

2-3-82

HCR 56

HOUSE LABOR & COMMERCE
STANDING COMMITTEE
February 3, 1982
1:12 p.m.

Members Present: Rep. Martin, Chairman
Rep. Bylsma, Vice-Chairman
Rep. Rogers
Rep. Randolph

Members Absent: Rep. Gardiner

COMMITTEE CALENDAR

HCR 56 Relating to the policy of the legislature concerning telecommunications.

HB 146 An Act relating to payment procedures on certain public contracts. NOTE: no testimony was taken today on this bill; committee rescinded action taken on 2/1/82. See today's "Previous Action", last motion.

WITNESS REGISTER

Alex Hillis
Department of Administration
Pouch C
Juneau, Alaska 99811
465-2200
Position Statement: Gave administration's position.

Allen Blume
Telelink Communications, Inc.
PO Box 1648
Juneau, Alaska 99801
586-6228
Position Statement: Supported legislation.

Robert Gould
Alaska Cable Television Association
No address or phone given
Position Statement: Supported legislation.

PREVIOUS ACTION

HCR 56 No previous action.

Statutory Reference: None.

Action taken: Rep. Rogers moved, page 1,

lines 8-12, to delete word "increasing"; Rep. Randolph seconded. Motion passed unanimously.

Rep. Rogers moved, page 1, line 15, to delete word "incentive" and replace with word "initiative". After discussion, the motion was withdrawn.

Rep. Rogers moved, page 1, line 20, to delete word "appropriations" and insert "issues". After discussion, Rep. Rogers amended his motion to insert word "legislation" rather than "issues". Motion passed by unanimous consent.

Rep. Rogers moved, page 1, line 22, to insert before the word "services", the words "cost-effective". Motion passed by unanimous consent.

Rep. Rogers moved, page 2, line 10, to insert "public and" before word "commercial". Rep. Randolph objected. Rep. Rogers withdrew his motion.

Rep. Rogers moved, page 2, lines 11-12, to delete everything after word "sessions". There was discussion; Rep. Randolph proposed amending motion to delete everything after word "basis" on line 9. Discussion. Question was called on Rep. Randolph's amendment: For: Randolph; Opposed: Martin, Rogers, Bylsma. Amendment failed. Question was called on Rep. Rogers' amendment: For: Rogers, Bylsma, Randolph; Opposed: Martin. Motion passed.

Rep. Rogers moved, Page 2, line 6, insert after word "stations" the language, "or to contract with the private sector for operation and maintenance of the stations". Motion passed unanimously.

Rep. Rogers moved, page 2, line 2, to delete first "and" and insert "or". Motion passed unanimously.

Rep. Rogers moved, page 2, line 10, insert "public and" before word "commercial"; Rep. Randolph objected. Question: for--Martin, Rogers, Bylsma; opposed--Randolph. Motion passed.

Rep. Randolph moved, page 1, line 25, delete "to the extent possible"; and on line 26, delete "reduce or"; objection by Rep. Rogers. Amendment was withdrawn by Rep. Randolph.

Rep. Randolph moved, page 1, line 28, delete word "unnecessary", and line 29, delete words "new and innovative". Rep. Rogers moved to divide motion; he withdrew this motion. Question on Rep. Randolph's motion: for--Randolph; opposed--Bylsma, Martin, Rogers. Motion failed.

Rep. Bylsma moved, page 1, line 26, delete words "reduce or". There being no objection, the motion passed.

Rep. Randolph moved, page 1, to delete all language on lines 15 and 16; Rep. Martin objected. Question: for--Rogers, Bylsma, Randolph; opposed--Martin. Motion passed.

HB 146

See minutes for 2/1/82.

Rep. Randolph moved to rescind action in adopting amendment #1 on HB 146, and to adopt the alternate language suggested by the Department of Labor, which reads: "The state shall initiate payment to the contractor for the amount due under the public construction or public works contract within 15 days after the contractor submits to the state a bill for materials and services and a sworn certification that all employees employed on the project by the contractor and by all subcontractors have been paid not less than the established prevailing rate of pay as determined and published by the Department of Labor."; and to move the bill from committee. Motion passed unanimously.

ACTION NARRATIVE

Tape #008
Recording
Number 0001

The meeting was called to order by Chairman Martin at 1:12 p.m. Members present were: Martin, Randolph, Bylsma, Rogers. Representative Gardiner was absent. Representative Martin explained HCR 56.

- Number 0022 Alex Hills, Department of Administration, said the administration sees no conflict with the resolution.
- Number 0052 Allen Blume, Telelink Communications, Inc., supported the resolution. (He spoke from prepared testimony, which is available from the committee.) There was discussion between Blume and Rogers about possible amendments.
- Number 0180 Representative Martin explained HB 506 and outlined the proposal of creating a commission or board of telecommunications, and asked Blume for his opinion. Blume felt the dangers would be that, 1) the commission would be a "toothless monster"; and 2) that it could lead to a proliferation of regulations. He supported generally the idea of a commission, but felt it should be tailored carefully, possibly sunsetted, and should work with other agencies. There was discussion.
- Number 0246 Rep. Randolph said legislation needed to define "free enterprise", "private sector", etc. Rep. Martin asked him to do that. Rep. Rogers expressed concern.
- Number 0261 Robert Gould, Alaska Cable Television Association, supported resolution. He was concerned that the private sector be given a fair chance to deliver services now performed by the public sector. He felt this would be cost-efficient for taxpayers. He was personally concerned whether Alaskan communities need a multiplicity of television stations provided by public appropriations. He wanted to see all communications entities cooperating and communicating with each other, with the legislature, and with the administration.
- Number 0360 Rep. Martin asked Gould's opinion of a commission on telecommunications. Gould said that, in principle, it is a good idea as it is a technical area. He felt the efforts the administration have made have good potential to date. He would not necessarily want to see that replaced, but incorporating that with a new commission may be a good idea. There was discussion of how such a commission would function.

Number 0433

Gould said, regarding legislative coverage, that CTA feels that getting constituents closer to the legislature is good. He said they plan an ACE band with live, unedited coverage of the legislature; local broadcast stations could add commentary. He said they have done preliminary cost proposals that show this could be done for under \$1-million equipment costs. There was discussion.

Number 0567

Rep. Rogers moved, page 1, lines 8-12, to delete word "increasing"; Rep. Randolph seconded. Motion passed unanimously.

Rep. Rogers moved, page 1, line 15, to delete word "incentive" and replace with word "initiative". After discussion, he withdrew the motion.

Rep. Rogers moved, page 1, line 20, to delete the word "appropriations" and insert word "issues". Rep. Martin suggested adding the word "issues". Rep. Rogers changed his motion to insert the word "legislation" rather than "issues". Motion passed by unanimous consent.

Rep. Rogers moved, page 1, line 22, to insert words "cost-effective" before the word "services". Motion passed by unanimous consent.

Rep. Rogers moved, page 2, line 10, to insert the words "public and" before the word "commercial". There was objection by Rep. Randolph. Rep. Rogers withdrew the amendment.

Rep. Rogers moved, page 2, lines 11-12, to delete language "by making equipment, space, and satellite time available to the private sector." Rep. Randolph said the legislature had no business encouraging coverage, and moved to amend the motion to delete everything after the word "basis" on line 9. There was discussion among the committee. Rep. Martin asked Hill for an estimate of costs; Hill said about \$5-million a year is spent total on the television demonstration project, and \$5-million a year on Learn Alaska.

Question was called on the Randolph amendment: Randolph voted for; Bylsma,

Martin and Rogers were opposed; and the amendment failed.

Question was called on the Rogers amendment: Rogers, Randolph, and Bylsma voted for the amendment; Martin opposed; amendment passed. Rep. Rogers moved, page 2, line 6, after the word "stations", to insert the language, "or to contract with the private sector for operation and maintenance of the stations". Motion passed unanimously.

Rep. Rogers moved, page 2, line 2, to delete first "and" and insert "or". Motion passed unanimously.

Number 0800

Rep. Rogers moved, page 2, line 10, to insert words "public and" before the word "commercial"; Rep. Randolph objected. Rep. Martin felt there was no sense re-involving public stations. Rep. Rogers argued that the language is only encouraging coverage and that it didn't mean the state would pay for it. There was discussion. Vote: Rogers, Bylsma, Martin voted for the amendment; Randolph opposed; motion passed.

Rep. Randolph moved, page 1, line 25, to delete "to the extent possible"; and on line 26, delete "reduce or"; there was objection by Rep. Rogers. Discussion. Rep. Rogers felt this could bind the state to upgrading cable system. Rep. Randolph felt the amendment makes it clear that the Division of Telecommunications will clear their own. Hill said that Rep. Rogers is correct; the language allows flexibility, but the amendment would not be possible to carry out. Rep. Randolph withdrew the amendment.

Side B, Number 005

Rep. Randolph moved, page 1, line 28, to delete the word "unnecessary"; and on line 29, to delete the words "new and innovative". Rep. Rogers moved to divide the motion. There was discussion. Rep. Rogers withdrew his motion to divide the question. Question was called: Randolph for; Bylsma, Martin, and Rogers opposed; motion failed.

Rep. Bylsma moved, page 1, line 25, to delete "reduce or". There was no objection; motion passed unanimously.

Number 0060

Rep. Randolph moved, page 1, to delete all language on lines 15 and 16. Rep. Martin objected. There was discussion. Question was called: Bylsma, Rogers, Randolph for; Martin opposed. Amendment passed.

Number 116

Rep. Randolph requested that the bill be redrafted by legal services, incorporating amendments, for discussion the following day.

Rep. Randolph moved to rescind the committee's action on HB 146 in adopting the "preferred amendment" which was proposed by the Department of Labor, and to adopt the alternate language proposed in the same document; and to pass the amended bill from committee. Motion passed unanimously. New language reads, "The state shall initiate payment to the contractor for the amount due under the public construction or public works contract within 15 days after the contractor submits to the state a bill for materials and services and a sworn certification that all employees employed on the project by the contractor and by all subcontractors have been paid not less than the established prevailing rate of pay as determined and published by the Department of Labor."

There being no further business to come before the committee, the meeting adjourned at 2:26.

HOUSE LABOR AND COMMERCE COMMITTEE

FINAL INTERIM REPORT

December 17, 1981

The House Labor and Commerce Committee has completed its interim work. Most of the Committee's priority legislation is being drafted or redrafted and will be ready for further consideration early in the second session of the 12th Alaska Legislature.

Public participation during hearings in Anchorage and Fairbanks was excellent, particularly with regard to the Committee's three primary areas of concern -- workers' compensation, statewide telecommunications and government permits.

Additionally, Chairman Terry Martin has reviewed some 30 pieces of legislation lodged in the Committee but which were not addressed in any detail during the interim. Chairman Martin is organizing these bills and resolutions by priority so they can be expedited early next session.

A status report of interim activities is as follows:

WORKERS' COMPENSATION

Tom Sofo of the legislative legal services arm currently is preparing the final redraft of House Bill 159 dealing with revision of state workers' compensation law.

The redraft will be ready for further Committee consideration early next session.

As the Committee's top priority during the interim, much time has been spent collecting public testimony from various concerns in an effort to reach consensus on resolving this lingering problem. The Committee has explored a multitude of proposals to reduce the escalating premium rates.

While the final interim bill will address various broad concerns of the Committee, specifics regarding insurance rates and self-insurance programs will be incorporated in a separate bill shortly after the start of the second session.

The Committee feels it must await results of an in-depth study being conducted by John Lewis of Florida, a workers' compensation expert on contract with the state Division of Workers' Compensation. Mr. Lewis's findings are necessary before revision of the complicated rate structure can be addressed in any detail.

However, the final interim redraft of House Bill 159 attempts to adjust the law in ways the Committee feels will help reduce the extremely high insurance premiums Alaska businesses pay out for workers' compensation.

For one, a significant reduction in premium rates can be assured through immediate response to the needs of employees injured on the job, so that these injured workers can be returned to the labor force in the shortest period of time.

This objective can be attained, in part, by requiring injured workers expected to be on workers compensation more than 90 days to be referred to rehabilitation or pain clinics within 30 days of injury. Public testimony from experts in the field reported that months and even years pass before an injured worker is referred to a clinic. Obviously, the quicker an injured worker is rehabilitated, the quicker he can be returned to the work force. This means less compensation is paid out which, in effect, would affect the rate structure.

In regard to workers' compensation-job training and placement programs, the cost, in many cases, should be borne by the appropriate agencies such as CETA, WIN, or other government sponsored groups directly responsible for an

employee injured while on the job.

Higher educational career training, skill centers and other post secondary educational opportunities such as college should be funded through a special state grant program.

It must be emphasized that retraining costs, when figured into insurance premiums borne by the employer, is ultimately passed on to the consumer. It is the consumer who picks up the tab for the increased cost of goods and services.

Following a recent meeting with the state Workers' Compensation Board, the Committee feels the Board must be given more authority in making final determination of workers' compensation cases, in order to avoid long and costly legal fights -- all of which is reflected in the rate structure.

A goal of six months from the time of injury to settlement will result in almost no need for expensive attorney and court fees. It is felt that a decrease of 50 percent in the time spent on litigation of cases could be attained if the law were more clear on the Board's authority. The Committee feels that the Board -- comprised of lay experts in the field -- deals fairly with claimants and injured workers and give them every opportunity to air their grievances.

The Committee also feels that workers' compensation premiums could be further reduced in cases where an injured worker carries health insurance, or other insurance policies that cover personal injury.

The redraft of House Bill 159 also addresses the need to tighten up the so-called "Bunkhouse Rule," which essentially holds an employer responsible for an employee's safety when he is working more than 25 miles from his home.

While the Committee recognizes the right of workers to be protected when away from home, particularly in Alaska's remote regions, it also finds abuses in the system, especially during leisure-time activities and accidents caused by intoxication.

The Committee is of the opinion that an intoxicated worker who is injured is responsible for his actions and should not be entitled to collect workers' compensation benefits.

or drugged
Likewise, workers who become ill or contract social diseases due to intimate sexual activities away from home should not become the responsibility of their employer.
Likewise, if a worker is injured while racing motorcycles or playing sports during his leisure hours, it is highly questionable whether the employer should be responsible for his injury, particularly when other insurance programs carried by the worker may cover the injury.

The Committee also desires a clear and concise definition of the terms "benefit" and "compensation" as they appear in House Bill 159. In either case, the term should relate only to a worker's take-home pay and medical treatment. Workers' compensation was never meant to be an open-ended benefit system. The terms "compensation" and "benefit" appear so regularly throughout House Bill 159 that anything less than a concise definition will lead to misunderstanding and confusion.

GOVERNMENT PERMITS

The Committee has placed the redraft of Senate Bill 84 on hold until the beginning of the second session.

Testimony collected during the interim shows conclusively a real need for streamlining the government permitting process. However, it is equally clear that opinion on how to accomplish this goal varies widely.

On the one hand, the Alaska Oil and Gas Association (AOGA) and its membership believes Senate Bill 84 (Second Rules) does not go far enough in facilitating

the procedure for gas and oil permits. The association would like a stronger "lead agency" clause in Senate Bill 84 and a softening of language in the bill that guarantees "any individual, irrespective of his 'standing' otherwise granted under the law, to appeal a permitting decision, and further delay resolution of the application," according to the association.

On the other hand, environmental groups -- particularly Trustees for Alaska -- feel Senate Bill 84 and proposed administrative regulations do not adequately protect local community interest in the permitting procedure.

In the middle is the state Department of Law which, under direction of the Governor, has drafted new regulations governing classification of permits -- the reported purpose being to streamline the system.

Although the Committee feels there is strong support in both the House and Senate to clean up the system, it doesn't want to work hard to pass legislation only to have it vetoed by the Governor. This is why the Committee believes participation by the administration in this legislation is vital.

The Governor's chief executive, Jerry Reinwand, feels legislative participation in this issue is important and has reportedly held up implementing regulations until after the negotiation process. That process is underway, and hopefully an accord can be reached prior to the session.

STATEWIDE TELECOMMUNICATIONS

Legal services is currently drafting a House Concurrent Resolution that will spell out what the Committee feels should be the legislative policy regarding statewide telecommunications. The resolution will be sponsored by the House Labor and Commerce Committee.

The resolution is being drafted along the following lines:

-- Whereas a significant and increasing amount of public funds is being invested in telecommunications systems; and

-- Whereas it should be the role of state government to encourage and not compete with the private sector; and

-- Whereas the private sector which deals in Alaska telecommunications faces a crowding out by government in the wake of increasing state wealth; and

-- Whereas the private sector has been the foundation and vitality of the American Democratic and economic system; and

-- Whereas the Alaska State Legislature lacks a policy regarding the burgeoning telecommunications system;

Be it resolved that the Alaska State Legislature should take the following into account to serve as guidelines when considering telecommunications appropriations:

-- When and where possible, the state Divisions of Telecommunications should procure services from private enterprise or certified and franchised utilities and contract for the construction, management, operation and maintenance of telecommunications systems.

-- When and where possible, the state Divisions of Telecommunications should reduce or eliminate airwave interference of state owned or financed stations with privately owned and operated cable television stations.

-- Artificial regulatory and government barriers for growth and development of new and innovative services by the private sector should be removed.

-- In-state programming or Bush programming can be beneficial to sectors of the Alaskan community. However, the Divisions of Telecommunications should not only assure that such programs are cost effective, but production of these

programs should be available to the private sector on a contract or bid basis.

-- Alaska's villages should have the opportunity to own, operate and maintain their own satellite earth stations.

-- Companies owned and operated by Alaska residents and based in Alaska should be given a competitive edge over Outside interests.

-- No commercial advertisements shall be carried in state funded or state subsidized programs or in programs transmitted by state funded or state subsidized satellite channels.

-- The Legislature should encourage commercial radio and television news coverage of the legislative sessions by making equipment, space and satellite time available to the private sector. This would serve as a meaningful and efficient and non-controversial method of communicating legislative affairs to the public.

ARCHITECTURAL AND ENGINEERING SERVICES

House Bill 612, which relates to contracts for architectural, engineering and surveying services, has been redrafted and is ready for further Committee consideration upon convening of the legislative session.

House Bill 612 clarifies the conditions under which a state contract for professional services can be awarded. It requires the state and other subdivisions of the state to determine whether a bidding firm is "capable and qualified" to do the work, rather than issuing a contract strictly based on the lowest bid. A person who provides such professional services may annually submit to the department a statement of qualifications and performance data.

House Bill 600, which lays out contractual liability of architects, engineers, surveyors and the state of Alaska, is currently in a holding pattern until an equitable formula for liability can be worked out. A final redraft of House Bill 600 is expected prior to the beginning of the session.

COMPULSORY AUTOMOBILE INSURANCE

The Committee recommends the sponsors of House Bill 346 pursue other avenues to increase the number of insured drivers.

House Bill 346 has received little support during hearings held in Anchorage and Fairbanks during the interim.

It is generally felt that compulsory automobile insurance will not attain its primary goal -- to increase the number of insured drivers in Alaska. In fact, it is counter productive in that it is thought to be unenforceable and actually may result in higher insurance rates for the already insured driver. This is because the high risk factor of those who are generally uninsured under the current situation would be spread among drivers who already are insured.

The Committee understands that sponsors of the bill are currently exploring other alternatives including stronger state financial responsibility laws.

Introduced: 1/29/82
Referred: Labor & Commerce and
Finance

BY THE LABOR AND
COMMERCE COMMITTEE

1 IN THE HOUSE

2 HOUSE CONCURRENT RESOLUTION NO. 56

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 Relating to the policy of the legis-
6 lature concerning telecommunications.

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

8 WHEREAS a significant ~~and increasing~~ amount of public money is being
9 invested in telecommunications systems; and

10 WHEREAS the private sector that deals in Alaska telecommunications has
11 faced increasing competition from government as a result of ~~increasing~~ state
12 wealth and expenditures for telecommunications; and

13 WHEREAS the private sector is the foundation and vitality of the American
14 economic system; and

15 ~~WHEREAS state government should encourage private enterprise and incen-~~
16 ~~tive, and:~~

17 WHEREAS the Alaska State Legislature has not adopted a policy regarding
18 the burgeoning telecommunications system;

19 BE IT RESOLVED that the Alaska State Legislature shall consider the
20 following guidelines when considering telecommunications ^{legislation} appropriations:

21 (1) to the extent possible, the divisions of telecommunications
22 should procure ^{cost-effective} services from private enterprise or certified and franchised
23 utilities and contract for the construction, management, operation, and
24 maintenance of telecommunications systems;

25 (2) to the extent possible, the divisions of telecommunications
26 should ~~reduce or~~ eliminate airwave interference of state-owned or financed
27 stations with privately owned and operated cable television stations;

28 (3) unnecessary regulatory and government barriers which impede
29 growth and development of new and innovative services by the private sector

LABOR & COMMERCE COMMITTEE
DAILY COMMITTEE HEARING

Date: 2/3/82

Place: _____

<u>Members</u>	<u>Present</u>	<u>Absent</u>	<u>Time Arrived</u>	<u>Time Left</u>
Rep. B. Bylsma, V. Chair	✓		1:00	
Rep. D. Randolph	✓		1:13	
Rep. B. Rogers	✓		1:12	
Rep. T. Gardiner				
Rep. T. Martin, Chair	✓		1:00	

Subject Matter:

House Bill No. HCR 56 _____

Senate Bill No. _____

Special Orders:

2/3/88

1:12 Call to order

- 0001 Call to order, explanation of resolution by Martin
- 022 Alex Hill - gave state's position (no conflict)
- 052 Allen Blume, Telelink Comm, Inc (read from written testimony) - support legislation.
- 106 Rogers - re sec. 1 - shd contract privately if costs more than if done by state?
- 112 Blume - judgment shd be made on case by case basis; give private sector access to monies being set
Rogers - see built in inconsistency - if state does construction, private enterprise will be operating state-owned facilities
Blume compared to ^{federal} Dept of Defense contracts (esp aerospace program)
Rogers - sec. 3 - any objection to deleting words "new & innovative" ?
Blume - none
discussion on "new & innovative"
- 159 Martin explained HB 506 & outlined proposal of commission or board of telecommunications
- 180 Blume - danger wd be 1) toothless monster
2) cd lead to proliferation of regulations. Support generally idea of commission, but shd be tailored carefully, possibly sunsetted, & work w/ other agencies.
Discussion

211 Blume - hard to get complete grasp; if creating new structures, must be done carefully.

Martin - ~~of~~ commission cd be advising group, but hard for legislators

246 Randolph - need to define free enterprise, private sector, etc. Martin asked him to do that. Rogers expressed concern.

261 Robert Eruth (?), Ak Cable TV Assoc. - support resolution. Concerned that private sector be given fair chance to deliver services now performed by public sector. Cost-efficient for taxpayers. Personally concerned whether Alaskan communities need "multiplicity" of TV sta providers by ~~the~~ public appropriations. wants to see all communications entities cooperating & communicating w/each other, legislature, & administration.
Martin - ~~what~~ how do you feel abt bd or comm'n to address these issues?

360 Eruth - in addn to Div of Comm? In principle, good idea - technical area. Efforts admin has made have good ~~pot~~ potential to date. wd not necessarily want to see that replaced, but incorporating that w/new comm. may be good idea.

Martin - dir is at pleasure of governor; comm or bd more permanent; ^{they} don't have final authority. Comm cd be similar to wkrs comp, private/public

Eruth - cd be create more cooperative environment, wd allow private input.

433 Gruth - re legis. coverage - CTA ^{able to see} feels that getting constituents closer to legis is good - they plan ABE band w/ live unedited coverage of legis; local broadcast stns cd add commentary. Have done prelim cost proposals - cd be done for under \$1M (egpt)

494 Martin explained inclusion of legis covg in bill

Randolph - gstr

Gruth - just cameras in place in both houses & committee rms, managed to run egpt, no repeating, info superimposed (bill, vote), fed live fm juv to all comm. by avail distn. -

Randolph - several houses fed, & each ~~to~~ processor cd comment?

Gruth - xtd live or tape delayed

Randolph - can't believe anyone wd watch it for hours

Gruth - explain. - used Don Young & D2 i-195 as examples

567 Rogers, line 8-12 delete "increasing" to fall w/in. budget ^{guidelines}

Randolph seconded ~~except~~

line 8 - no passed unan.

Rogers

line 15, delete incentive, ^{replace w/} add initiative w/drew amendmt.

Rogers line 20 delete "appropriations" & insert "issues"

Martin - perhaps add word "issues"

Rogers - "legislation" instead of appropriations

Ⓜ Passed by unan. consent

Rogers line 22 insert "cost-effective" before "saves"

Asked for unan. consent; passed

Rogers
R^{ogers} - p. 2, line 10 - insert "public and" before commercial

Objection by Randolph

Rogers w/drew amend

Rogers, lines 11-12 - delete "^{by}making eqpt ... private sector" (delete everything after "sessions"). Save explanation - incurring costs. Randolph - what does encourage mean? no business encouraging them. Proposed amending amend to delete everything after line 9, word "basis".

Martin - ~~without encouraging private, with large~~ appns to private stns, by ~~allowing~~ discussion.

Rogers - eqpt already purchased costs nothing, but providing space & satellite time increases fiscal note.

Randolph - ~~conv~~ if constituents interested, will pay private stns to ~~otati~~ cover legis. Agrees shd be addressed in other legis.

Martin asked for costs fm Hill.

790 Hill - abt \$5M/yr total TV demons. * \$5M/yr
or learn Alaska

Martin, Randolph discussion - ~~not to be made as~~
Bylsma - favors Rogers origl amndmt

Randolph amndmt, delete everything after "basis", line 9
Aye Rand Opp - M, Rog, Byls - failed

Rogers amndmt - in opposed, Rog Ran Byls favor - passed
Rogers, line 6, p. 2, after "stns"
"or to contract w/ the private sector for operation
& maintenance of the stns". Passed unan.

Rogers p2 line 2 delete 1st "and," insert "or"
passed unan

0880 p. 2
Rogers line 10, insert "public and" before
commercial; Randolph objected. Martin - no
sense re-involving public stns. Rogers - only
encouraging coverage; doesn't mean we'll pay
for it at all; Discussion between Martin & Rogers.
Ae for: 3 Opp'd - Randolph.

Randolph - p1 line 25 delete "to the extent possible"; line 26, delete "reduced or"; objection by Rogers. Discussion by Randolph & Rogers. Rogers - ~~not all~~ some interference coming from private sector; cd bind state to upgrading cable system.

955 Randolph - amendt makes clear that Div of Telecomm. will clear their own. Martin discussion.

966 Rogers - eg, getting interference on ch 8 & 3, which are local - ~~eg~~ cable interference. Technologically impossible.

981 Hill - Rep Rogers is correct. Language allows flexibility, but amendt wd not be possible to carry out, wd have to let prev.

003 Bylsma - just delete "reduced or"

~~Martin - some cable TV stores found they were Randolph w/drew amendt~~

Rand - elim "ie 28, word "unnecessary"
elim "new & innovative", line 29. Rogers moved to divide motion. Discussion. Rogers w/drew motion to divide qstr. Discussion. Randolph - for ^{others -} _{against} failed

Bylsma - line 26, elim "reduced or"; Rogers asked unan consent; no objection, passed.

060 Randolph moved to ^{delete} ~~elim~~ all lang, lines 15+16, p. 1;
Martin objected. Discussion.
passed, Martin no; everyone else, yes

116 Randolph asked for ^{amended} ₁ly tomorrow's hearing.

Adjourned 1:26

H23 156 (?)

Randolph moved to rescind action on 3rd insert

lost mtg & insert other ~~motion~~

amendment & no to pass bill passed unan



COMMUNICATIONS INC.

INFOCOM DIVISION

February 3, 1982

The Hon. Terry Martin
Chairman
House Labor & Commerce Committee
Pouch V
Juneau, Alaska 99811

Mr. Chairman:

My name is Allen Blume, and I represent TELELINK Communications Inc., a new, Alaska-based firm that specializes in teleconference service delivery and general telecommunications consulting. The principals in TELELINK have better than twenty years experience in technical, economic, regulatory and user applications of telecommunications.

We strongly support the provisions of HCR56, especially sections (1), (3), (4) and the legislative coverage provision. Our testimony today will focus on these points, and what we feel are competitive trade barriers that we have met in attempting to do business with the state.

Item 1: The state should secure services from private enterprise or certified and franchised utilities and contract for system operations.

We agree. In the six months that TELELINK has been operational, we have contacted at least eighty of the divisions, sections, boards and commissions of the state to offer demonstrations of our Conference Message Exchange (CMX) teleconference service.

Our service provides:

- . Moderated teleconferences
- . On-line user training
- . Optional automated teleconferencing
- . Direct-dial access from any standard telephone
- . Digital facsimile, computer text and slow-scan television interconnects
- . Complete interconnectability with the Legislative Teleconference Network and Learn/Alaska.

By providing working demonstrations and free half-hour blocks of time to potential users we thought to encourage examination of our product, and stimulate innovation in problem solving by the agencies.

Mr. Chairman, it is no secret that the cost of state government has gone off the map, because of increased demand for services by the public. It is also no secret that one of the greatest single costs of government, in a state as large as Alaska, is travel in support of government operations.

This year the Governor and the Alaska Legislature have made public pronouncements about their intent to "hold the line" or "cut" this runaway spending. Yet, in none of these statements is there an offer or demand to look for efficiencies that will avoid impairing the necessary delivery of programs.

It is small businesses such as TELELINK, the growing mini-computer industry and other direct providers of telecommunications goods and services that will make the budget cuts feasible, without damaging essential programs.

Sec. 1 of HCR56 is a vital first step, but it must be carried out with enthusiasm and commitment. Agencies of the executive, legislative and judicial branch should be encouraged to use contemporary communications technology and providers to evaluate their existing medium with an eye towards improvement; and where they insist on traditionally inefficient techniques - be appropriately penalized.

In this same light, and although the measure is not before this committee today, we support HB 506 appropriating \$40 million to a telecommunications revolving loan fund, with some changes.

Item 3: Regulatory and government barriers should be removed.

We agree. Yesterday we requested of the Director of Legislative Affairs Agency a memoranda outlining the applicability of provisions of Executive Order 50 realigning state telecommunications services, to the operations of the Legislative Teleconference Network.

While we recognize that the legislature is an entity unto itself for certain purposes, it seems inconsistent that some levels of government would be bound by standards of fairness and economic equity, while others are not.

We would hope that the provisions of Sec. 3 would be equally applied to all branches of government.

Item 4: Alaskan firms should receive first consideration.

Again, we agree. We would not rule out use of other qualified firms, but obviously it is in the state's economic and social interest to promote local enterprise.

Legislative Coverage: In this we also concur, but would suggest that this scope of activity be broadened to encourage other technologies to enhance the operations of legislative reporting services; individual newspapers and other related community information programs.

Sincerely,

A handwritten signature in cursive script, appearing to read "Allen D. Blume", with a long horizontal flourish extending to the right.

Allen D. Blume
Marketing Associate

CONFERENCE MESSAGE EXCHANGE (CMX)

TELELINK's new CMX service is an innovative approach to providing business and government with a cost-effective alternative to escalating travel expenses and lost executive productivity. CMX is a teleconferencing system reached by dialing from any standard telephone set, and, does not require the use of operator handled calling, eliminating special charges and delays. Besides helping managers to save on tight travel budgets, CMX may actually increase office productivity because of its time saving nature.

TELELINK's CMX services are tailored to assist both large and small organizations in an easy to use, affordable manner. Our on-line telemoderator assists the customer in teleconference set-up, monitors line quality, and assures a successful conference. With TELELINK's CMX service, access to a world of new and timely methods for conducting business are as close as your telephone.

SERVICES

CONFER-CALL --- CONFER-CALL is used for general teleconferencing. It is oriented towards staff, board, committee, sales, or field office meetings needing fast, economical connections from multiple locations. CONFER-CALL is also ideally suited for special applications such as; new product promotions, political caucuses, workshops, seminars, and training sessions.

AUTO-CALL --- AUTO-CALL provides CMX users with cost saving teleconferencing during off peak hours. AUTO-CALL is for CMX users who do not require a telemoderator. Associations, professional groups or others not needing teleconferencing during the normal working day can use the fully automated CMX AUTO-CALL service.

DATA-CALL --- DATA-CALL is used to enhance an audio teleconference with computer graphics, visual materials and is especially useful for conference notes, agendas, and records. Customers use their own data terminals, word processors or facsimile machines. DATA-CALL can be used in conjunction with other CMX services providing the hard copy needed during meetings.

RATES

CONFER-CALL --- \$.380 per minute, per location with 1/2 hour minimum. Reservations are required at least 72 hours in advance. A \$50 fee will be charged for cancellations within 24 hours of scheduled times.

AUTO-CALL -- \$.275 per minute/per location with a maximum of 16 participants. AUTO-CALL is available from 8:00 pm PST until 6:00 am PST. Reservations are required.

DATA-CALL -- Prices for DATA-CALL are quoted separately and may vary according to the type of data equipment used.

OTHER CMX SERVICES AND RATES

RECORDING AND CONFERENCE TRANSCRIPTION -- TELELINK will provide users of CMX services with a master cassette tape or type transcriptions of teleconferences. \$12 per cassette or \$10 per transcribed page.

CALL-OUT CONFERENCE REMINDERS -- Teleconference reminders or conferee additions can be handled by our CALL-OUT service. \$2 per call and any long distance charges.

CUSTOM TELECONFERENCE INSTALLATIONS -- TELELINK will install customized, in-house teleconference equipment selected from several types of equipment and systems. Lease or purchase options are available.

TELEPHONE COMPANY CHARGES -- TELELINK is not responsible for telephone company local or long distance charges. TELELINK has made every possible effort to configure it's CMX service so that customers telephone calling charges are minimized. On request, TELELINK will make arrangements for customers with special billing requirements.

JUNEAU EMPIRE

"The Voice of Alaska's Capital City"

75 NO. 246

JUNEAU, ALASKA, THURSDAY, DECEMBER 17, 1981

Firm sets up phone conferences

By Empire Staff

Stuart Browne and Allen Blume say they are selling a "mechanism of efficiency" in the form of a new, direct-dial teleconferencing service for Alaska and the Pacific Northwest.

The Conference Message Exchange provided by Telelink "is specifically designed for busy executives, agency directors or citizen participants who find themselves on the road to meetings and conferences, when they need to stay at their desk doing work," Browne

said.

Telelink provides a teleconferencing bridge capable of linking up to 13 separate locations into a common conversation by simply placing a direct-dial long distance or local call, said Blume. When the system is fully operational, it will have the capability to tie in 23 locations at once.

No special equipment, just a telephone is required, to be connected into the system for a teleconference call. It can work "any place in the world there's a telephone," said Blume.

The service is "not absolutely replacing travel. ... You still need eyeball-to-eyeball contact," said Blume. Use of the system, however, can greatly reduce travel time, expenses and intangibles such as employee fatigue, said Blume.

The system works much like the Legislature's teleconference system, but it does not require individual teleconference locations — just a telephone.

Estimates of a teleconference cost per-part, per-hour is generally between \$60 and \$75 based on the long-distance tolls for the points connected. Thus, a teleconference including

Anchorage, Fairbanks, Kodiak, Bethel, Kotzebue, Barrow and Juneau would cost roughly \$310 in long distance tolls, plus \$159.60 for Telelink's service, said Blume.

Contrast that with travel expenses that include round-trip airfare, ground transportation, hotel accommodations, meals, entertainment and factors such as lost performance in the office, missed travel connections and last minute changes in meeting locations or agendas, says Blume.

Telelink's office in the Assembly Building acts as a nerve center for the teleconferencing.

Participants call Telelink and then carry the long-distance charges themselves, said Blume.

There are limitations to the use of the teleconference

system, Blume added. Those include the loss of visual cues, the need for agendas to be prepared and circulated in advance, and a need for the person presiding over the meeting to be sensitive to the participants. Blume and Browne advise that one-way presentations not exceed five minutes without some inquiry for questions and comments.

Demonstrations to state agencies and private business have been met with a "very enthusiastic response," said Blume. "We're looking at shrinking the distance in Alaska through this kind of medium."

Browne, who is president of Telelink, is a former telecommunications planner with the Department of Transportation and Public Facilities. Blume is a former legislative employee.

Special phone conference comes to Ak

Stuart Browne, president of TELELINK Communications Inc. has announced the inauguration of a direct-dial teleconferencing service for Alaska and the Pacific Northwest.

"Our new Conference Message Exchange service is specifically designed for busy executives or citizens who find

they need to stay at their desk doing work," Browne said.

Telelink's CMX is a state-of-the-art teleconferencing bridge capable of linking up to 25 separate locations into a common meeting point by simply placing a direct-dial long distance or local call.

"In normal use, we can offer four separate and simultaneous conferences using either voice or data as the commu-

nications medium. The equip-

"We've demonstrated the service to a wide variety of state users, and

ing one call at a time, with the opportunity for you to many people simulta-

Anchorage Daily News Wednesday, November 25, 1981 C3

business notebook

Conference system links 25 stations

TELELINK Communications Inc., of Juneau has inaugurated direct-dial teleconferencing services for Alaska and the Pacific Northwest. TELELINK's Conference Message Exchange (CMX) service is a state-of-the-art teleconferencing bridge capable of linking up to 25 separate locations into a common meeting point by placing a direct-dial long distance or local telephone call.

Alaska gets teleconference service

Direct-dial teleconferencing service for Alaska and the Pacific Northwest has been inaugurated by Telelink Communications Inc. of Juneau.

Stuart Browne, president, said the new Conference Message Exchange (CMX) service is designed for executives, agency directors or citizens who find themselves on the road to meetings and conferences "when they need to stay at their desk doing work."

The service, he said, is capable of linking 25 separate locations to a common meeting point by placing a direct-dial long distance or local call.

"In normal use, we can offer four

separate and simultaneous conferences using either voice or data as the communications medium," Brown said. "The equipment automatically compensates for low signal levels, and gives the impression that teleconferes are not hundreds of miles away but in the next room."

The firm said the service has been demonstrated to a variety of state and private sector users with favorable reactions.

"A lot of people tend to see teleconferencing as a threatening, complicated process, when it is not,"

Browne said. He describes the CMX as an extension of the telephone "a most essential tool in the office."

"Instead of placing one call at a time, we offer the opportunity for you to talk to many people simultaneously, saving time, confusion and money."

Browne said the firm will continue to offer free half-hour working demonstrations of the service. He said requests should be directed to him or Allen Blume of the firm.

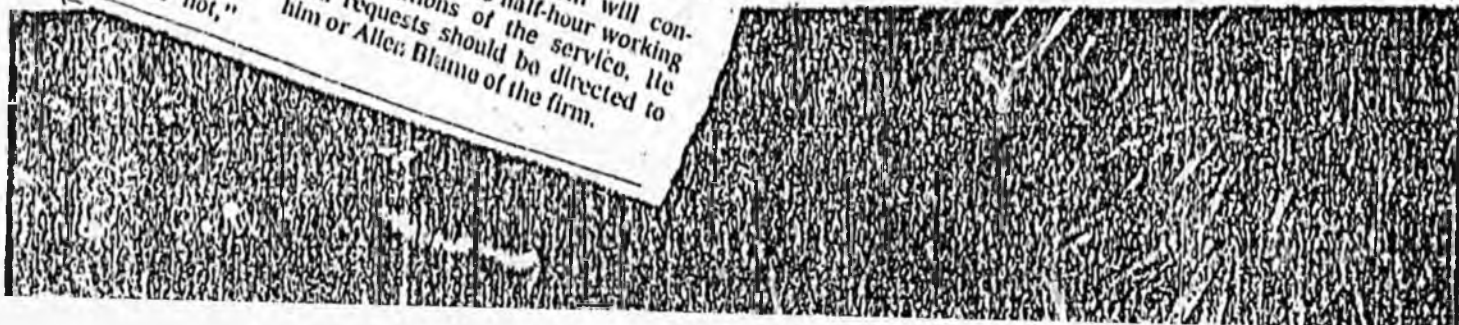
Browne concludes TELELINK is offering working demonstration of the CMX service further information and other programs, interested parties may call Browne Blume at 586-6

software

Package can also be used to calculate wraparound complex values of and ownership by sale-leaseback decisions. The package is available on disk for the Apple II and Applesoft. The retail price is \$150.

For further information contact Howard Software Services, 6713 Vista del Mar, La Jolla, CA 92037; (714) 454-5070

RECORDER™



become a VCS owner. Joy sticks, paddles and keyboards, a spokesman said.

"With the number of Atari VCS owners growing daily, we need more service centers in more places across the U.S.," said Michael J. Moore, president of the consumer electronics division.

"By recruiting and training

Teleconference gets messages out quickly

by Martin Merzer
Knight-Ridder Newspapers

How can you reach a lot of people, in many cities, all at the same time and in a memorable manner?

By satellite, that's how.

The same technology that has made it possible to laugh with the Chicago Cubs and cry over the New York Mets in the privacy of your own home now offers public relations and marketing types a new vehicle for reaching thousands of people simultaneously in scores of cities.

Called "teleconferences," these closed-circuit, satellite-beamed affairs are being used by companies of all descriptions to transmit their sales-motivational sessions and promotional messages.

The programs can originate in virtually any city. Then, they are bounced off satellites (the same satellites that transmit programming to cable-TV companies) and are received in any other large or medium-sized city in the United States.

"This is the coming thing," says Steve Sinsheimer, satellite network coordinator for Jim Sant'Andrea Inc. of New York City. "It's growing and growing every day."

Sinsheimer's company, one of several that now specialize in producing these affairs, last fall handled a 50-city extravaganza for Norwegian Caribbean Lines.

The company was interested in promoting its 1982 cruise schedule and marketing programs, and more than 6,000 travel agents throughout the United States were exposed to that information simultaneously and in high style, according to Fran Sevcik, an NCL spokeswoman.

"Traditionally, a lot of cruise lines, including NCL, have done road shows, but to hit so many places would have taken months," she says. "This way, we not only were able to broadcast the information, but we also had a phone-in system so we could get questions and other feedback."

A similar two-way system was used by the Ford Motor Co. to link up 102 cities for a press conference that promoted the company's 1982 automobiles. An estimated 700 reporters attended the sessions, which were broadcast over a hook-up operated by HI-Net Communications, a division of Holiday Inns Inc.

"This is a new technology, a new way of doing business," says Mike Davis, a Ford spokesman. "It costs a good bit of money, but we get to a lot of people."

Sinsheimer says costs vary, depending on the scope and nature of the program, but a simple show, beamed to 20 cities, can be bought for about \$100,000.

In fact, he says, almost any company can afford it.

670



5000 Watts
Public Radio

December 21, 1981

Mr. Ray Tyson
House Labor and Commerce Committee
921 West 6th Avenue, Suite 250
Anchorage, Alaska 99501

RE: Memorandum of proposals for draft resolution concerning
committee policy on statewide telecommunications.

Dear Mr. Tyson:

In the memorandum dated December 14, 1981, one guideline of resolution says that no commercial advertisements shall be carried in state funded or state subsidised programs. The following guideline says the state should encourage commercial coverage of the legislative sessions by making equipment, space and satellite time available to commercial radio and television. The two guidelines appear to contradict each other. To my way of thinking making equipment, space and satellite time available is a form of subsidizing which would then prohibit commercial operations from broadcasting advertisements and thus remove their method of finding.

On another matter, as a bush resident, I find the proposal to delete commercial advertisements from programs transmitted by state funded or state subsidized programs questionable. In many bush communities, such advertising is the only way people have to learn of available goods and services, and new products. Further, the removal of the advertisements could cause the owners of the programs to charge the state more for their use and this should be weighed. It is also interesting to note that in Dillingham for the past two years residents have had major network programs broadcast both by the state project with commercials, and by the military system with out commercials. My observation has been that most people prefer watching the programs with commercials.

I hope these thoughts will be of assistance to you.

Sincerely,

Les Robinson

Les Robinson
General Manager
KDLG Radio Station

LR:kc

CC:file, Supt.

*sent end of resolution
2/1/52*