly. As of March 31, 2008, we have borrowed $240.2 million subject to interest rate risk. On this amount, each 1% increase in the LIBOR interest rate would result in $2.4 million of additional gross interest cost on an annualized basis.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, we carried out an evaluation of the effectiveness of the design and operation of our “disclosure controls and procedures” (as defined in the Securities Exchange Act of 1934 (“Exchange Act”) Rule 13a - 15(e)) under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer. Based on that evaluation and as described below under “Changes in Internal Controls” (Item 4(b)), we identified material weaknesses in our internal control over financial reporting (as defined in Exchange Act Rule 12b-2). Because of these material weaknesses, which are in the process of being remediated as described below under “Changes in Internal Controls” (Item 4(b)), our management, including our Chief Executive Officer and our Chief Financial Officer, concluded that our disclosure controls and procedures were not effective as of March 31, 2008, which is the end of the period covered by this report.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management to allow timely decisions regarding required disclosure.

The certifications attached as Exhibits 31 and 32 to this report should be read in conjunction with the disclosures set forth herein.

(b) Changes in Internal Control over Financial Reporting

Information technology program development and change controls over the unified billing system and the interface with the general ledger were not designed effectively. As a result, our automated interface between the unified billing system and the general ledger was not appropriately configured. In addition, our management review control over unreconciled transactions recorded in accounts receivable general ledger accounts was not designed at the level of precision to detect and correct errors that could be material to annual or interim financial statements. As a result of these deficiencies, errors existed in the Company's accounts receivable and revenues that were corrected prior to the issuance of our 2007 annual report on Form 10-K. Although we began remediation of the material weakness during the first quarter of 2008, we have not had sufficient time to fully implement the control changes necessary to completely remediate this material weakness.

Our policies and procedures to ensure that our accounting personnel are sufficiently trained on technical accounting matters did not operate effectively. More specifically, our accounting personnel did not have the necessary knowledge and training to adequately account for and disclose certain share-based compensation awards in accordance with SFAS No.123(R), Share-Based Payment. In addition, our accounting personnel lacked adequate training on the operation of certain aspects of the software used to calculate the Company’s share-based compensation expense. As a result of these deficiencies, errors existed in the Company's share-based compensation expense that were corrected prior to the issuance of our 2007 annual report on Form 10-K. Although we began remediation of the material weakness during the fourth quarter of 2007 and continued efforts toward remediation during the first quarter of 2008, we have not had sufficient time to fully implement the control changes necessary to completely remediate this material weakness.

In March 2008 we implemented a new online payment system. The implementation replaced a system supported internally with a system supported by an external company and has resulted in certain changes to our processes and procedures affecting internal control over financial reporting during the first quarter of 2008. We have committed internal and external resources to revise and document processes and related internal controls over the new system.

Except as described above, there were no changes in our internal control over financial reporting during the quarter ended March 31, 2008 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Subsequent to March 31, 2008, we determined that deficiencies existed at December 31, 2007 that rise to the level of material weakness. Specifically, (i) our entity-level control related to the selection and application of accounting policies in accordance with GAAP was not designed effectively, and (ii) our policies and procedures for the recording of depreciation expense during interim reporting periods were not designed to ensure reporting in accordance with GAAP. These deficiencies led to errors in interim financial reporting that have been corrected through the restatement of our interim financial information described in note 1(i) in the accompanying “Notes to Interim Consolidated Financial Statements.” Our depreciation expense for the three month period ending March 31, 2008 has been reported in accordance with GAAP. Because these deficiencies were not identified in Management’s Report on Internal Control Over Financial Reporting initially included in our December 31, 2007 annual report on Form 10-K filed with the SEC on March 7, 2008, we will restate this report by filing an amended Form 10-K. We plan to remediate these deficiencies by taking the following actions:

- We plan to expand our accounting policy documentation and implement policies and procedures to periodically review our accounting policies to ensure ongoing GAAP compliance.
- With regards to our policies and procedures for the recording of depreciation expense during interim reporting periods, we will revise our accounting policies and implement procedures to ensure depreciation is recorded consistent with GAAP for interim reporting periods.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Internal control over financial reporting has inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements will not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

We may enhance, modify, and supplement internal controls and disclosure controls and procedures based on experience.

PART II

Item 1. Legal Proceedings

We are involved in various lawsuits that have arisen from time to time 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 liquidity.

Item 6. Exhibits

Exhibit No.	Description
31.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by our President and Director
31.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by our Senior Vice President, Chief Financial Officer, Secretary and Treasurer
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by our President and Director
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by our Senior Vice President, Chief Financial Officer, Secretary and Treasurer
10.150	Second Amendment to Lease Agreement dated as of April 8, 2008 between RDB Company and GCI Communication Corp. as successor in interest to General Communication, Inc.
10.151	Audit Committee Charter (as revised by the board of directors of General Communication, Inc. effective as of April 27, 2007)
10.152	Nominating and Corporate Governance Committee Charter (as revised by the board of directors of General Communication, Inc. effective as of April 27, 2007)
10.153	Thirteenth Amendment to Contract for Alaska Access Services between General Communication, Inc. and its wholly owned subsidiary GCI Communication Corp., and MCI Communications Services, Inc. d/b/a Verizon Business Services (successor-in-interest to MCI Network Services, Inc., which was formally known as MCI WorldCom Network Services) dated January 16, 2008 #
18.1	Letter regarding change in accounting principle
#	CONFIDENTIAL PORTION has been omitted pursuant to a request for confidential treatment by us to, and the material has been separately filed with, the Securities and Exchange Commission. Each omitted Confidential Portion is marked by three asterisks.

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.

Signature	Title	Date
/s/ Ronald A. Duncan Ronald A. Duncan	President and Director (Principal Executive Officer)	June 4, 2008
/s/ John M. Lowber John M. Lowber	Senior Vice President, Chief Financial Officer, Secretary and Treasurer (Principal Financial Officer)	June 4, 2008
/s/ Lynda L. Tarbath Lynda L. Tarbath	Vice President, Chief Accounting Officer (Principal Accounting Officer)	June 4, 2008

Exhibit 31.1

SECTION 302 CERTIFICATION

I, Ronald A. Duncan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of General Communication, Inc. for the period ended March 31, 2008;

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

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

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

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

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

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

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

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

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

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

June 4, 2008	/s/ Ronald A. Duncan
Date	Ronald A. Duncan President and Director

Exhibit 31.2

SECTION 302 CERTIFICATION

I, John M. Lowber, certify that:

1. I have reviewed this quarterly report on Form 10-Q of General Communication, Inc. for the period ended March 31, 2008;

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

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

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

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

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

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

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

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

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

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

June 4, 2008	/s/ John M. Lowber
Date	John M. Lowber Senior Vice President, Chief Financial Officer, Secretary and Treasurer

Exhibit 32.1

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

In connection with the Quarterly Report of General Communication, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ronald A. Duncan, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Date: June 4, 2008

/s/ Ronald A. Duncan
Ronald A. Duncan
Chief Executive Officer
General Communication, Inc.

Exhibit 32.2

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

In connection with the Quarterly Report of General Communication, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John M. Lowber, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Date: June 4, 2008	/s/ John M. Lowber
	John M. Lowber Chief Financial Officer General Communication, Inc.

Exhibit 10.150

AMENDMENT NO. 2
to
Lease Agreement

RDB Company, as Landlord and GCI Communication Corp., as successor-in-interest to General Communication, Inc. (“Tenant”) entered into a Lease Agreement dated effective as of September 30, 1991 (“Lease”), as amended by the First Amendment between Janice I. Bowman, dba RDB Company and GCI Communication Corp. (“Amendment #1”), dated effective as of September 20, 2002.

Whereas, the Lore Road Premises and the Lease have been assigned and transferred (the “Transfers”) from: (a) RDB Company, an Alaska general partnership, to Janice I. Bowman by that Warranty Deed dated December 1, 1992, recorded on December 4, 1992, in Book 2350 at Page 13, and (b) Janice I. Bowman to Janice I. Bowman and Ronald A. Duncan, as tenants in common, under that Assignment of Lease and Assumption dated as of April 8, 2008 (collectively, “Landlord”); and

Whereas, Landlord and Tenant desire to amend the Lease as set forth below;

Now, therefore, for valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

I. Term. Landlord and Tenant hereby amend the Lease by deleting existing Section 2 in its entirety and replacing it with the following:

2. Term. The term of this Lease shall commence on October 1, 1991, and shall expire on September 30, 2026.

II. Rent. Landlord and Tenant hereby amend the Lease by deleting existing Section 4 in its entirety and replacing it with the following:

4. Rent. Tenant shall pay to Landlord as rent for the Lease term, without deduction, setoff, prior notice or demand, the sum of $21,532.00 per month until September 30, 2011; then, Tenant shall pay to Landlord each month, as follows:

Period	Monthly Rental
10/1/2011 – 9/30/2012	$22,332.00
10/1/2012 – 9/30/2013	$23,132.00
10/1/2013 – 9/30/2014	$23,932.00
10/1/2014 – 9/30/2015	$24,732.00
10/1/2015 – 9/30/2016	$25,532.00
10/1/2016 – 9/30/2017	$26,332.00
10/1/2017 – 9/30/2018	$27,132.00
10/1/2018 – 9/30/2019	$27,932.00
10/1/2019 – 9/30/2020	$28,732.00
10/1/2020 – 9/30/2021	$29,532.00
10/1/2021 – 9/30/2022	$30,332.00
10/1/2022 – 9/30/2023	$31,132.00

10/1/2023 – 9/30/2024	$31,932.00
10/1/2024 – 9/30/2025	$32,732.00
10/1/2025 – 9/30/2026	$33,532.00

III. Consent. Tenant hereby consents to the Transfers.

IV. Entire Agreement; Ratification. **THE LEASE, AMENDMENT #1, AND THIS AMENDMENT REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AS TO THE SUBJECT MATTER THEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENT OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES AS TO THE SUBJECT MATTER HEREOF. EXCEPT AS MODIFIED OR SUPPLEMENTED HEREBY, THE LEASE, AMENDMENT #1, AND ALL OTHER DOCUMENTS AND AGREEMENTS EXECUTED IN CONNECTION THEREWITH SHALL CONTINUE IN FULL FORCE AND EFFECT.**

V. Counterparts. This Amendment No. 2 may be executed in counterparts, both of which taken together shall constitute one and the same instrument. In making proof hereof, it shall not be necessary to produce or account for any counterpart other than one signed by the party against which enforcement is sought.

VI. Definitions. All terms not otherwise defined herein shall have the meanings set forth in the Lease.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2, effective as of April 8, 2008.

Landlord:

/s/ JANICE I. BOWMAN
JANICE I. BOWMAN

Date: April 8, 2008

/s/ RONALD A. DUNCAN
RONALD A. DUNCAN
Date: April 8, 2008

Tenant:
GCI Communication Corp.

By: /s/ John M. Lowber
John M. Lowber, Senior Vice President

Date: April 8, 2008

GENERAL COMMUNICATION, INC.
AUDIT COMMITTEE CHARTER*

Purpose

The purpose of the Audit Committee is to act on behalf of the board of directors ("Board") of General Communication, Inc. ("Company") and generally to carry out the following and as further described in this charter:

- ***Independent Auditor Selection, Qualifications*** **–** Directly responsible for appointment, compensation, retention, oversight, qualifications and independence of the Company's independent certified public accountants ("External Auditor").

- ***Internal Audit*** **–** To the extent the Company has an internal audit operation, assist in Board oversight of its performance.

- ***Financial Statements*** **–** Assist in Board oversight of integrity of the Company's financial statements.

- ***Financial Reports, Internal Control*** **–** Directly responsible for oversight of audit by the External Auditor of the Company's financial reports and the Company's reports on internal control.

- ***Annual Reports*** **–** Prepare reports required to be included in the Company's annual proxy statement.

- ***External Auditor Reports*** **–** Accept certain reports from the External Auditor ("External Auditor Reports").

- ***Complaints*** **–** Receive and respond to certain complaints ("Complaints") relating to internal accounting controls and auditing matters; confidential, anonymous submissions by Company employees regarding questionable accounting or auditing matters and performance of the Company's internal audit operation, if any; or alleged illegal acts or behavior-related conduct in violation of the Company's Code of Business Conduct and Ethics ("Ethics Code"), all as described in this charter.

- ***External Auditor Disagreements*** **–** Resolve disagreements between the Company and the External Auditor regarding financial reporting ("Auditor Disagreements").

- ***Non-Audit Services*** **–** Review and pre-approve all non-audit services offered to the Company by the External Auditor ("Non-Audit Services").

- ***Attorney Reports*** **–** Address certain attorney reports ("Attorney Reports").

- ***Related Party Transactions*** **–** Review certain related party transactions ("Related Party Transactions").

- ***Shareholder Reports*** **–** Prepare certain shareholder reports ("Shareholder Reports").

*As revised by the board of directors of General Communication, Inc. effective as of April 27, 2007.

- ***Annual Plan –*** Prepare an annual plan for Company audit-related matters ("Annual Plan").

- ***Other –*** Carry-out other assignments as designated by the Board.

Membership

The following are prerequisites for, and conditions on, membership on the Audit Committee:

- ***Number, Qualifications –*** The Audit Committee shall consist of at least three, and no more than six, Board members meeting the following qualifications –

  - ***Independent –*** Each member of the Audit Committee must be an independent director as the term is defined in this charter ("Independent Director").

  - ***General Knowledge and Ability –*** Each Audit Committee member shall have the following knowledge and abilities –

    - Knowledge of the primary industries in which the Company operates.

    - Ability to read and understand fundamental financial statements, including a company's balance sheet, income statement, and cash flow statement.

    - Ability to understand key business and financial risks and related controls and control processes.

  - ***Audit Committee Financial Expert, Attributes –*** At least one Audit Committee member must meet the prerequisites for an audit committee financial expert ("Audit Committee Financial Expert"), i.e., a person who has all of the following attributes –

    - Understanding of generally accepted accounting principles and financial statements.

    - Ability to assess the general application of such principles in connection with accounting for estimates, accruals and reserves.

    - Experience in preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities.

    - Understanding of internal control over financial reporting.

    - Understanding of audit committee functions.

  - ***Acquiring Attributes of Audit Committee Financial Expert –*** Examples of how one may determine whether a person has acquired the attributes of an Audit Committee Financial Expert are through any one or more of the following –

        - Education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involve the performance of similar functions.

        - Experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions.

        - Experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements.

        - Other relevant experience.

    - ***Financial Sophistication*** **–** At least one member of the Audit Committee must have past employment experience in finance or accounting, requisite professional certification in accounting, or comparable experience or background which results in the individual's "financial sophistication," including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. The Board may presume that a person who meets the requirements for an Audit Committee Financial Expert qualifies as a financially sophisticated Audit Committee member.

    - ***No Consulting Fee, Not an Affiliate*** **–** On an ongoing basis, a member of the Audit Committee must not accept any consulting, advisory, or other compensatory fee from the Company other than for Board service and must not be an affiliated person of the Company.

        - The term "affiliated person" as applied to the Company means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Company.

            - An executive officer of an affiliate of the Company or a director of an affiliate who also is an employee of the affiliate is deemed to be an affiliate of the Company.

            - A person is deemed not to be in control of the Company for these purposes if the person is not the beneficial owner, directly or indirectly, of more than 10% of any class of voting securities of the Company and is not an executive officer of the Company.

- ***Term*** **–** Subject to the terms of this charter –

    - ***Member Appointment*** **–** Members of the Audit Committee shall be appointed by the Board and shall serve at the pleasure of the Board for such term as the Board may determine, taking into account the recommendations of the committee.

    - ***Chair Selection*** **–** The Audit Committee chair shall be selected by committee members or, if the Board directs, by the Board, taking into account the recommendations of the committee.

- ***Effect of Designation As Audit Committee Financial Expert* –** Designation or identification of a person as an Audit Committee Financial Expert under this charter does not impose on that person any duties, obligations or liability that are greater than the duties, obligations, and liability imposed on another person as a member of the Audit Committee and the Board in the absence of that designation or identification. The designation or identification of a person as an Audit Committee Financial Expert under this charter does not affect the duties, obligations or liability of any other member of the Audit Committee or the Board.

- ***Independent Director* –** An Independent Director is a person that meets the definition of "Independent director" as prescribed by the Nasdaq Stock Market LLC ("Nasdaq") under the Nasdaq Manual, i.e., Rule 4200(a)(15) ("Nasdaq Independence Rule"), which reads as follows –

> "means a person other than an executive officer or employee of the company or any other individual having a relationship which, in the opinion of the issuer's [company's] board of directors, would interfere with the exercise of independent judgement **[sic]** in carrying out the responsibilities of a director. The following persons shall not be considered independent:
>
> (A) a director who is, or at any time during the past three years was, employed by the company or by any parent or subsidiary of the company;
>
> (B) a director who accepted or who has a Family Member who accepted any compensation from the company in excess of $100,000 during any period of twelve consecutive months within the three years preceding the determination of independence, other than the following:
>
> (i) compensation for board or board committee service;
>
> (ii) compensation paid to a Family Member who is an employee (other than an executive officer) of the company; or
>
> (iii) benefits under a tax-qualified retirement plan, or non-discretionary compensation,
>
> Provided, however, that in addition to the requirements contained in this paragraph (B), audit committee members are also subject to additional, more stringent requirements under [Nasdaq Manual] Rule 4350(d).
>
> (C) a director who is a Family Member of an individual who is, or at any time during the past three years was, employed by the company as an executive officer;
>
> (D) a director who is, or has a Family Member who is, a partner in, or a controlling shareholder or an executive officer of, any organization to which the company made, or from which the company received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenues for that year, or $200,000, whichever is more, other than the following:
>
> (i) payments arising solely from investments in the company's securities; or
>
> (ii) payments under non-discretionary charitable contribution matching programs.
>
> (E) a director of the issuer [company] who is, or has a Family Member who is, employed as an executive officer of another entity where at any time during the past three years any of the executive officers of

the issuer [company] serve on the compensation committee of such other entity; or

(F) a director who is, or has a Family Member who is, a current partner of the company's outside auditor, or was a partner or employee of the company's outside auditor who worked on the company's audit at any time during any of the past three years.

(G) In the case of an investment company, in lieu of paragraphs (A)-(F), a director who is an "interested person" of the company as defined in section 2(a)(19) of the Investment Company Act of 1940, other than in his or her capacity as a member of the board of directors or any board committee."

- ***Company Includes*** **–** When used in the Nasdaq Independence Rule, "company" includes a parent or subsidiary of the company.

- ***Lack of Independence*** **–** The following conditions are incompatible with a director being independent under the Nasdaq Independence Rule, unless they have been absent for three years –

  - ***Company Employment, Family Member*** **–** At any time during the prior three years, being employed by the Company, any parent, or any subsidiary of the Company, or being a Family Member of an individual who is, or at any time during that period was, employed as an executive officer by the Company.

    - ***Family Member Includes*** **–** The Nasdaq Independence Rule defines "Family Member" as "a person's spouse, parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in such person's home."

  - ***Company Compensation*** **–** Accepting more than $100,000 in compensation from the Company (including any parent or subsidiary of the Company) or having a Family Member who received payments in that amount during any period of 12 consecutive months within the three years preceding the determination of independence ("Compensation Limit"). The compensation referred to here excludes director and committee fees, payments from investments in the Company's securities, compensation to a Family Member who is not an executive officer of the Company (or a parent or subsidiary of the Company), and benefits under a tax-qualified retirement plan or non-discretionary compensation.

  - ***Service on Compensation Committee*** **–** Being, or having a Family Member who is, employed as an executive officer of another entity that has had any of the Company's executive officers serve, at any time during the past three years, on that entity's compensation committee or having a Family Member who was an executive officer of another entity under such conditions.

  - ***External Auditor Partner*** **–** Being, or having a Family Member who is, a current partner of the External Auditor or partner or employee of the External Auditor who worked on the Company's audit any time in the past three years or having a Family Member who has such a relationship.

  - ***Principal of Service Provider*** **–** Being, or having a Family Member who is, a partner, controlling shareholder, or executive officer of another company that pays or receives from the Company, in a single year within the past three years prior to being a director of the Company, amounts exceeding the greater of $200,000 or 5% of the recipient company's consolidated gross revenues (or having a family member that makes or receives such payments). The requirement excludes payments from investments in the Company's securities and payments under non-discretionary charitable contribution matching programs.

- ***Political Contributions –*** Contributions to a political campaign of a director or of a Family Member of a director are considered indirect compensation and included for purposes of calculating the Contribution Limit.

- ***Non-Preferential Payments –*** Non-preferential payments made in the ordinary course of providing business services and payments arising solely from investments in the Company's securities do not preclude a finding that a person is an Independent Director as long as the payments are non-compensatory in nature. Depending upon the circumstances, a payment may be compensatory if, for example, it is not on terms generally available to the public.

- ***Executive Officer Interim Service –*** The following conditions shall apply to employment of a director as an executive officer of the Company on an interim basis ("Interim Service") –

  - ***No Disqualification for Short Term –*** In interpreting (A) of the definition of Independent Director, Interim Service shall not disqualify the director from being considered an Independent Director following that Interim Service so long as the Interim Service shall not have lasted longer than one year.

  - ***Status During Interim Service –*** A director shall not be considered an Independent Director while providing Interim Service.

  - ***Compensation Received During Interim Service –*** In interpreting (B) of the definition of Independent Director, compensation received by a director for former Interim Service shall not be considered as compensation in determining whether the director is an Independent Director after that Interim Service so long as the Interim Service shall not have lasted longer than one year.

  - ***Board Determination on Independent Judgment –*** In the event of a director's former Interim Service, the Board shall consider whether such former Interim Service and any compensation received for it shall interfere with that director's exercise of independent judgment in carrying out responsibilities of a director.

  - ***Preparation of Financial Statements –*** In the event a director who shall have provided Interim Service shall have participated in the preparation of the Company's financial statements while providing that Interim Service, the director shall be precluded from service on the Audit Committee for three years.

- ***Removal and Replacement –*** An Audit Committee member may be removed or replaced by, and any vacancies on the committee may be filled by, the Board, taking into account recommendations of the committee.

Operating Principles

The Audit Committee shall fulfill its responsibilities within the context of the following overriding principles:

- ***Meetings –*** The Chair of the Audit Committee, in consultation with committee members, shall determine the frequency and schedule of committee meetings, provided the committee will meet at least two times per year. The Audit Committee meetings and matters relating to them are subject to the provisions of the Company's Bylaws ("Bylaws"). The Audit Committee may ask members of management or others whose advice and counsel are relevant to the issues then being considered by the committee to attend any meetings and to provide such information as the committee may request.

- ***Agenda –*** The Chair of the Audit Committee shall develop the committee's agenda, in consultation with other committee members. Each member of the Board and members of management are free to suggest the inclusion of items on the agenda. The agenda and information concerning the business which shall be conducted at each Audit Committee meeting shall, to the extent practicable, be distributed to committee members sufficiently in advance of each meeting to permit meaningful review.

- ***Quorum –*** A majority of the authorized number of Audit Committee members, regardless of possible vacancies, shall constitute a quorum. The Audit Committee may act by a majority of the members present at a meeting of the committee at which at least a quorum is present.

- ***Delegation –*** The Chair of the Committee may, through the Committee by resolution, delegate authority to act on behalf of the Chair. The Committee may, by resolution, delegate authority to subcommittees or individual members of the Committee as it deems appropriate.

- ***Communications –*** The chair and others on the Audit Committee shall, to the extent appropriate, have contact throughout the year with senior management, other committee chairs, other key committee advisors, the External Auditor, etc., as applicable, to strengthen the committee's knowledge of relevant current and prospective business issues.

- ***Committee Education and Orientation –*** The Audit Committee, with management, shall develop and participate in a process for review of important financial and operating topics that present potential significant risk to the Company. Additionally, individual Audit Committee members are encouraged to participate in relevant and appropriate self-study education to assure understanding of the business and environment in which the Company operates.

- ***Committee Meeting Attendees –*** The Audit Committee shall request members of management, counsel, and the External Auditor, as applicable, to participate in committee meetings, as necessary to carry out committee responsibilities. The External Auditor or counsel may, at any time, request a meeting with the Audit Committee or its chair, with or without management in attendance. In any case, the Audit Committee shall meet separately with the External Auditor, at least annually.

- ***Reporting to the Board of Directors –*** The Audit Committee, through the committee chair, shall report periodically, as deemed necessary, but at least annually, to the full Board. In addition, summarized minutes from Audit Committee meetings shall be available to each Board member at least one week prior to the subsequent meeting of the Board.

- ***Committee Expectations and Informational Needs –*** The Audit Committee shall communicate its expectations and the nature, timing, and extent of its informational needs to management, and external parties, including the External Auditor. Written materials, including key performance indicators and measures related to key business and financial risks, if not previously distributed to the full Board, shall be received from management, auditors, and others at least one week in advance of meeting dates.

- ***Authority to Hire Legal Counsel and Others –*** The Audit Committee shall have authority to engage an administrative staff and outside advisors in such areas as law, accounting, internal control, and information systems, and other advisors necessary to carry out the committee's duties.

- ***Funding –*** The Company shall adequately fund the budget of the Audit Committee, including funding to cover paying the External Auditor for services in connection with preparing or issuing audit reports, performing other audit functions, reviewing and attesting services and providing other services to the Company, paying Audit Committee member salaries or fees, if any, paying committee staff and advisors, if any, and paying ordinary administrative expenses of the committee.

Relationship with External Auditor

The following apply in the relationship between the Audit Committee and the External Auditor:

- ***External Auditor Responsible To Audit Committee and Board –*** The External Auditor, in its capacity as an independent public accountant, shall be responsible to the Audit Committee and the Board as representatives of the shareholders.

- ***Audit Committee Oversight –*** In executing its oversight of the External Auditor, the Audit Committee shall review the work of the External Auditor. The External Auditor shall review Company financial reports and shall report to the Audit Committee. The External Auditor shall report all relevant issues to the Audit Committee responsive to agreed-upon committee expectations.

- ***Annual Performance Review –*** The Audit Committee shall annually review the performance (effectiveness, objectivity, and independence) of the External Auditor. The Audit Committee shall obtain a formal written statement from the External Auditor delineating all relationships between the External Auditor and the Company consistent with standards set by the Independence Standards Board. Additionally, the Audit Committee shall discuss with the External Auditor relationships or services that may affect auditor objectivity and independence. In the event the Audit Committee shall not be satisfied with the External Auditor's assurances of independence, the committee shall take, or recommend to the full Board, appropriate action which shall ensure the independence of the External Auditor.

- ***Significant Issues Not Adequately Addressed –*** If the External Auditor identifies significant issues relative to the overall Board responsibility that have been communicated to management but, in the External Auditor's judgment, have not been adequately addressed, the External Auditor should communicate these issues to the chair of the Audit Committee.

Primary Responsibilities

The Audit Committee shall have primary responsibility for the following:

- ***Oversight* –** Exercising oversight of External Auditor and of Internal Audit.

- ***Non-Audit Services* –** Addressing Non-Audit Services.

- ***Financial Reporting* –** Monitoring financial reporting and risk control related matters.

- ***Complaints* –** Addressing Complaints on certain alleged illegal acts and unethical behavior in violation of the Ethics Code, and other matters.

- ***Attorney Reports* –** Addressing Attorney Reports.

- ***Related Party Transactions* –** Reviewing Related Party Transactions.

- ***Annual Plans* –** Preparing Annual Plans.

- ***Shareholder Reports* –** Preparing Shareholder Reports.

- ***External Auditor Reports* –** Accepting External Auditor Reports.

- ***Performance Evaluations* –** Conducting Audit Committee performance evaluations ("Audit Committee Performance Evaluations").

Exercising Oversight of External Auditors, Internal Audit

The Audit Committee is directly responsible for appointment, compensation, retention, oversight, qualifications and independence of the External Auditor. All audit services provided by the External Auditor must be preapproved by the Audit Committee. To the extent the Company shall have, at any time, an internal audit operation, the Audit Committee shall assist in the Board oversight of the performance of that operation. The relationship between the External Auditor and the Audit Committee is further described under "Relationship with External Auditor."

Addressing Non-Audit Services

All Non-Audit Services, including tax services but excluding those prohibited by federal securities law, must be pre-approved by the Audit Committee, subject to the following:

- ***Limitations on Approval* –** A Non-Audit Service may be approved by the Audit Committee only if it does not compromise independence of the External Auditor.

- ***Audit Committee Judgment* –** The Audit Committee must use its judgment to decide whether a service can be performed by the External Auditor without impairing, either in fact or in appearance, the independence of the External Auditor and subject to the following –

    - ***Starting Point* –** The starting point for rendering a determination whether independence may be impaired shall be the following three principles –

        - An auditor cannot function in the role of management.

        - An auditor cannot audit the auditor's own work.

        - An auditor cannot serve in an advocacy role for the auditor's client.

- *Factors To Consider* – When approving Non-Audit Services, the following factors shall be considered –
    - Whether the service is being performed principally for the Audit Committee.
    - The effects of the service, if any, on audit effectiveness or on the quality and timeliness of the Company's financial reporting process.
    - Whether the service would be performed by specialists, e.g., technology specialists, who ordinarily also provide recurring audit support.
    - Whether the service would be performed by audit personnel and, if so, whether it will enhance their knowledge of the entity's business and operations.
    - Whether the role of those performing the service, e.g., a role where neutrality, impartiality, and auditor skepticism are likely to be subverted, would be inconsistent with the auditor's role.
    - Whether the audit firm's personnel would be assuming a management role or creating a mutuality of interest with management.
    - Whether the auditors, in effect, would be "auditing their own numbers."
    - Whether the project must be started and completed very quickly.
    - Whether the audit firm has unique expertise in the service.
    - The size of the fee for the service.

- ***Optional Approval Procedures* –** The Audit Committee has the following options for approving Non-Audit Services –
  - ***Full Audit Committee* –** The full Audit Committee can consider each Non-Audit Service.
  - ***Designee* –** The Audit Committee can designate one of its members to approve a Non-Audit Service, with that member reporting approvals to the full committee.
  - ***Pre-Approval of Categories* –** The Audit Committee can pre-approve categories of Non-Audit Services. Should this option be chosen, the categories must be specific enough to ensure that –
    - The Audit Committee knows exactly what it is approving and can determine the effect of such approval on auditor independence.
    - Management will not find it necessary to decide whether a specific service falls within a category of pre-approved Non-Audit Service.

- ***Prohibited Services* –** The nine services specifically prohibited by federal securities law are as follows –

- ***Bookkeeping*** **–** Bookkeeping or other services related to the accounting records or financial statements of the Company.
- ***Financial Information Systems*** **–** Financial information systems design and implementation.
- ***Appraisal and Related Services*** **–** Appraisal or valuation services, opinions, or contribution-in-kind reports.
- ***Actuarial Services*** **–** Actuarial reports.
- ***Internal Audit*** **–** Internal audit outsourcing services.
- ***Human Resources*** **–** Management functions or human resources.
- ***Broker-Dealer and Related Services*** **–** Broker or dealer investment adviser, or investment banking services.
- ***Legal Services*** **–** Legal services and expert services unrelated to the audit.
- ***Other Services*** **–** Any other service that the federally established Public Company Accounting Oversight Board determines is impermissible.

- ***Limited Waiver*** **–** The pre-approval requirement as applied to a Non-Audit Service may be waived for the Company should all of the following be satisfied –
  - ***Limit on Aggregate Amount*** **–** The aggregate amount of all Non-Audit Services constitutes not more than 5% of the total amount of revenues paid by the Company to the External Auditor during the fiscal year in which the Non-Audit Services are provided.
  - ***Original Intent*** **–** The service is originally thought to be a part of an audit by the External Auditor.
  - ***Resulting Service*** **–** The service turns out to be a Non-Audit Service.
  - ***Notification of Audit Committee*** **–** The Non-Audit Service is promptly brought to the attention of the Audit Committee and approved prior to completion of the audit by the Audit Committee or by one or more members of the Audit Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Audit Committee.
- ***Disclosure to Shareholders*** **–** Approval by the Audit Committee of Non-Audit Services shall be disclosed to Company investors in periodic reports required by Section 13(a) of the Exchange Act.
- ***Limited Delegation*** **–** The Audit Committee may delegate to one or more designated members of the committee, who are Independent Directors of the Board, the authority to grant pre-approvals as described in this section. The decisions of any member to whom such authority is delegated is to be presented to the full Audit Committee at each of its scheduled meetings.

Monitoring Financial Reporting and Risk Control Related Matters

The Audit Committee shall review and assess the following:

- ***Risk Management*** **–** The Company's business risk management process, including the adequacy of the Company's overall control environment and controls in selected areas representing significant financial and business risk.
- ***Annual Reports and Other Major Regulatory Filings*****–** All major financial reports in advance of filing or distribution.
- ***Internal Controls and Regulatory Compliance*** **–** The Company's system of internal controls for detecting accounting and reporting financial errors, fraud and defalcations, legal violations and noncompliance with the Ethics Code pertaining to accounting, internal controls on accounting or audit matters.
- ***Regulatory Examinations*** **–** Inquiries from the Securities and Exchange Commission ("SEC") and the results of examinations by other regulatory authorities in terms of important findings, recommendations, and management's response.
- ***External Audit Responsibilities*** **–** External Auditor independence and the overall scope and focus of the annual or interim audits, including the scope and level of involvement with unaudited quarterly or other interim-period information.
- ***Financial Reporting and Controls*** **–** Key financial statement issues and risks, their impact or potential effect on reported financial information, the processes used by management to address such matters, related External Auditor views, the bases for audit conclusions and important conclusions on interim and year-end audit work in advance of the public release of financials.
- ***Auditor Recommendations*** **–** Important External Auditor recommendations on financial reporting, controls, other matters, and management's response; and the views of management and the External Auditor on the overall quality of annual and interim financial reporting.

Addressing Complaints on Certain Illegal Acts, Unethical Behavior, Other Matters

The Audit Committee shall have the following special duties:

- ***Complaints –*** The Audit Committee, from time to time, when it shall receive a Complaint, i.e., an inquiry or complaint or when the committee independently shall decide in accordance with this charter, shall review and make a determination and recommend appropriate action to be taken by the Board on the Complaint, subject to the following –

    - ***Specific Meaning –*** In this context, "Complaint" shall mean any one or more of the following involving an officer, director, or employee of the Company or any of its directly or indirectly wholly-owned subsidiaries ("Employee" or, where the subject of the Complaint is limited to a director on the board of directors of one or more of those entities, "Director") –

        - Allegation of illegal activity or unethical behavior-related violation of the Ethics Code by an Employee pertaining to a Company accounting, internal control on accounting, or audit matter ("Accounting Violation").

        - A confidential, anonymous or other submission by an Employee of concern regarding an alleged Company questionable accounting or audit practice ("Questionable Accounting Practice").

        - Allegation of illegal activity or unethical behavior-related violation of the Ethics Code by an Employee pertaining to a matter other than an Accounting Violation ("Unethical Conduct").

- ***Procedure –*** The following shall constitute the Company's procedure for receipt, retention and treatment of Complaints regarding Accounting Violations, Questionable Accounting Practices or Unethical Conduct –

    - ***Specific Allegations –*** Topics that may be addressed in Complaints must relate to specific alleged Accounting Violations, Questionable Accounting Practices or Unethical Conduct.

    - ***Accounting Violations and Questionable Accounting Practices –*** A Complaint regarding Accounting Violations or Questionable Accounting Practices must be directed to the Audit Committee for response or investigation. Topics that may be addressed in such Complaints include, but are not limited to the following –

        - Allegations of fraud or deliberate error in the preparation of the Company financial statements.

        - Allegations of fraud or deliberate error in the review or audit of Company financial statements.

        - Allegations of fraud or deliberate error in maintaining Company financial records.

        - Deficiencies in internal control, or violations of internal control policies.

        - False statements by a senior officer or accountant regarding matters included in financial reports or records.

- False statements made to independent auditors.
- Other information that can have a material impact on the fairness of the Company's financial statements.

o ***Director Unethical Conduct Complaint –*** A Complaint regarding Unethical Conduct by a Director must be directed to the following committee for response and investigation, if any, as conditioned –

- Audit Committee, should the Complaint relate to an Accounting Violation by an Employee, with a copy of the Complaint delivered to the chair of the Nominating and Corporate Governance Committee.
- Nominating and Corporate Governance Committee, should the Complaint relate to Unethical Conduct by the Director which does not involve an Accounting Violation, with a copy of the Complaint delivered to the chair of the Audit Committee.
- Audit Committee and Nominating and Corporate Governance Committee, should the Complaint relate to both an Accounting Violation by an Employee, and Unethical Conduct by the Director which does not involve an Accounting Violation.

o ***Employee (Not Director) Unethical Conduct –*** A Complaint regarding Unethical Conduct by an Employee who is not a Director must be directed to the Employee's supervisor or the Chief Financial Officer for response or investigation. Should the Complaint be submitted to the Employee's supervisor, a copy must be directed to the Chief Financial Officer, unless the Complaint pertains to that officer, in which case the copy must be directed to the Company's Chief Executive Officer ("Chief Executive Officer").

o ***Written Complaint –*** A Complaint must be in writing, contain sufficient detail to provide a basis for the investigator to make an independent determination as to whether an Accounting Violation, Questionable Accounting Practice or Unethical Conduct has occurred.

o ***Signature, Date –*** A Complaint must be signed and dated by the complainant-Employee in the case of an Accounting Violation or Unethical Conduct-related Complaint.

o ***Signature Not Required on Confidential or Anonymous Questionable Accounting Practice Complaint –*** A Questionable Accounting Practice-related Complaint need not be signed, should the complainant be seeking confidential or anonymous treatment of the Complaint. However, it must be dated.

o ***Delivery of a Complaint To a Committee –*** A Complaint directed to the Audit Committee or the Nominating and Corporate Governance Committee must be addressed and mailed or otherwise delivered to the chair of the appropriate committee at the Company's corporate offices as follows –

CONFIDENTIAL		CONFIDENTIAL
ATTN: Chair, Audit Committee	or	ATTN: Chair, Nominating and

(Complaint) General Communication, Inc. 2500 Denali Street, Suite 1000 Anchorage, Alaska 99503	Corporate Governance Committee (Complaint) General Communication, Inc. 2500 Denali Street, Suite 1000 Anchorage, Alaska 99503

- ***Delivery of a Complaint To the Chief Financial Officer –*** A Complaint directed to the Chief Financial Officer must be addressed and mailed or otherwise delivered to that officer at the Company's corporate offices as follows –

  CONFIDENTIAL
  ATTN: Chief Financial Officer (Complaint)
  General Communication, Inc.
  2500 Denali Street, Suite 1000
  Anchorage, Alaska 99503

- ***Other Forms of Delivery –*** The Chief Financial Officer, in conjunction with the chairs of the Audit Committee and the Nominating and Corporate Governance Committee, shall review and, in the event they shall reach consensus, recommend to the Board other possible means by which a complainant shall deliver a Complaint to the Company, including, but not limited to, an internet address or a toll-free telephone number.

- ***Complaint Filing System –*** The Chief Financial Officer, in conjunction with the chairs of the Audit Committee and the Nominating and Corporate Governance Committee, shall establish a procedure compatible with the charters of both committees and the Ethics Code and providing for the corresponding investigator of a Complaint to log the Complaint into a filing system specifically established to retain, process, and otherwise provide for the treatment of Complaints ("Complaint Filing System").

  - The Complaint Filing System will be used by each of these three investigators in the separate duties of each in addressing a Complaint.

- ***Processing of a Complaint –*** The recipient (investigator) of the Complaint will log the Complaint into the Complaint Filing System, subject to the following –

  - Should the Complaint be in the nature of an allegation of an Accounting Violation, a Questionable Accounting Practice or Unethical Conduct, the investigator must determine, based upon the information provided in the Complaint and independent investigation which the investigator, in the investigator's sole discretion, deems appropriate given the nature of the Complaint, whether there is a reasonable basis for the allegation made in the Complaint, investigate the Complaint, decide whether to hold a hearing on the matter and, should the investigator choose to hold such a hearing, give notice of, and hold the hearing on, the Complaint, request witnesses to appear at the hearing, and otherwise gather evidence necessary for the investigator to render a determination on the Complaint and submit a written determination to, and recommend appropriate action by, the Board.

  - Should the Complaint be in the nature of a Questionable Accounting Practice where the Complaint is unsigned or where the complainant has otherwise indicated the Complaint is presented as a confidential, anonymous submission to the investigator, the investigator must determine, based upon the information provided in the Complaint and independent investigation which the investigator, in the investigator's sole discretion, deems appropriate given the nature of the Complaint, whether there is a reasonable basis for the allegation made in the Complaint, render a determination on the Complaint and submit a written determination to, and recommend appropriate action by, the Board.

- Should the Complaint be in the nature of an inquiry without allegation of an Accounting Violation, Questionable Accounting Practice or Unethical Conduct, the recipient may either respond directly to the complainant or, in the recipient's sole discretion, recommend to the Board appropriate action.

- The investigator will, regardless of the nature of the Complaint, seek to process it in a timely manner.

- The investigator shall be informed of the receipt of Complaints at least on a weekly basis. In the event the Complaint shall be directed to a committee, the chair of the committee shall be informed of the receipt of the Complaint within not more than two business days.

- A Complaint pertaining to one or more executive officers or Directors must receive especially timely review by the corresponding investigator.

- Each investigator will decide, upon initial review of a Complaint, whether a formal investigation shall be initiated and the extent of it, including who shall carry out the investigation, and the resources which shall be deemed necessary to carry it out.

- All signed Complaints will be acknowledged as received by the investigator. In the event the signed Complaint shall be directed to a committee, the chair of the committee, or the chair's designee shall acknowledge receipt of the Complaint.

- In the event the investigator shall conclude a Complaint as not one subject to the scope of the investigator's responsibilities under a committee charter or otherwise but as one raising legitimate issues, the investigator shall forward the matter to the Chief Financial Officer for direct action or referral to the appropriate person for review and action.

o ***Annual Status Report*** **–** The Audit Committee, the Nominating and Corporate Governance Committee, and the Chief Financial Officer as investigators of Complaints, will at least annually each provide reports to the Board on the status of Complaints received during the year, including, but not limited to, a brief description of each, the status of each, and recommended action, if any, on each by the Board (affirmative relief or closure of a file on a Complaint for which the investigator has not received additional requested information from the complainant within a reasonable time which the investigator deems necessary to make a determination in the matter).

o ***Retention of Closed File*** **–** A Complaint file, once closed, will be retained for a time period of 10 years and in accordance with the Company's appropriate records retention policy, after which it will be destroyed. Unless specifically provided otherwise in that policy, the Chief Financial Officer or the officer's designee is the custodian of a closed Complaint file.

- ***Confidential Treatment –*** An investigator will be particularly sensitive to the confidential nature of Complaints, especially ones where the complainant has made the Complaint through a confidential or anonymous submission. Complaint files will not be available generally to Employees except with the permission of the investigator and only in accordance with the Company's policy on confidential records, if any, pertaining to the subject matter of the Complaint.

- ***Committee Review –*** In the event the investigator shall be the Audit Committee or the Nominating and Corporate Governance Committee, a Complaint shall be reviewed initially by the chair, or the chair's designee, and an initial analysis submitted to the committee. Any formal action taken by the committee on the Complaint must be at a duly scheduled meeting at which at least a quorum of its members is present, and a determination on the Complaint must be by vote of at least a majority of the committee present, subject further to the procedural requirements of the Bylaws.

- ***Other Procedures –*** The Audit Committee shall adopt such other procedures, subject to prior Board approval, as may be necessary to carry out the committee's responsibilities in addressing Complaints, Auditor Disagreements, and other matters addressed in this section.

- ***Other Complaint-Related Matters –*** The Audit Committee shall address other Complaint-related matters as designated by the Board.

- ***Disagreements –*** The Audit Committee, when it shall receive notice of, or when the committee independently shall become aware of, an Auditor Disagreement, i.e., a disagreement between Company management and the External Auditor regarding financial reporting, shall, in accordance with this charter, review and resolve the Auditor Disagreement.

  - ***Timely Review –*** In this context, the Audit Committee shall review the Auditor Disagreement in a timely fashion and provide a written determination with supporting argument for it, and the determination of the Audit Committee regarding the Auditor Disagreement shall be final.

Addressing Attorney Reports

The Audit Committee shall address an Attorney Report, i.e., a report of evidence of a securities violation or other infraction involving the Company subject to the following:

- ***Report Required –*** An attorney retained by, or otherwise employed by, the Company and appearing and practicing before the SEC on behalf of the Company who becomes aware of evidence of a suspected material violation of securities law ("Reporting Attorney") is required to submit an Attorney Report to the Company's Senior Vice President-Regulatory Affairs ("Chief Legal Counsel"), or if the matter relates to the Chief Legal Counsel, to the Company's Chief Executive Officer ("Chief Executive Officer") for appropriate response (collectively, the Chief Legal Counsel or the Chief Executive Officer, "recipient") and subject to the following –

- *Appearing and Practicing* – An attorney is deemed to be "appearing and practicing before the SEC" in the representation of the Company, and therefore subject to the provisions of this section on Attorney Reports, if the attorney performs specific services (representing the Company before the SEC, transacting business with the SEC including communications in any form filed with the SEC, or advising the Company on a filing with the SEC), but only if the attorney provides those services in an attorney-client capacity.

- ***Material Violation*** – A "material violation" includes a material violation of federal or state securities law, a material breach of fiduciary duty arising under federal or state law, or a similar violation of any federal or state law by an officer, director, employee or agent of the Company.

- ***Content*** – The Attorney Report must contain details of the suspected material violation and the relevant evidence regarding the material violation.

• ***Appropriate Response*** – The recipient of the Attorney Report must inquire into evidence contained in the report, and, unless the recipient reasonably believes no material violation has occurred, is ongoing, or is about to occur, the recipient must take steps to initiate an appropriate response, i.e., take all reasonable steps to cause the Company to adopt an appropriate response and subject further to the following –

- ***Referral To Audit Committee*** – The recipient may choose not to make a determination on the matter or refer the Attorney Report to the Audit Committee, in which case the committee is responsible to inquire into the evidence and, if necessary, formulate an appropriate response.

- ***Notice To Reporting Attorney*** – The recipient must within a reasonable time advise the Reporting Attorney as to what the recipient has done regarding the report.

- ***Receipt of Appropriate Response*** – Should the Reporting Attorney receive what that attorney believes to be an appropriate response within a reasonable time, the responsibility of that attorney as to the Attorney Report is complete.

- ***No Appropriate Response*** – Should the Reporting Attorney not receive an appropriate response within a reasonable time, that attorney must report the evidence directly to the Audit Committee. Once that report is made to that committee, the responsibility of the Reporting Attorney is complete.

- ***Specific Meaning*** – The "appropriate response" requirement is met if, after receiving a response, the Reporting Attorney reasonably believes that no material violation occurred, is ongoing, or is about to occur, the Company has adopted appropriate preventative or remedial measures, or the matter has been referred to an attorney with the consent of the Board, the Audit Committee, or the Chief Legal Officer, who has investigated the evidence and the Company has implemented any remedial recommendations made by the attorney, or the Company has been advised by that attorney that the attorney may assert a colorable defense with regard to the evidence of a material violation.

- ***Other Procedures –*** The Audit Committee shall adopt such other procedures, subject to prior Board approval, as may be necessary to carry out the committee's responsibilities in addressing Attorney Reports.

Reviewing Related-Party Transactions

The Audit Committee shall be responsible, in the context of Related Party Transactions, for the following:

- ***Review –*** The Audit Committee shall review all Related Party Transactions for possible conflict of interest situations on an ongoing basis.
  - ***Scope of Related Party Transactions –*** A Related Party Transaction is a transaction required to be disclosed pursuant to Item 404 of Regulation S-K adopted by the SEC.
- ***Approval –*** All Related Party Transactions must be approved by the Audit Committee.

Preparing Annual Plans

The Audit Committee, with responses from management and other key committee advisors, shall develop an Annual Plan, i.e., a plan for Company audit-related matters addressing the Primary Responsibilities detailed in this charter. The Annual Plan shall be reviewed and approved by the full Board.

Preparing Shareholder Reports

The Audit Committee shall make available to shareholders a Shareholder Report, i.e., a summary report on the scope of its activities. The Shareholder Report may be identical to the report that appears in the Company's annual report.

Accepting External Auditor Reports

External Auditor Reports shall be subject to the following:

- ***Receipt of Report –*** The Audit Committee shall receive External Auditor Reports directly from the External Auditor. The External Auditor Reports shall be submitted at least annually as shall be requested by the Audit Committee.
- ***Content of Report –*** The External Auditor Report shall include the following:
  - ***Staffing, Scope –*** Audit staffing and supervision, and scope of audit.
  - ***Critical Accounting Policies –*** Critical accounting policies and practices, alternative accounting treatments, the reasons for selecting such policies, and their impact on the fairness of the Company's financial statements.
  - ***Significant Estimates –*** Significant estimates made by management in the preparation of financial reports.
  - ***Communications –*** Nature and content of communications between the External Auditor and Company management.

- *Off-Balance Sheet Transactions* – Off-balance sheet transactions, joint ventures, contingent liabilities, or derivative transactions, and their impact on the fairness of financial statements.
  - *External Auditor Proposed Adjustments* – External Auditor proposed adjustments, including those recorded by management and those not recorded by management.
  - *Difficulties with Management* – Difficulties encountered with management during the audit.
  - *Disagreements with Management* – Disagreements with management regarding accounting and reporting issues.
  - *Legal Matters* – Material legal matters that may impact the financial statements.
  - *Overall Fairness* – External Auditor's opinion on the overall fairness of the financial statements.

- *Written Record* – The Audit Committee shall keep a written record of all communications with the External Auditor. The Audit Committee may request that the External Auditor put its comments in writing.

- *Deadline for Report* – The Audit Committee must receive a complete report from the External Auditor on the matters addressed in the External Auditor Report prior to completion of the annual audit.

- *Regular Communications* – The Audit Committee shall maintain regular communications with the External Auditor on the topics addressed in the External Auditor Report in connection with Company quarterly reports and other Company financial reports.

Conducting Audit Committee Performance Evaluations

The Audit Committee shall each year conduct an Audit Committee Performance Evaluation, i.e., it shall review, discuss, and assess its own performance as well as the committee's purpose and responsibilities, seeking responses from senior management, the full Board, and others. Changes, if any, in the Audit Committee's purpose or responsibilities or, generally, changes to this charter shall be recommended to the full Board for approval.

Other Matters

The foregoing provisions of this charter are not intended to be exhaustive. The Audit Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its purposes and responsibilities.

Nothing in this charter is intended to, and must not be construed as, creating any responsibility or liability of the members of the Audit Committee except to the extent otherwise provided under applicable Alaska law which continues to set the legal standard for the conduct of the committee members.

ADOPTED by the board of directors of General Communication, Inc. as of this 27th day of April, 2007.

/s/ John M. Lowber
John M. Lowber
Secretary

GENERAL COMMUNICATION, INC.
NOMINATING AND CORPORATE GOVERNANCE
COMMITTEE CHARTER*

Purpose

The purpose of the Nominating and Corporate Governance Committee ("Committee") is to act on behalf of the board of directors ("Board") of General Communication, Inc. ("Company") and generally to carry out the following and as further described in this charter:

- ***Nominations –*** Identify and recommend nominees for the Board and its committees.
- ***Corporate Governance –*** Review and recommend to the Board, or independently take, action on various Company corporate governance issues.
- ***Complaints –*** Receive and respond to certain complaints ("Complaints") raised by Company employees regarding alleged illegal acts or behavior-related conduct by Board members in violation of the Company's Code of Business Conduct and Ethics ("Ethics Code").
- ***Supervision –*** Supervise the Company's Chief Financial Officer ("Chief Financial Officer") in the context of the Ethics Code.
- ***Other –*** Carry-out other assignments as designated by the Board.

Membership

The following are prerequisites for, and conditions on, membership on the Committee:

- ***Number, Qualifications –*** The Committee shall consist of at least three, and no more than eleven, Board members meeting the following qualifications:
  - o ***Independent –*** Each member of the Committee must be an independent director as the term is defined in this charter ("Independent Director").
- ***Term –*** Subject to the terms of this charter –
  - o ***Member Appointment –*** Members of the Committee shall be appointed by the Board and shall serve at the pleasure of the Board for such term as the Board may determine, taking into account the recommendations of the Committee.
  - o ***Chair Selection –*** The Committee chair shall be selected by the Committee members or, if the Board directs, by the Board, taking into account the recommendations of the Committee.
- ***Independent Director –*** An Independent Director is a person that meets the definition of an "Independent director" as prescribed by the Nasdaq Stock Market LLC ("Nasdaq") under the Nasdaq Manual, i.e., Rule 4200(a)(15) ("Nasdaq Independence Rule"), which reads as follows –

*As revised by the board of directors of General Communication, Inc., effective as of April 27, 2007.

"means a person other than an executive officer or employee of the company or any other individual having a relationship which, in the opinion of the issuer's [company's] board of directors, would interfere with the exercise of independent judgement **[sic]** in carrying out the responsibilities of a director. The following persons shall not be considered independent:

(A) a director who is, or at any time during the past three years was, employed by the company or by any parent or subsidiary of the company;

(B) a director who accepted or who has a Family Member who accepted any compensation from the company in excess of $100,000 during any period of twelve consecutive months within the three years preceding the determination of independence, other than the following:

(i) compensation for board or board committee service;

(ii) compensation paid to a Family Member who is an employee (other than an executive officer) of the company; or

(iii) benefits under a tax-qualified retirement plan, or non-discretionary compensation,

Provided, however, that in addition to the requirements contained in this paragraph (B), audit committee members are also subject to additional, more stringent requirements under [Nasdaq Manual] Rule 4350(d).

(C) a director who is a Family Member of an individual who is, or at any time during the past three years was, employed by the company as an executive officer;

(D) a director who is, or has a Family Member who is, a partner in, or a controlling shareholder or an executive officer of, any organization to which the company made, or from which the company received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenues for that year, or $200,000, whichever is more, other than the following:

(i) payments arising solely from investments in the company's securities; or

(ii) payments under non-discretionary charitable contribution matching programs.

(E) a director of the issuer [company] who is, or has a Family Member who is, employed as an executive officer of another entity where at any time during the past three years any of the executive officers of the issuer [company] serve on the compensation committee of such other entity; or

(F) a director who is, or has a Family Member who is, a current partner of the company's outside auditor, or was a partner or employee of the company's outside auditor who worked on the company's audit at any time during any of the past three years.

(G) In the case of an investment company, in lieu of paragraphs (A)-(F), a director who is an "interested person" of the company as defined in section 2(a)(19) of the Investment Company Act of 1940, other than in his or her capacity as a member of the board of directors or any board committee."

- ***Company Includes*** – When used in the Nasdaq Independence Rule, "company" includes a parent or subsidiary of the company.

- ***Lack of Independence –*** The following conditions are incompatible with a director being independent under the Nasdaq Independence Rule, unless they have been absent for three years –
    - ***Company Employment, Family Member –*** At any time during the prior three years, being employed by the Company, any parent, or any subsidiary of the Company, or being a Family Member of an individual who is, or at any time during that period was, employed as an executive officer by the Company.
        - ***Family Member Includes –*** The Nasdaq Independence Rule defines "Family Member" as "a person's spouse, parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in such person's home."
    - ***Company Compensation –*** Accepting more than $100,000 in compensation from the Company (including any parent or subsidiary of the Company) or having a Family Member who received payments in that amount during any period of 12 consecutive months within the three years preceding the determination of independence ("Compensation Limit"). The compensation referred to here excludes director and committee fees, payments from investments in the Company's securities, compensation to a Family Member who is not an executive officer of the Company (or a parent or subsidiary of the Company), and benefits under a tax-qualified retirement plan or non-discretionary compensation.
    - ***Service on Compensation Committee –*** Being, or having a Family Member who is, employed as an executive officer of another entity that has had any of the Company's executive officers serve, at any time during the past three years, on that entity's compensation committee or having a Family Member who was an executive officer of another entity under such conditions.
    - ***External Auditor Partner –*** Being, or having a Family Member who is, a current partner of the External Auditor or partner or employee of the External Auditor who worked on the Company's audit any time in the past three years or having a Family Member who has such a relationship.
    - ***Principal of Service Provider –*** Being, or having a Family Member who is, a partner, controlling shareholder, or executive officer of another company that pays or receives from the Company, in a single year within the past three years prior to being a director of the Company, amounts exceeding the greater of $200,000 or 5% of the recipient company's consolidated gross revenues (or having a family member that makes or receives such payments). The requirement excludes payments from investments in the Company's securities and payments under non-discretionary charitable contribution matching programs.
    - ***Political Contributions –*** Contributions to a political campaign of a director or of a Family Member of a director are considered indirect compensation and included for purposes of calculating the Contribution Limit.
    - ***Non-Preferential Payments –*** Non-preferential payments made in the ordinary course of providing business services and payments arising solely from investments in the Company's securities do not preclude a finding that a person is an Independent Director as long as the payments are non-compensatory in

nature. Depending upon the circumstances, a payment may be compensatory if, for example, it is not on terms generally available to the public.

- ***Executive Officer Interim Service –*** The following conditions shall apply to employment of a director as an executive officer of the Company on an interim basis ("Interim Service") –
    - o ***No Disqualification for Short Term –*** In interpreting (A) of the definition of Independent Director, Interim Service shall not disqualify the director from being considered an Independent Director following that Interim Service so long as the Interim Service shall not have lasted longer than one year.
    - o ***Status During Interim Service –*** A director shall not be considered an Independent Director while providing Interim Service.
    - o ***Compensation Received During Interim Service –*** In interpreting (B) of the definition of Independent Director, compensation received by a director for former Interim Service shall not be considered as compensation in determining whether the director is an Independent Director after that Interim Service so long as the Interim Service shall not have lasted longer than one year.
    - o ***Board Determination on Independent Judgment –*** In the event of a director's former Interim Service, the Board shall consider whether such former Interim Service and any compensation received for it shall interfere with that director's exercise of independent judgment in carrying out responsibilities of a director.
    - o ***Preparation of Financial Statements –*** In the event a director who shall have provided Interim Service shall have participated in the preparation of the Company's financial statements while providing that Interim Service, the director shall be precluded from service on the Audit Committee for three years.
- ***Removal and Replacement –*** Subject to Alaska law, a Committee member may be removed or replaced by, and any vacancies on the Committee may be filled by, the Board, taking into account recommendations of the Committee.

Operating Principles

The Committee shall fulfill its responsibilities within the context of the following overriding principles:

- ***Meetings –*** The Chair of the Committee, in consultation with Committee members, shall determine the frequency and schedule of Committee meetings, provided the Committee will meet at least two times per year. Committee meetings and matters relating to them are subject to the provisions of the Company's Bylaws ("Bylaws"). The Committee may ask members of management or others whose advice and counsel are relevant to the issues then being considered by the Committee to attend any meetings and to provide such information as the Committee may request.
- ***Agenda –*** The Chair of the Committee shall develop the Committee's agenda, in consultation with other Committee members. Each member of the Board and members of management are free to suggest the inclusion of items on the agenda. The agenda and information concerning the business which shall be conducted at each Committee

meeting shall, to the extent practicable, be distributed to Committee members sufficiently in advance of each meeting to permit meaningful review.

- ***Quorum*** **–** A majority of the authorized number of Committee members, regardless of possible vacancies, shall constitute a quorum. The Committee may act by a majority of the members present at a meeting of the Committee at which at least a quorum is present.

- ***Delegation*** **–** The Chair of the Committee may, through the Committee by resolution, delegate authority to act on behalf of the Chair. The Committee may, by resolution, delegate authority to subcommittees or individual members of the Committee as it deems appropriate.

- ***Communications*** **–** The chair and others on the Committee shall, to the extent appropriate, have contact throughout the year with senior management, other committee chairs, other key committee advisors, the External Auditor, etc., as applicable, to strengthen the Committee's knowledge of relevant current and prospective business issues.

- ***Committee Meeting Attendees*** **–** The Committee shall request members of management, counsel, and the External Auditor, as applicable, to participate in Committee meetings, as necessary to carry out Committee responsibilities. The External Auditor or counsel may, at any time, request a meeting with the Committee or its chair, with or without management in attendance.

- ***Reporting to the Board of Directors*** **–** The Committee, through the Committee chair, shall report periodically, as deemed necessary, but at least annually, to the full Board. In addition, summarized minutes from Committee meetings shall be available to each Board member at least one week prior to the subsequent meeting of the Board.

- ***Resource and Authority*** **–** The Committee shall have the resources and authority to discharge its duties and responsibilities, including the authority to retain counsel and other experts or consultants. The Committee shall have the sole authority to select and retain a consultant or search firm to identify director candidates, to terminate any such consultant or search firm retained by it, and to approve the consultant or search firm's fees and other retention terms.

Primary Responsibilities

The Committee shall have primary responsibility for the following:

- ***Nominating Matters*** **–** Addressing nominating matters.

- ***Corporate Governance Matters*** **–** Addressing corporate governance matters.

- ***Complaints*** **–** Addressing Complaints on certain alleged illegal acts and unethical behavior-related conduct by Board members in violation of the Ethics Code.

- ***Chief Financial Officer*** **–** Supervising Chief Financial Officer on Ethics Code.

- ***Performance Evaluation*** **–** Conducting Committee performance evaluation ("Committee Performance Evaluation").

Addressing Nominating Matters

The Committee shall have the following nominating responsibilities:

- ***Seek Out Prospective Board Members*** **–** The Committee shall, from time to time, seek out candidates as prospective Board members through the efforts of its individual members and, in the Committee's discretion, through consultants as otherwise provided in this charter.
  - ***Management Recommendations*** **–** The Committee may, but is not required to do so, consider recommendations for candidates proposed by Company management.
  - ***Shareholder Recommendations*** **–** The Committee may consider certain Company shareholder recommendations ("Shareholder Recommendations").
- ***Board Skills and Characteristics*** **–** The basic skills and characteristics required as prerequisites for each member, unless otherwise specified, on the Board ("Board Skills and Characteristics") are as follows –
  - ***Knowledge, Skills and Experience*** **–** Knowledge, skills and experience in at least one of the primary industries in which the Company operates.
  - ***Fundamental Financial Statements*** **–** Ability to read and understand fundamental financial statements, including the Company's balance sheet, income statement, and cash flow statement, and at least familiarity with the underlying accounting rules and practice.
  - ***Business and Financial Risks*** **–** Ability to understand key business and financial risks of the Company.
  - ***Changing Needs of Society*** **–** Appreciation of the relationship of the Company's business to the changing needs of society.
  - ***Financial Sophistication*** **–** With respect to at least one Board member, skills, attributes, and financial sophistication of an Audit Committee Financial Expert as the term is defined in the Company's Audit Committee Charter.
  - ***Independent Director*** **–** With respect to at least a simple majority of the authorized members of the Board, each an Independent Director.
  - ***Other Specifications*** **–** Other skills and characteristics specifically identified and approved by the Committee.
- ***Review Board Skills and Characteristics*** **–** As a part of the Company's assessment of strategic direction, review with the Board on at least an annual basis the Board Skills and Characteristics and recommend appropriate amendments to, or changes of, them.
- ***Recommend Existing Board Members*** **–** In the sole discretion of the Committee, recommend to the Board for renomination one or more of those existing Board members whose positions are up for election after considering all of the following criteria as applied to each such member –

- **_Board Size_ –** Appropriate size of the Board.
- **_Minimum Qualifications_ –** Minimum Qualifications to be a Board member as set forth in Article IV, Section 2(a) of the Bylaws.
- **_Skills and Characteristics_ –** Level of Board Skills and Characteristics.
- **_Company Strategic Direction_ –** Committee's understanding of the strategic direction requirements of the Company.
- **_Board Compositional Needs_ –** Specific compositional needs of the Board, including, but not limited to, specific talents and experience involving technology, business, finance, administration or public service, in light of prevailing business conditions and the Board Skills and Characteristics already possessed by other members of the Board.
- **_Annual Evaluation_ –** Results of annual evaluation.
- **_Personal Preference_ –** Wishes of affected existing Board member to be re-nominated.

- **_Identify and Recommend Proposed Board Member Vacancies_ –** Identify, from time to time, one or more individuals satisfying all of the following criteria as applied to the individual and recommend that the Board select the individual as a nominee to stand for election to the Board by the shareholders or, in the case of a vacancy on the Board, recommend that the Board fill the vacancy with that individual, subject to the individual's standing for election by the shareholders at the then next shareholder meeting:
  - **_Board Size_ –** Appropriate size of the Board.
  - **_Minimum Qualifications_ –** Minimum Qualifications to be a Board member as set forth in Article IV, Section 2(a) of the Bylaws.
  - **_Skills and Characteristics_ –** Level of Board Skills and Characteristics.
  - **_Company Strategic Direction_ –** Committee's understanding of the strategic direction requirements of the Company.
  - **_Board Compositional Needs_ –** Specific compositional needs of the Board, including, but not limited to, specific talents and experience involving technology, business, finance, administration or public service, in light of prevailing business conditions and the Board Skills and Characteristics already possessed by other members of the Board.
- **_Recommend Proposed Committee Members_ –** Identify and recommend for appointment by the Board, Board members qualified to fill vacancies on any committee of the Board, including the Committee. In nominating a candidate for a committee membership, the Committee shall take into consideration the factors set forth in the charter for that committee, if any, or as required by law or regulation, as well as any other factors it deems appropriate, including but not limited to, experience, skill and background.

- ***Issue Committee Reports –*** Report to the Board periodically on the status of the Committee's efforts on Board and committee nominations.

- ***Invite Prospective Board Member –*** Chair of the Committee, in conjunction with the Company's Chief Executive Officer ("Chief Executive Officer"), Chairman of the Board and the Board, generally, shall extend an invitation to the selected candidate to join the Board.

- ***Review Significant Change in Director Status –*** Upon a significant change in a director's personal circumstances, including a change of principal occupation, or in the event a significant ongoing time commitment arising which may be inconsistent with a director's service on the Board, review, as appropriate and, in light of the then-current Board policies, the continued Board membership of that director and make an appropriate recommendation to the Board.

- ***Consider Shareholder Recommendations –*** A shareholder having at least the minimum requisite ownership in the Company ("Recommending Shareholder") may make a Shareholder Recommendation, i.e., recommend to the Committee a candidate for nomination and election to the Board at a Company annual shareholder meeting. The Committee shall consider that Shareholder Recommendation, subject to the following –

    - ***Timely Receipt of Recommendation Statement –*** The Shareholder Recommendation must be received by the Committee, timely, along with a statement in support of the recommendation ("Recommendation Statement") to ensure the Committee's consideration of it.

        - A Shareholder Recommendation, including the Recommendation Statement, to be "received by the Committee" must be delivered to the following address:

          ATTN: Chair, Nominating and Corporate Governance Committee
(______ [Year of Meeting] Annual Meeting Recommendation)
General Communication, Inc.
2500 Denali Street, Suite 1000
Anchorage, Alaska 99503

        - To be "timely," the Committee must receive the Shareholder Recommendation not earlier than, and not later than the dates as prescribed in the Company's Bylaws (Article III, Section 14) pertaining to submission of a shareholder proposal in conjunction with an annual meeting.

        - A Recommending Shareholder is a shareholder who, as of the date of the Shareholder Recommendation and the record date for the annual meeting, is a beneficial owner of at least one share of voting securities of the Company, i.e., one share of Class A common stock, one share of Class B common stock or one share of preferred stock which either has voting rights directly or indirectly on an equivalent as-converted basis in common stock of the Company.

    - ***Content of Recommendation Statement –*** The Recommendation Statement must set forth the following –

        - For each candidate recommended –

- The candidate's name, age, business and residential address and principal occupation or employment.

- The class and number of shares of Company capital stock beneficially owned by the Recommending Shareholder on the date of the Shareholder Recommendation.

- A description of all arrangements or understandings between the Recommending Shareholder and the candidate and the name of any other person pursuant to which the recommendation is to be made.

- All other information relating to the candidate that is required to be disclosed in solicitation of proxies for election of directors or is otherwise required in each case pursuant to Regulation 14A adopted pursuant to the Exchange Act.

- Written consent of the candidate to being recommended as a candidate and nominee, in the event the Committee and the Board should accept the recommendation, in the Company's proxy statement and to serve as a director if so elected.

▪ As to the Recommending Shareholder (and the beneficial owner if different from the registered holder of the underlying Company voting common stock) –

- The Recommending Shareholder's name and address as appears on the Company's books (and also that of that beneficial owner).

- The class and number of shares of Company capital stock owned beneficially and of record by the Recommending Shareholder (and also that of that beneficial owner).

▪ Other information as may be requested by the Committee on the Recommending Shareholder or the Recommended Candidate.

o ***Review and Evaluation –*** A Shareholder Recommendation shall be reviewed and evaluated by the Committee, and the Committee's determination on that recommendation shall be subject to the application of the same criteria as shall be the case for a determination by the Committee on existing Board members standing for re-election.

o ***Significant Shareholder Recommendation –*** In the event the Committee shall have received, by a date (month, day) not later than the 120th calendar day before the date (month, day) of the Company's proxy statement released to its shareholders in connection with the previous year's annual meeting, a Shareholder Recommendation from a significant Recommending Shareholder –

▪ The Committee shall identify in the Company's management proxy statement for the anticipated annual meeting the candidate who is the subject of the Shareholder Recommendation and the significant

Recommending Shareholder and shall disclose whether the Committee chose to nominate the candidate –

- However, no such identification or disclosure is required without submission to the Committee of written consents by both the significant Recommending Shareholder and the candidate.

- Here, "significant Recommending Shareholder" means a shareholder of the Company who has been a beneficial owner of more than 5% of the Company's voting common stock (combined Class A and Class B common stock outstanding, and voting equivalent shares, if any, from the issuance of preferred stock) for at least one year as of the date the Shareholder Recommendation was made, or was a group of such shareholders that beneficially owned in the aggregate more than 5% of that Company voting common stock with each of the securities used to calculate that ownership held for at least one year from that date.

- As an example of the chronology, a Shareholder Recommendation from a significant Recommending Shareholder meeting the deadline for receipt by the Committee would include a recommendation for the Company's 2005 annual shareholder meeting which is received on December 1, 2004 where the 120th calendar day before the release on April 30, 2004 of proxy materials for the 2004 annual meeting was January 1, 2004.

▪ In the event the date of the anticipated annual meeting shall have been changed by more than 30 days from the date of the previous year's annual meeting, the Company's obligation to consider a Shareholder Recommendation will arise where the Company shall receive the Shareholder Recommendation a reasonable time before the Company shall have begun to print and mail its proxy materials.

o ***Report of Categories –*** In the event the Committee shall approve a Shareholder Recommendation for inclusion on the Company's management proxy card (other than nominees who are directors standing for re-election), the Committee shall report in the proxy statement accompanying that card which one or more of the following categories of persons or entities recommended that candidate: security holder, non-management director, chief executive officer, other executive officer, third-party search firm, or other specified source.

- ***Consultant Fee –*** In the event the Company shall pay a fee to a third party to identify or evaluate, or to assist in identifying or evaluating potential nominees, the function performed by each such party shall be disclosed in the corresponding Company management proxy statement describing that nominee for election as a director.

- ***Other Duties –*** Carry out other duties or responsibilities expressly delegated, from time to time, to the Committee by the Board relating to nomination of Board and committee members.

Addressing Corporate Governance Matters

The Committee shall have the following corporate governance responsibilities:

- ***Review and Recommend Changes To Ethics Code*** – Review and make recommendations at least once a year to the Board regarding the content, structure and scope of, and compliance with, the Ethics Code.

- ***Develop Corporate Governance Principles*** – Develop and recommend to the Board a set of corporate governance principles applicable to the Company ("Corporate Governance Principles"), and review those principles at least once a year. The Corporate Governance Principles shall include, but not be limited to –

    - ***Standards*** – Director qualification standards.

    - ***Responsibilities*** – Director responsibilities.

    - ***Access To Management*** – Director access to management and, as necessary and appropriate, independent advisors.

    - ***Compensation*** – Director compensation.

    - ***Continuing Education*** – Director orientation and continuing education.

    - ***Succession*** – Management succession.

    - ***Performance Evaluation*** – Annual performance evaluation of the Board.

- ***Advise on Legal Developments*** – Advise the Board periodically with respect to significant developments in the law and practice of corporate governance as well as the Company's compliance with the Corporate Governance Principles and applicable laws and regulations.

- ***Recommend Corporate Governance Action*** – Make recommendations to the Board, from time to time, on all matters of corporate governance and corrective action to be taken as the Committee deems appropriate.

- ***Review Structure of Board Committees*** – Review on an annual basis the Board's committee structure and recommend to the Board for its approval directors to serve as members of each committee.

- ***Establish Criteria for Annual Performance Self-Evaluation*** – Establish criteria and process for, and lead the Board and each Board committee in, its annual performance self-evaluation. Each such evaluation will be discussed with the full Board following the end of each calendar year, will focus on contributions to the Company by the Board and each Board committee, and will specifically focus on areas in which a better contribution could be made.

- ***Review Director Compensation*** – Review annually director compensation and benefits and make recommendations to the Board.

- ***Review Chief Executive Officer Compensation –*** Work with the Chair of the Compensation Committee on issues of management objectives, Chief Executive Officer evaluation, and management development and succession.

- ***Carry Out Other Duties –*** Carry out other duties or responsibilities expressly delegated, from time to time, to the Committee by the Board relating to corporate governance.

Addressing Complaints on Certain Alleged Illegal Acts, Unethical Behavior, Other Matters

The Committee shall have the following special duties:

- ***Complaints –*** The Committee, from time to time, when it shall receive a Complaint, i.e., an inquiry or complaint or when the Committee independently shall decide in accordance with this charter, shall review and make a determination and recommend appropriate action to be taken by the Board on the Complaint, subject to the following –

    - ***Specific Meaning –*** In this context, "Complaint" shall mean, unless the context otherwise requires, a matter pertaining to alleged illegal activity involving a person or unethical behavior-related violation of the Ethics Code by a person ("Unethical Conduct"), where the person is a director on the board of directors of the Company or of any its directly or indirectly wholly-owned subsidiaries ("Director"), or other matters as designated by the Board.

    - ***Other Complaints –*** In the event the Complaint shall relate to an allegation of illegal activity or unethical behavior-related violation of the Ethics Code by an officer, director, or employee of the Company or any of its directly or indirectly wholly-owned subsidiaries ("Employee") pertaining to Company accounting, internal controls on accounting, or audit matters ("Accounting Violation") or to confidential, anonymous or other submission by an Employee of concern regarding an alleged Company questionable accounting or audit practice ("Questionable Accounting Practice"), the Complaint shall be handled separate from the Committee as set forth in this section.

- ***Other Complaint-Related Matters –*** The Committee shall address other Complaint-related matters as designated by the Board.

- ***Procedure –*** The following shall constitute the Company's procedure for receipt, retention and treatment of Complaints regarding Accounting Violations and Questionable Accounting Practices by an Employee, and Unethical Conduct by a Director or by an Employee who is not a Director –

    - ***Specific Allegations –*** Topics that may be addressed in Complaints must relate to specific alleged Accounting Violations, Questionable Accounting Practices, or Unethical Conduct.

    - ***Accounting Violations and Questionable Accounting Practices –*** A Complaint regarding Accounting Violations or Questionable Accounting Practices must be directed to the Audit Committee for response or investigation. Topics that may be addressed in such Complaints include, but are not limited to the following –

        - Allegations of fraud or deliberate error in the preparation of the Company financial statements.

        - Allegations of fraud or deliberate error in the review or audit of Company financial statements.
        - Allegations of fraud or deliberate error in maintaining Company financial records.
        - Deficiencies in internal control, or violations of internal control policies.
        - False statements by a senior officer or accountant regarding matters included in financial reports or records.
        - False statements made to independent auditors.
        - Other information that can have a material impact on the fairness of the Company's financial statements.

    - ***Director Unethical Conduct Complaint –*** A Complaint regarding Unethical Conduct by a Director must be directed to the following committee for response and investigation, if any, as conditioned –
        - Audit Committee, should the Complaint relate to an Accounting Violation by an Employee, with a copy of the Complaint delivered to the chair of the Nominating and Corporate Governance Committee.
        - Nominating and Corporate Governance Committee, should the Complaint relate to Unethical Conduct by a Director which does not involve an Accounting Violation, with a copy of the Complaint delivered to the chair of the Audit Committee.
        - Audit Committee and Nominating and Corporate Governance Committees, should the Complaint relate to both an Accounting Violation by an Employee, and Unethical Conduct by the Director which does not involve an Accounting Violation.

    - ***Employee (Not Director) Unethical Conduct –*** A Complaint regarding Unethical Conduct by an Employee who is not a Director must be directed to the Employee's supervisor or the Chief Financial Officer for response or investigation. Should the Complaint be submitted to the Employee's supervisor, a copy must be directed to the Chief Financial Officer, unless the Complaint pertains to that officer, in which case the copy must be directed to the Chief Executive Officer.

    - ***Written Complaint –*** A Complaint must be in writing and contain sufficient detail to provide a basis for the investigator to make an independent determination as to whether an Accounting Violation, Questionable Accounting Practice or Unethical Conduct has occurred.

    - ***Signature, Date –*** A Complaint must be signed and dated by the complainant– Employee in the case of an Accounting Violation- or Unethical Conduct-related Complaint.

    - ***Signature Not Required on Confidential or Anonymous Questionable Accounting Practice Complaint –*** A Questionable Accounting Practice-related Complaint need not be signed, should the complainant be seeking confidential or anonymous treatment of the Complaint. However, it must be dated.

- ***Delivery of Complaint To a Committee –*** A Complaint directed to the Audit Committee or the Nominating and Corporate Governance Committee must be addressed and mailed or otherwise delivered to the chair of the appropriate committee at the Company's corporate offices as follows –

CONFIDENTIAL ATTN: Chair, Audit Committee (Complaint) General Communication, Inc. 2500 Denali Street, Suite 1000 Anchorage, Alaska 99503	or	CONFIDENTIAL ATTN: Chair, Nominating and Corporate Governance Committee (Complaint) General Communication, Inc. 2500 Denali Street, Suite 1000 Anchorage, Alaska 99503

- ***Delivery of Complaint To the Chief Financial Officer –*** A Complaint directed to the Chief Financial Officer must be addressed and mailed or otherwise delivered to that officer at the Company's corporate offices as follows –

  CONFIDENTIAL
  ATTN: Chief Financial Officer (Complaint)
  General Communication, Inc.
  2500 Denali Street, Suite 1000
  Anchorage, Alaska 99503

- ***Other Forms of Delivery –*** The Chief Financial Officer, in conjunction with the chairs of the Audit Committee and the Nominating and Corporate Governance Committee, shall review and, in the event they shall reach consensus, recommend to the Board other possible means by which a complainant shall deliver a Complaint to the Company, including, but not limited to, an internet address or a toll-free telephone number.

- ***Complaint Filing System –*** The Chief Financial Officer, in conjunction with the chairs of the Audit Committee and the Nominating and Corporate Governance Committee, shall establish a procedure compatible with the charters of both committees and the Ethics Code and providing for the corresponding investigator of a Complaint, or complaint relating to an Accounting Matter or to a Questionable Accounting Practice (for purposes of describing these procedures further in this charter and unless the context otherwise requires, "Complaint" refers to all such complaints), to log the Complaint into a filing system specifically established to retain, process, and otherwise provide for the treatment of Complaints ("Complaint Filing System").

  - The Complaint Filing System will be used by each of these three investigators in the separate duties of each in addressing a Complaint.

- ***Processing of a Complaint –*** The recipient (investigator) of a Complaint will log the Complaint into the Complaint Filing System, subject to the following –

  - Should the Complaint be in the nature of an allegation of an Accounting Violation, a Questionable Accounting Practice or Unethical Conduct, the investigator must –

    - Determine, based upon the information provided in the Complaint and independent investigation which the investigator, in the investigator's sole discretion, deems appropriate given the nature of the Complaint, whether there is a reasonable basis for the allegation made in the Complaint.
    - Investigate the Complaint.
    - Decide whether to hold a hearing on the matter and, should the investigator choose to hold such a hearing, give notice of, and hold the hearing on, the Complaint, request witnesses to appear at the hearing, and otherwise gather evidence necessary for the investigator to render a determination on the Complaint.
    - Submit a written determination to, and recommend appropriate action by, the Board.

- Should the Complaint be in the nature of a Questionable Accounting Practice where the Complaint is unsigned or where the Complainant has otherwise indicated the Complaint is presented as a confidential, anonymous submission to the investigator, the investigator must –
    - Determine, based upon the information provided in the Complaint and independent investigation which the investigator, in the investigator's sole discretion, deems appropriate given the nature of the Complaint, whether there is a reasonable basis for the allegation made in the Complaint.
    - Render a written determination on the Complaint.
    - Submit the written determination to, and recommend appropriate action by, the Board.

- Should the Complaint be in the nature of an inquiry without allegation of an Accounting Violation, Questionable Accounting Practice or Unethical Conduct, the recipient may in the recipient's sole discretion do either of the following –
    - Respond directly to the complainant.
    - Recommend to the Board appropriate action.

- The investigator will, regardless of the nature of the Complaint, seek to process it in a timely manner.

- The investigator shall be informed of the receipt of Complaints at least on a weekly basis. In the event the Complaint shall be directed to a committee, the chair of the committee shall be informed of the receipt of the Complaint within not more than two business days.

- A Complaint pertaining to one or more executive officers or Directors must receive especially timely review by the corresponding investigator.

- Each investigator will decide, upon initial review of a Complaint, whether a formal investigation shall be initiated and the extent of it, including who shall carry out the investigation, and the resources which shall be deemed necessary to carry it out.

- All signed Complaints will be acknowledged as received by the investigator. In the event the signed Complaint shall be directed to a committee, the chair of the committee, or the chair's designee, shall acknowledge receipt of the Complaint.

- In the event the investigator shall conclude a Complaint as not one subject to the scope of the investigator's responsibilities under a committee charter or otherwise but as one raising legitimate issues, the investigator shall forward the matter to the Chief Financial Officer for direct action or referral to the appropriate person for review and action.

o ***Annual Status Reports –*** The Audit Committee, the Nominating and Corporate Governance Committee, and the Chief Financial Officer, as investigators of Complaints, will at least annually each provide reports to the Board on the status of Complaints received, including, but not limited to –

- A brief description of each.

- The status of each.

- Recommended action, if any, on each by the Board which may take the form any of the following –

  - Affirmative relief.

  - Dismissal of the Complaint.

  - Closure of the file on the Complaint for which the investigator has not received additional requested information from the complainant within a reasonable time which the investigator deems necessary to make a determination in the matter.

o ***Retention of Closed File –*** A Complaint file, once closed, will be retained for a time period of 10 years and in accordance with the Company's appropriate records retention policy, after which the file will be destroyed. Unless specifically provided otherwise in that policy, the Chief Financial Officer or that officer's designee is the custodian of a closed Complaint file.

o ***Confidential Treatment –*** An investigator will be particularly sensitive to the confidential nature of Complaints, especially ones where the complainant has made the Complaint through a confidential or anonymous submission. Complaint files will not be available generally to Employees except with the permission of the investigator and only in accordance with the Company's policy on confidential records, if any, pertaining to the subject matter of the Complaint.

o ***Committee Review –*** In the event the investigator shall be the Audit Committee or the Nominating and Corporate Governance Committee, a Complaint shall be reviewed initially by the committee's chair, or the chair's designee, and an initial analysis submitted to the committee. Any formal action taken by the committee on the Complaint must be at a duly scheduled meeting at which at least a quorum of its members is present, and a determination on the Complaint must be by vote of at least a majority of the committee present, subject further to the procedural requirements of the Bylaws.

- ***Other Procedures*** – The Committee shall adopt such other procedures, subject to prior Board approval, as may be necessary to carry out the Committee's responsibilities in addressing Complaints and other matters addressed in this section.

Supervising Chief Financial Officer on Ethics Code

The Committee shall supervise the Chief Financial Officer in the context of the Ethics Code. However, the Chief Financial Officer shall have primary authority and responsibility for enforcement of the Ethics Code, except as expressly provided in the Ethics Code.

Conducting Committee Performance Evaluation

The Committee shall each year conduct a Committee Performance Evaluation, i.e., it shall review, discuss, and assess its own performance, as well as the Committee's purpose and responsibilities, seeking responses from senior management, the full Board, and others. Changes, if any, in the Committee's purpose or responsibilities, or, generally, changes to this charter shall be recommended to the full Board for approval.

Other Matters

The foregoing provisions of this charter are not intended to be exhaustive. The Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its purposes and responsibilities.

Nothing in this charter is intended to, and must not be construed as, creating any responsibility or liability of the members of the Committee except to the extent otherwise provided under applicable Alaska law which continues to set the legal standard for the conduct of the Committee members.

ADOPTED by the board of directors of General Communication, Inc. as of this 27th day of April, 2007.

/s/ John M. Lowber

John M. Lowber
Secretary

Exhibit 10.153

***** Confidential Portion has been omitted pursuant to a request for confidential treatment by the Company to, and the material has been separately filed with, the SEC. Each omitted Confidential Portion is marked by three Asterisks.**

THIRTEENTH AMENDMENT TO CONTRACT FOR ALASKA ACCESS SERVICES

This THIRTEENTH AMENDMENT TO THE CONTRACT FOR ALASKA ACCESS SERVICES ("Thirteenth Amendment") is entered into effective as of December 21, 2007 ("Effective Date"), by and between **GENERAL COMMUNICATION, INC**. and its indirectly, wholly-owned subsidiary, **GCI COMMUNICATION CORP**., both Alaska corporations (together, "**GCI**") with offices located at 2550 Denali Street, Suite 1000, Anchorage, Alaska 99503-2783 and **MCI COMMUNICATIONS SERVICES, INC**., d/b/a **VERIZON BUSINESS SERVICES** (successor-in-interest to MCI Network Services, Inc., which was formerly known as MCI WORLDCOM Network Services ("**Verizon**") with offices located at 22001 Loudoun County Parkway, Ashburn, VA 20147 (GCI with Verizon, collectively the "Parties," and individually, a "Party").

RECITALS

WHEREAS, GCI and Verizon 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 as of March 1, 1996, (ii) the Second Amendment to Contract for Alaska Access Services dated as of January 1, 1998, (iii) the Third Amendment to Contract for Alaska Access Services dated as of March 1, 1998, (iv) the Fourth Amendment to Contract for Alaska Access Services dated as of January 1, 1999, (v) the Fifth Amendment to Contract for Alaska Access Services dated as of August 7, 2000, (vi) the Sixth Amendment to Contract for Alaska Access Services dated as of February 14, 2001, (vii) the Seventh Amendment to Contract for Alaska Access Services dated as of March 8, 2001, (viii) the Eighth Amendment to Contract for Alaska Access Services dated as of July 1, 2003, (ix) the Ninth Amendment to Contract for Alaska Access Services dated as of January 23, 2005, (x) the Tenth Amendment to Contract for Alaska Access Services dated as of May 1, 2006, (xi) the Eleventh Amendment to Contract for Alaska Access Services dated as of January 1, 2007, and (xii) the Twelfth Amendment to Contract for Alaska Access Services dated as of December 13, 2007 (collectively, "Agreement") which set forth the general terms and conditions under which GCI provides certain telecommunications services to Verizon; and

WHEREAS, the Parties desire to further modify the Agreement in accordance with the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

I. New Definitions. Section 1 DEFINITIONS of the Agreement is hereby amended to add the following new definitions:

"J. Alaska Switched ***: A dedicated SONET-protected *** circuit used exclusively by *** for the transport of *** Alaska Switched Voice Traffic between Seattle, Washington and Alaska.

K. Alaska Switched *** Service Outage: "Service Outage" shall mean any failure of a Alaska Switched ***, causing loss of traffic or a disruption or degradation of the Alaska Switched *** capacity for more than ***."

II. **Alaska/CONUS *****. Effective as of January 1, 2008, a new Section 2.B.(14) shall be added to the Agreement:

"2.B(14) Alaska/CONUS ***: Contingent upon *** the recurring *** Northbound Traffic by a minimum of *** by no later than January 15, 2008, *** agrees to implement Alaska Switched *** ("***"). The rate for up to *** circuits is $***. *** capacity is ineligible for the ***, and no such *** will be applied with respect to *** capacity. *** agrees to use the *** capacity exclusively for the transport of *** Alaska Switched Voice Traffic between Seattle, Washington and Alaska. When *** for *** apply, *** for the Alaska/CONUS *** element set forth in Exhibit 2 shall not apply.

In the event that total *** Northbound and *** Southbound traffic drops below *** of the remaining term of the Agreement (a "Significant Loss of Traffic"), then the *** capacity will be terminated commencing on the first day of the following month and (a) *** will continue to be obligated to purchase Alaska/CONUS *** for all *** Northbound and Southbound Traffic from GCI, and (b) *** agrees to pay for Alaska/CONUS *** at *** through the remaining term of the Agreement regardless of the minutes of use of such traffic in any month of the remaining term.

III. Rates and Charges. Effective as of January 1, 2008, Section 2.B.(9) of the Agreement shall be deleted in its entirety and the following inserted in its place:

"2.B.(9) *** and *** Services. *** and *** Services shall be *** GCI FCC Tariff #1 and *** shall reflect the requested terrestrial or satellite ***. Except as otherwise expressly provided herein, each month, GCI shall calculate the total*** and *** Service *** for all *** requirements of *** and below and *** will be calculated and applied as follows:

*** Northbound Traffic *** and shall be identified ***; and

*** Southbound Traffic *** and shall be identified ***

Further, during *** GCI shall calculate the total *** and *** Service *** for all *** requirements of *** or greater and *** will be calculated and applied as follows:

*** Northbound Traffic *** and shall be identified ***; and

*** Southbound Traffic *** and shall be identified ***

However, in the event of a Significant Loss of Traffic, Section 2.B.9 of the Agreement shall then be immediately deleted in its entirety and the following inserted in its place, without the necessity of any further action by the Parties:

"2.B.(9) *** and *** Services. *** and *** Services shall be *** GCI FCC Tariff #1 and *** shall reflect the requested terrestrial or satellite ***. Each month, GCI shall calculate the total *** and *** Service *** for all *** requirements of *** and below and *** will be calculated and applied as follows:

*** Northbound Traffic *** and shall be identified ***; and

*** Southbound Traffic *** and shall be identified ***

Further, during *** GCI shall calculate the total *** and *** Service Charges for all *** requirements of *** or greater and *** will be calculated and applied as follows:

*** Northbound Traffic *** and shall be identified ***; and

*** Southbound Traffic *** and shall be identified ***

IV. Alaska Switched *.** Effective as of January 1, 2008, a new Section 2.B.(15) shall be added to the Agreement:

"2.B.(15). Alaska Switched ***. For each *** that occurs, GCI will issue ***. The *** will appear on the ***. *** occurring during the last *** of service must be *** to the *** within thirty (30) days after the termination of Service. *** documentation in the *** will include: (i) the date of the ***; (ii) the time (hour and minute) of the beginning and ending of the ***period; and (iii) the reason for the ***."

V. Service *.** Upon the Effective Date of the Thirteenth Amendment, GCI shall ***. *** of the *** Northbound Traffic *** for December 2007. The *** Southbound Traffic *** for December 2007.

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

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

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

IX. Entire Agreement. This Thirteenth Amendment, together with the Agreement, including exhibits hereto and other documents incorporated by reference, contains the complete agreement of the Parties with regard to the subject matter herein and supersedes and replaces all other prior contracts and representations concerning its subject matter. In the event of a conflict between the terms of this Thirteenth Amendment and the Agreement, the terms of this Thirteenth Amendment shall control. Any further amendments to the Agreement must be in writing and signed by authorized representatives of both Parties.

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

MCI COMMUNICATIONS SERVICES, INC.

By: /s/ Peter H. Reynolds

Printed Name: Peter H. Reynolds

Title: Director

GCI COMMUNICATION CORP.

By: /s/ Richard Westlund
Printed Name: Richard Westlund
Title: Senior Vice President & General Manager, Network Access Services

GENERAL COMMUNICATION, INC.

By: /s Richard Westlund
Printed Name: Richard Westlund
Title: Senior Vice President & General Manager, Network Access Services

June 4, 2008

The Board of Directors
General Communication, Inc. and Subsidiaries:

We have been furnished with a copy of the quarterly report on Form 10-Q of General Communication, Inc. and subsidiaries (the "Company") for the three months ended March 31, 2008, and have read the Company's statements contained in Note 1(h) to the interim consolidated financial statements included therein. As stated in Note 1(h), the Company changed its method of accounting for recording depreciation in the year property and equipment is placed in service from the half-year convention to the mid-month convention. The Company states that the newly adopted accounting principle is preferable in the circumstances because it more precisely recognizes depreciation expense over the estimated useful life of the asset. In accordance with your request, we have reviewed and discussed with Company officials the circumstances and business judgment and planning upon which the decision to make this change in the method of accounting was based.

We have not audited any financial statements of the Company as of any date or for any period subsequent to December 31, 2007, nor have we audited the information set forth in the aforementioned Note 1(h) to the interim consolidated financial statements; accordingly, we do not express an opinion concerning the factual information contained therein.

With regard to the aforementioned accounting change, authoritative criteria have not been established for evaluating the preferability of one acceptable method of accounting over another acceptable method. However, for purposes of the Company's compliance with the requirements of the Securities and Exchange Commission, we are furnishing this letter.

Based on our review and discussion, with reliance on management's business judgment and planning, we concur that the newly adopted method of accounting is preferable in the Company's circumstances.

Very truly yours,

(Signed) KPMG LLP
Anchorage, Alaska