

Original sponsor: State Affairs Committee
by request

Offered: 4/14/77
Referred: Rules

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 CS FOR HOUSE JOINT RESOLUTION NO. 32

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 Relating to review of interstate and
6 intrastate telephone service and rates.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 WHEREAS Alaska is a land of vast distances, rugged terrain, widely
9 scattered population, and limited transportation facilities; and

10 WHEREAS the people of Alaska must rely in large measure upon telephone,
11 telegraph and other telecommunications services as a substitute for trans-
12 portation; and

13 WHEREAS the people of Alaska have been required to pay far higher rates
14 for interstate telephone service than have citizens in other states; and

15 WHEREAS the advent of satellite communications has largely eliminated
16 distance as a factor in setting long distance telephone rates, thus making
17 possible the lowering of charges for interstate long distance telephone
18 service; and

19 WHEREAS the Federal Communications Commission determined in 1973 that
20 this historic discrimination against the people of Alaska should be eliminated
21 through the integration of rates for Alaska telecommunications service into
22 the rate patterns existing in the contiguous forty-eight states, and that the
23 rate integration should take place with the beginning of domestic satellite
24 service to Alaska; and

25 WHEREAS RCA Alascom and the American Telephone and Telegraph Company
26 have stated their intention to the Federal Communications Commission to
27 implement a rate integration plan; and

28 WHEREAS rate integration, as proposed, will eliminate the disparity in
29 interstate telephone rates to Alaska in three approximately equal steps, the

1 first of which began in March, 1976; and

2 WHEREAS phase II of rate integration, scheduled to be implemented on
3 July 1, 1977, will provide a 50 per cent reduction in the existing disparity
4 between the rates paid by Alaska consumers for interstate telephone calls
5 and those paid by consumers in the contiguous forty-eight states; and

6 WHEREAS this reduction in interstate telephone rates will provide signi-
7 ficant public benefits by making service more widely affordable and by
8 strengthening the ties of Alaskans to their fellow citizens in other states;
9 and

10 WHEREAS the local long lines carrier, RCA Alascom, has recently sought
11 to delay the introduction of phase II of rate integration and its attendant
12 benefits to the people of Alaska by claiming, without any relevant justifica-
13 tion, that rate integration could lead to a 300 per cent increase in Alaska
14 intrastate telephone rates; and

15 WHEREAS RCA Alascom has failed to provide a rate integration proposal
16 for phases II and III, and the data underlying that proposal, as promised
17 to the Federal Communications Commission and the people of Alaska; and

18 WHEREAS RCA Alascom has provided no relevant, documented justification
19 for any delay in the scheduled implementation of phase II of rate integration
20 on July 1, 1977; and

21 WHEREAS no increase in intrastate telephone rates may be or should be
22 implemented without the submission of complete documentation and justification
23 to the Alaska Public Utilities Commission; and the full consideration of that
24 body; and

25 WHEREAS RCA Alascom has never been subjected to a thorough regulatory
26 audit nor have its interstate or intrastate telephone rates ever been investi-
27 gated as permitted and provided for in the Alaska statutes and the Federal
28 Communications Act of 1934;

29 BE IT RESOLVED that the Alaska State Legislature urges

1 1. the Federal Communications Commission to disapprove any request for
2 a delay in the implementation of phase II of rate integration as planned on
3 July 1, 1977;

4 2. the Federal Communications Commission to order for the period of
5 phase II an interim division of revenues between RCA Alascom and American
6 Telephone and Telegraph for their provision of interstate telephone service
7 in amounts which will insure the economic viability of all participating
8 carriers and remove the necessity for intrastate rate increases attributable
9 to rate integration;

10 3. the Federal Communications Commission to institute under its powers
11 granted by the Communications Act of 1934 an investigation, audit and rate
12 proceeding to determine the lawfulness of all RCA Alascom charges, practices,
13 classifications and regulations for or in connection with its interstate
14 telecommunications services;

15 4. the Federal Communications Commission to establish, concurrently
16 with the proceedings called for in 3 of this resolution, a Joint Board, under
17 sec. 410(c) of the Communications Act of 1934, including representation of
18 the Alaska Public Utilities Commission, to determine appropriate procedures
19 for separating costs and revenues for telephone carriers in Alaska;

20 5. the Alaska Public Utilities Commission to institute an investigation,
21 audit and rate proceeding to determine the lawfulness of RCA Alascom's
22 intrastate rates, classifications, rules, regulations, practices, services
23 and facilities under AS 42.05;

24 6. the Governor through his Office of Telecommunications to participate
25 fully in these proceedings before the Federal Communications Commission and
26 the Alaska Public Utilities Commission so that the interests of the citizens
27 of Alaska may be fully protected and advanced.

28 COPIES of this resolution shall be sent to the Honorable Richard E.
29 Wiley, Chairman, Federal Communications Commission; the Honorable Ted Stevens

1 and the Honorable Mike Gravel, U.S. Senators, the Honorable Don Young, U.S.
2 Representative, members of the Alaska delegation in Congress; to the members
3 of the Alaska Public Utilities Commission; and to the Governor's Office of
4 Telecommunications.

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