

INTERCONNECTION AGREEMENT

This Interconnection Agreement (“Agreement”) by and between GCI Communication Corp. (“GCICC”) and the Municipality of Anchorage, doing business as ATU Telecommunications (“ATU”) sets forth terms and conditions for interconnection of GCICC’s facilities and equipment and ATU’s facilities and equipment.

The effective date of this agreement is the date it is approved by the Alaska Public Utilities Commission (“APUC”), pursuant to 3 AAC 48.390 and/or 47 USC 252.

I. Purpose

- (a) The purpose of this Agreement is to delineate:
 - (i) How interconnection will be accomplished.
 - (ii) The terms and conditions controlling interconnection.
 - (iii) The rates, charges, and payment terms for interconnection. See Exhibit A.
 - (iv) Any general contractual conditions.
- (b) ATU and GCICC further understand that the Agreement is, at all times, subject to revisions by the APUC, FCC or other governmental authority, provided however, that, neither party will unilaterally seek to change the Agreement without also negotiating in good faith with the other.

II. Type of Connection:

- (a) Interconnection and Reciprocal Compensation
 - (i) Interconnection. GCICC will interconnect, for the transmission and routing of telephone exchange service and exchange access service at each ATU wire center, through the use of standard inter-office trunking.
 - (ii) Reciprocal Compensation. Compensation arrangement

between GCICC and ATU for the exchange of telecommunications services on a mutual and reciprocal basis. See Exhibit B.

- (b) Resale Connection.
 - (i) Resale interconnection. The provision to GCICC at wholesale rates of telecommunications services that ATU provides at retail to subscribers who are not telecommunications carriers and that GCICC may resell to subscribers. See Exhibit C.
 - (ii) Provisioning interconnection. GCICC/ATU customer provisioning, billing and servicing standards. See Exhibit D.
- (c) Unbundled Network Element interconnections
 - (i) Unbundled Loop Interconnection. GCICC's access to the transmission path which provides the connection between an end-user's premises and the central office subscriber main distributing frame (or its equivalent). See Exhibit E.
 - (ii) Unbundled Transport interconnection. GCICC's access to the physical facilities used to connect points on telecommunications networks. See Exhibit F.
 - (iii) Unbundled Switching interconnection. GCICC's access to the local switching and local tandem switching residing in a central office switch and/or remote switching. See Exhibit G.
 - (iv) Unbundled Directory Assistance interconnection. GCICC's access to the necessary data bases, and data (including subscriber list information) used to perform directory services. See Exhibit H.
 - (v) Unbundled Operations Support interconnection. GCICC's access to the systems, including the necessary hardware, software and databases, used in the ordering, provisioning, maintenance, testing, billing, and updating of other network databases. See Exhibit I.
- (d) Right-of-Way Access. GCICC's access to the poles, ducts, conduits, and rights-of-way of ATU. See Exhibit J.

- (e) Collocation. GCICC's access for the physical placement of GCICC equipment necessary for interconnection or access to unbundled network elements at the premises of ATU and/or virtual collocation where ATU demonstrates that physical collocation is not practical for technical reasons or due to space limitations. See Exhibit K.
- (f) Number portability. Provides local subscribers with the ability to change local service providers without changing their telephone numbers. See Exhibit L.
- (g) Dialing parity. Permits GCICC with nondiscriminatory access to all local and other Service Codes and local and long distance NPAs and NXXs, with no unreasonable dialing delays. See Exhibit M.
- (h) Notice of changes. ATU shall provide GCICC with notice regarding any network change that will affect GCICC's performance or ability to provide service or will affect ATU's interoperability with other service providers. Such notice shall be given to the public, including GCICC, pursuant to the Regulations contained at 47 C.F.R. 51.325-335, and to GCICC individually at regularly scheduled meetings between designated engineering representatives of the parties. ATU shall give notice to GCICC of its initial election of methods under 47 C.F.R. 51.329(a) and of any changes in such method.

III. Rates and Charges

- (a) Interconnection and Reciprocal Compensation
 - (i) Interconnection. Charges for interconnection shall be at the rates set for unbundled transport, in subsection ii, below.
 - (ii) Reciprocal Compensation. \$0.006595 per minute (plus transport)
- (b) Resale Connection.
 - (i) Wholesale discount.

- (A) January 1, 1997- December 31, 1997 8.7%
- (B) January 1, 1998- December 31, 1998 17.4%
- (C) January 1, 1999- December 31, 1999 26.1%

(ii) Provisioning interconnection. \$10.00

(c) Unbundled Network Element interconnection rates:

(i) Unbundled Loop interconnection. \$13.85 per month, unbundled two-wire loop

(ii) Unbundled Transport interconnection. See Exhibit N

(iii) Unbundled Switching Interconnection.

(A) Local switching.

(1) \$0.006595 per originating minute

(2) Line port charges (card and slot):

Res/Bus Simple	\$4.27
Business Complex	\$5.07
Centrex	\$5.07
ISDN	\$13.02

(B) Local tandem switching \$0.004712 per minute (plus associated transport).

(iv) Unbundled Directory Assistance interconnection:

(A) First number (batch) \$41.0600

(B) Subsequent numbers (batch) \$0.0870

(v) Unbundled Operations Support interconnection. Actual electronic interface access to ATU's operations support systems (i.e. fax/printer or display/printer connectivity) shall be at the rates set for unbundled transport, in subsection ii, above.

(d) Right-of-Way Access Rates: Charges for right-of-way access shall

initially be set at those contained in the current agreements between ATU and Municipal Light and Power and Chugach Electric Association.

- (e) Collocation Rates (see Exhibit K):
 - (i) Space, per square foot: \$5.00 per month.
 - (ii) Power, per 15 amp unit: \$71.00 per month.
- (f) Number portability rates (see Exhibit M): \$3.00 per ported number/market share.

IV. Proprietary Information

During the term of this Agreement, the parties may, but shall not generally be obligated to, disclose information to each other which they consider proprietary or confidential. Without specific prior written consent, except when required by law or court order, neither party shall disclose to any third party, including but not limited to any competitors of GCICC or ATU, whether affiliated or unaffiliated with GCICC or ATU, any information supplied to it by the other which has been designated as confidential, and which is not otherwise generally available to the public, or is not already known to the other. This confidentiality requirement shall survive beyond the term of this Agreement and for a period of two years.

V. Force Majeure

The parties performance under this Agreement (except where required by Order of the APUC under Section 252(c)(3) of the Act) shall be excused if such non-performance is due to labor difficulties, governmental orders, equipment failure, inability or delay in securing equipment, civil commotion, acts of nature, weather conditions and other circumstances beyond the parties' reasonable control.

VI. Audit

Upon 30 days written notice (or such shorter period as the parties may mutually agree upon), ATU and GCICC or their authorized representatives, shall have the right to examine and audit each other,

during normal business hours and at reasonable intervals, as determined by the party undergoing the audit, all such records and accounts in the possession of the other, which contain information bearing upon the determination of the amounts payable under the rates established in Section III, above, to either party. The maximum period of any audit shall encompass is 24 months, or the period from the most recent audit, whichever is less. Not more than one audit shall be conducted in any twelve-month period during the term of this Agreement or any renewal period.

No claim or demand with respect to any audit may be made by ATU or GCICC more than two years after the date of the event which gave rise to the claim or demand.

VII. Notices

Except as otherwise provided in this Agreement or in the event of day-to-day operational issues set forth in the Exhibits hereto, all notices required or permitted to be given shall be made in writing and whether delivered in person, sent via facsimile ("FAX") or by certified mail, return receipt requested, postage prepaid, in any post office in the United States and addressed as set forth below. The addresses to which notices or communications may be given to either party may be changed by written notice given by such party to the other. A notice sent via FAX is effective forty-eight (48) hours after the senders receipt of a 'good' transmission slip.

ATU Telecommunications
Attention: General Manager
600 Telephone Avenue
Mail Station 7
Anchorage, Alaska 99503
FAX: 907-563-2688

GCICC Communication Corp.
Attention: General Manager
2550 Denali Street
Suite 1000
Anchorage, Alaska 99503
FAX: 907-265-5676

VIII. Term

This Agreement shall continue in force from the date it is signed by both parties and approved by the APUC, and thereafter until terminated by Order of the APUC or FCC. Upon the termination as to any element herein, the parties shall negotiate in good faith to agree to a replacement agreement or agreements.

IX. Applicable Law

The validity, construction and performance of this Agreement shall be governed by and interpreted in accordance with laws of the State of Alaska.

X. Liability.

Each party agrees to reimburse the other party for damages to premises or equipment resulting from a party's negligence in the installation, maintenance or interconnection to or removal of facilities, services or arrangements. Each party represents that its system is constructed in accordance with all applicable laws, orders, rules and regulations, and in accordance with all applicable technical standards and specifications. Each party shall indemnify and hold the other harmless from any and all claims which arise out of the interconnections provided under this agreement, unless the claim arises out of negligent or wrongful conduct of the other party.

XI. Patents

- (a) With respect to claims and patent infringement made by third persons, GCICC shall defend, indemnify, protect and save harmless ATU from and against all claims arising out of or based on the use of facilities and equipment or arrangements furnished under this Agreement by GCICC or its Customers.
- (b) With respect to claims of patent infringement made by third persons, ATU will defend, indemnify, protect and save harmless GCICC from and against all claims arising out of or based on the use of facilities and equipment or arrangements furnished under this Agreement by ATU or its Customers.
- (c) Neither Party grants to the other any license under patents nor shall any be implied or arise by estoppel in either Party's favor with

respect to any circuit, apparatus, system or method used by the parties in connection with any channels, interconnection types, or arrangement furnished under this Agreement.

- (d) Notwithstanding any other provisions of this agreement, the parties agree that neither party has made, and that there exists, no warranty, express or implied, that the use by either party of the other party's facilities, arrangements or services provided by the other party under this agreement shall not give rise to a claim by any third party for infringement, misuse or misappropriation of any patent or other intellectual property right of such third party.

XII. Allowance for Interruptions

- (a) When use of the channels, interconnection types of arrangements furnished by ATU or GCICC in accordance with this Agreement is interrupted due to trouble in such channels, interconnection types or arrangements, and such interruption is not caused by (1) gross negligence or willful misconduct of the furnishing party or its Customer or (2) the fault of facilities or equipment provided by the receiving party or its Customer, the receiving party shall, upon request, be allowed a credit which shall be in an amount equal to the pro rata monthly charges to be paid for such arrangements or facilities, including both usage sensitive and non-usage sensitive charges, specified in the body of this Agreement and the attachments, for the period which the interconnection affected by the interruption is out of service. Except in the case of gross negligence or willful misconduct, such allowance amount shall be the sole monetary remedy available for such interruption.
- (b) All credits for interruption shall begin from the time the furnishing party becomes first aware of the interruption. No credit shall be required for a total amount of less than fifty dollars (\$50.00), per interruption.

XIII. Miscellaneous.

- (a) Tariffs
In the event that any of the services provided hereunder or the charges made therefor are currently subject, or at any time become subject, to any federal, state or local regulation or tariff, then the terms and conditions of this Agreement, including the charges set

forth in this Agreement and the attachments (as amended from time to time) shall be deemed amended to conform to any conflicting terms and conditions in effect under such regulation or tariff, provided, however, that all non conflicting terms and conditions of this Agreement shall remain valid and effective.

(b) Non-waiver

The waiver, express or implied, by either party hereto or any rights hereunder or of any failure to perform or breach hereof by the other party hereto shall not constitute or be deemed a waiver of any right hereunder or any other. Failure to perform or breach hereof by the other party, hereto, whether of a similar or dissimilar nature.

(c) Limitations of Joint Liability

The parties are, for purposes of this Agreement, independent contractors and nothing herein shall be construed to imply that they are partners, joint ventures or agents of one another.

(d) Assignment

Unless allowed in writing by the other party, whose consent shall not be unreasonably withheld, any assignment of a party of its interest in any part of this Agreement or any delegation of duties under this Agreement, to other than a wholly-owned subsidiary, shall be void, and any attempt by a party to assign any part of its interest or delegate duties under this Agreement shall give the other the right immediately to request termination of this Agreement.

(e) Compliance with Laws

Nothing in this Agreement shall be deemed an admission by either party hereto that any provision of state or federal law has been complied with, nor shall such Agreement, or any portion thereof, be deemed a waiver of any rights or remedies that either party may have under the state or federal law.

(f) Entire Agreement

This Agreement and all appendices and amendments embody the entire agreement of the parties. There are no promises, terms, conditions or obligations other than those contained herein; and this Agreement shall supersede all previous communications, representatives or agreements, either oral or written, between the

parties.

(g) Modifications

This Agreement shall only be amended, modified or changed in writing, executed by an authorized representative of the parties, with the same formality as this Agreement was executed, excluding the provision set forth by an APUC order and such writing shall be attached to this agreement as an appendix.

(h) Affiliate Agreements

In the event ATU enters into, or materially amends, any interconnection agreement with any affiliate, ATU will provide GCICC with a copy of the public notice of any such agreement or amendment and will agree to re negotiate this Agreement in light of such affiliate transaction, upon written request of GCICC.

IN WITNESS THEREOF, the undersigned have executed this Agreement.

ATU TELECOMMUNICATIONS

GCI COMMUNICATION CORP.

Thomas C. Edrington
General Manager

G. Wilson Hughes
Executive Vice President & General
Manager

STATE OF ALASKA)
)
THIRD JUDICIAL DISTRICT) ss.

The foregoing instrument was acknowledged before me on this _____ day of December 1996 by Thomas C. Edrington, General Manager on behalf of ATU Telecommunications.

Notary Public in and for Alaska
My Commission Expires _____

STATE OF ALASKA)
)
THIRD JUDICIAL DISTRICT) ss.

The foregoing instrument was acknowledged before me on this _____ day of December 1996 by G. Wilson Hughes, Executive Vice President & General Manager on behalf of GCI Communication Corp..

Notary Public in and for Alaska
My Commission Expires _____