HB
19

H B 19

Tape No. Date

13 3/13

March 6, 1975

President
Alaska Telephone Association
500 W. International Airport Road
Anchorage, Alaska 99503

Dear Mr. President,

The House Commerce Committee will be holding hearings on HB 19 relating to telephone utilities on Thursday March 13 at 8 a.m. The hearing will be held in room 203 of the Assembly Building in Juneau. Testimony will be heard at this time.

Sincerely,

B. Bradley

Bob Bradley

BB/mr

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

Internal Correspondence

RCA Alaska Communications

URGENT

Herb Cotten - Mgr Revenue Accounting
John Russel - Mgr Data Processing

To Ken Sprain
Bill Gooding

Location Juneau

Date March 13, 1975

From Andrew R. Sarisky

Location Anchorage

Telephone

Subject House Bill No. 19 by Representative Swanson - Committee Hearing 4 p.m. March 13.

Please deliver the following message to either Herb Cotton, Gordon Parker, John Kocsell or Henry Pratt before this afternoon's hearing. (Gordon Parker is staying at the Baranoff.)

The proposed requirement (Section 42.20.170), which would do away with liability for telephone service charges if they are not billed within sixty days, is arbitrary and not based upon any data or studies supporting the sixty-day limitation. As a matter of fact, the established industry practices and standards, and the details involved in the billing cycles clearly require more than sixty days to permit billing of the various types of telephone charges. The section is not clear as to whether or not telephone service charges are the monthly recurring charges. An attempt to circumscribe this arbitrary period without foundation or support is an invasion of the business and management of telephone companies, and there is serious question as to whether or not this extreme action proposed to the Legislature can in fact legally discharge the liability to pay for telephone services, and may be an intervention into a contract relationship and the right to contract.

The proposed Section 42.20.160 unjustifiably and without any legal authority would have each customer make a unilateral deduction of telephone service charges for each day that a telephone is inoperative, due to the malfunction of the individual subscriber's telephone service or the telephone system to which it is connected, without distinguishing between the fact that the local exchange company has the responsibility for the working order of the telephone instruments. The proposal does not set up any lines of demarcation or means of identifying responsibility and, as written, the customer could deduct charges for long distance calls which were completed, even though the long distance company might not have had anything to do with the outage or the malfunction. This proposed self-policing can only lead to chaos, as people claim outages and arbitrarily deduct from billings, thus depriving the companies of earned revenues by arbitrary deductions that bear no relationship to the problems sought to be corrected. The proposal is not clear, but appears to be referring to deducting from the monthly recurring charge of the local exchange service company, but inasmuch as telephone billings usually include the local exchange service and the long distance telephone charges for the month, no doubt the subscriber would deduct 1/30th of the local service and the long distance charges.

This proposed legislation raises serious questions as to constitutionality, invasion of private enterprise, and arbitrary action without sufficient foundation to support the deduction as reflecting a measure of damages, and in the case of the 60-day billing limitation there are no facts upon which the 60 days can

Attention: Bill Gooding
For delivery to Messrs. Cotton, Parker, Russell or Pratt
House EBIT No. 19
March 13, 1975

as supported, based upon valid business statistics and

experience.

Andrew R. Sarisky

Mr. Gooding:

Thanks for your assistance in delivering this message.

THE PRECEDING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

Originating Company	Nbr of Messages	%
Alaska	982,973	95.4
AT&T, CNT, BCT	43,101	4.1
CVCS	1,791	.2
Re-Bills	2,368	.3
	1,030,233	100.0

Current Billing Flow - Continental Telephone Company

Date of Call	RCA processing Completed MAC tape	RCA processing completed EDP cards	Mail to Arrive Calif.	Cont. Tel Co Cutoff	Elapsed Time
1-5	11	13-16	18+	20	25-30 dys.
6-10	16	18-23	25+	20 next mo.	50-54 "
10-15	21	23-28	30+	20 next mo.	45-50 "
16-20	26	28-3	5+	20	40-45 "
21-25	31	3-8	10+	20	35-40 "
26-31	6	8-13	15+	20	30-35 "

Proposed Billing Flow - Continental Telephone Company

Date of Call	RCA Processing Completed Mag Tape	Mail to Arrive Calif	Cont. Tel. Co. Cut-off	Elapsed Time
1-5	11	13	28	25-30 days
6-10	16	18	28	20-25 "
11-15	21	23	28	15-20 "
16-20	26	28	28	10-15 "
21-25	31-1	3	28 next month	35-40 "
26-31	6	8	28 next month	30-35 "

Billing Flow Customer Dennis Knowledge - CTC

	Elapsed Time	Total elapsed Time
Customer initially billed		54 days
Cust. DAK	15-30 days	69-84 days
Con. Field Investigation & ret. to Cal.	5 "	74-89 "
California Processing	5 "	94-99 "
Return to RCA	3 "	97-102 "
RCA RA processing	3 "	100-105 "
CTI	15-30 "	115-145 "
Re-Billing by RCA	5 "	120-150 "
[illegible]	[illegible] "	[illegible] "

Proposed Billing Flow - Continental Telephone Company
Date of Call   RCA Processing