

Introduced: 5/20/77
Referred: Special Committee on
Telecommunications and Commerce

1 IN THE HOUSE

BY STATE AFFAIRS COMMITTEE

2 CS HOUSE BILL NO. 545 (Commerce)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Alaska Satellite Users Associa-
7 tion."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 44 is amended by adding a new chapter to read:

10 CHAPTER 55. ALASKA SATELLITE USERS ASSOCIATION.

11 Sec. 44.55.010. ALASKA SATELLITE USERS ASSOCIATION. There is
12 created the Alaska Satellite Users Association. The association is a
13 public nonprofit corporation and government instrumentality but has a
14 legal existence independent of and separate from the state.

15 Sec. 44.55.020. PURPOSE OF ASSOCIATION. (a) The purpose of the
16 association is to make available to Alaskan users, through cooperative
17 purchasing and utilization, satellite communication services including
18 television programming, special television services, data transmission,
19 radio broadcast, and other broad band channels.

20 (b) The association shall act as a broker of telecommunication
21 services to the various categories of users of these services in Alaska,
22 with all services to be provided at cost.

23 Sec. 44.55.030. BOARD OF DIRECTORS. (a) The association is
24 governed by a seven-member board of directors. The members of the board
25 shall consist of the following persons:

26 (1) two members designated by the Alaska Broadcasters Asso-
27 ciation from its directors, at least one of whom must be a representa-
28 tive of a television broadcasting station licensed by the Federal
29 Communications Commission;

1 (2) three members appointed by the governor, composed of the
2 following:

3 (A) one person involved in a direct day-to-day mana-
4 gerial capacity in a public television station;

5 (B) one person on the staff of the University of Alaska
6 involved in the use of television in education;

7 (C) one person familiar with data transmission tech-
8 niques;

9 (3) one member representing the Alaska Cable Television
10 Association; and

11 (4) one member chosen by the governor from candidates desig-
12 nated or nominated by active organizations having primarily rural
13 interests.

14 (b) At least one of the seven directors shall be a person compe-
15 tent and knowledgeable in engineering and technology related to tele-
16 vision and data transmission.

17 (c) The members receive no salary for their service as directors
18 of the association, but are entitled to per diem and travel expenses
19 authorized by law.

20 Sec. 44.55.040. TERM OF OFFICE. The term of office of a director
21 is three years. The terms are staggered with two terms expiring every
22 third year beginning with 1978, two terms expiring every third year
23 beginning with 1979, and three terms expiring every third year beginning
24 with 1980. No member may serve more than six years.

25 Sec. 44.55.050. POWERS OF THE ASSOCIATION. The association has
26 the general power to:

- 27 (1) adopt, alter and use a corporate seal;
28 (2) prescribe, adopt, amend and repeal bylaws;
29 (3) sue and be sued in its own name;

1 (4) employ personnel and to fix, change and pay compensation
2 for their services as the association may determine;

3 (5) make and execute agreements, contracts and other instru-
4 ments necessary or convenient in the exercise of its powers and func-
5 tions, including contracts with any person, firm, corporation, govern-
6 ment agency or other entity;

7 (6) lease or otherwise contract for communications channel
8 capability from suppliers of telecommunications services, particularly,
9 but not limited to, suppliers of entertainment and educational tele-
10 vision programming and data transmission over long distances;

11 (7) provide technical advice and assistance to members, mem-
12 ber associations, and individual users which relate to services provided
13 by the association;

14 (8) receive, administer and comply with the conditions and
15 requirements of an appropriation, gift, grant or donation of property or
16 money;

17 (9) acquire, hold, use, lease, sell or otherwise dispose of
18 property of any kind, real, personal or mixed or any interest in it;

19 (10) adopt, amend and repeal bylaws necessary for the exercise
20 and performance of its powers and duties or to govern the rendering of
21 service;

22 (11) determine, fix, alter, charge and collect rates, fees,
23 rentals and other charges to reimburse the association for the use of
24 facilities and services of the association;

25 (12) do all acts and things necessary, convenient or desirable
26 to carry out the powers granted or implied in this chapter.

27 Sec. 44.55.060. ELIGIBILITY FOR MEMBERSHIP. Any person, business,
28 or other entity in the state who has a present or prospective need for
29 the services provided by the association is eligible for membership in

1 the association, including, but not limited to, the following:

2 (1) public or privately owned, federally licensed broad-
3 casting facilities;

4 (2) cable television operations certified with a Federal
5 Communications Commission "Certificate of Compliance";

6 (3) state or federal agencies (to the extent permitted by
7 applicable law) which provide medical services and which have a need for
8 the services of the association, and including nonprofit health corpora-
9 tions;

10 (4) theater television enterprises;

11 (5) departments, agencies, or offices of the state that have
12 now or may develop a need to use television or data transmission in the
13 conduct of their operations;

14 (6) local governments or agencies or entities of local
15 governments that have now or may develop a need to use television or
16 data transmission in the conduct of their operations;

17 (7) any other private businesses which can demonstrate to the
18 board of directors that it cannot feasibly obtain television or data
19 transmission services without participation in the association.

20 Sec. 44.55.070. EXECUTIVE DIRECTOR. The association may employ an
21 executive director and such other personnel as are necessary to carry
22 out the purposes of this chapter.

23 Sec. 44.55.080. TAX EXEMPTION. The exercise of the powers granted
24 by this chapter will be in all respects for the benefit of the people of
25 the state, for their well-being and prosperity and for the improvement
26 of their social and economic conditions, and the association is not re-
27 quired to pay a tax or assessment on any property owned by the associ-
28 ation under the provisions of this chapter or upon the income from it.

29 Sec. 44.55.090. SERVICES OF GOVERNMENT AGENCIES AND COST OF SER-

1 VICES. All officers, departments, boards, agencies, divisions and
2 commissions of the state may render those services to the association as
3 are within the area of their respective governmental functions and as
4 are requested by the association. The cost and expense of services
5 requested by the association shall, at the request of the officer,
6 department, board, agency, division or commission rendering the service,
7 be paid by the association.

8 Sec. 44.55.100. RESTRICTIONS ON ASSOCIATION. (a) Decisions,
9 choices, and orders regarding programming and data content shall be made
10 by the individual members, not by the association acting as a corporate
11 body.

12 (b) The association may not engage in telephone business or pro-
13 vide a substitute for usual methods of telephonic communication except
14 as directly related to otherwise authorized services.

15 Sec. 44.55.110. DUES OF ASSOCIATION. (a) Subject to the pro-
16 visions of sec. 120 of this chapter relating to the declining state
17 subsidy of the association, the board of the association shall establish
18 a schedule of assessment of members of the association which shall
19 allocate cost of operation of the association among the members of the
20 association on a pro rata basis according to actual use of services of
21 the association.

22 (b) Costs of operation of the association shall be allocated to
23 and assessed against agencies of the state participating in the associa-
24 tion and utilizing services of the association on the same basis as non-
25 state users.

26 Sec. 44.55.120. DECLINING STATE SUBSIDY OF THE ASSOCIATION.
27 During the first year of operation, the state shall cover the full cost
28 of operation of the association. Subject to legislative appropriation
29 and the availability of loans under sec. 130 of this chapter, the state

1 shall continue to pay a share of the cost of the association which will
2 decline by 10 per cent each year for seven years. Thereafter, the full
3 cost of the association shall be borne by the members of the association
4 according to sec. 110 of this chapter.

5 Sec. 44.55.130. AUDIT. The association shall be subject to audit
6 by the Department of Administration and by the legislative audit divi-
7 sion in the same manner as a state agency.

8 Sec. 44.55.140. LOAN FUND. (a) There is in the Department of
9 Commerce and Economic Development the satellite communications users
10 revolving loan fund, to be administered by the commissioner in compli-
11 ance with this chapter.

12 (b) Loans may be made from the fund to the association upon certi-
13 fication by the commissioner that a loan is necessary to enable the
14 association to accomplish the purposes of secs. 10 - 120 of this chap-
15 ter.

16 (c) If a loan is made to the association from the fund, the
17 association shall issue a note to the fund as evidence of the loan.
18 Terms and conditions of each loan shall be determined by the commis-
19 sioner. The commissioner may sell at par value to the Department of
20 Revenue and the Department of Revenue shall purchase the notes held by
21 the fund as security for loans made under this section.

22 Sec. 44.55.150. DEFINITIONS. In this chapter

23 (1) "association" means the Alaska Satellite Users Associ-
24 ation;

25 (2) "member" means a member of the Alaska Satellite Users
26 Association;

27 (3) "user" means a person using the facilities and services
28 of the Alaska Satellite Users Association.