

SB

92

ALASKA STATE LEGISLATURE

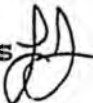
Home Address
3813 Denali Street
Ketchikan, AK 99901
907-225-9082

While in Juneau
P.O. Box V
Juneau, AK 99811
907-465-3743

Senator Lloyd Jones

M E M O R A N D O M

TO: Senator Tim Kelly, Chairman
Labor and Commerce Committee

FROM: Senator Lloyd Jones 

DATE: May 2, 1987

SUBJECT: SB 92, Cable Television Legislation

It is my impression that the approach outlined in Senate Bill 92 did not meet with your committee's approval. Nonetheless, the problems involved with state sanctioned cable television monopolies still exist.

I have had drafted a committee substitute that would approach the problem differently. This is not my first choice to deal with the problem but I believe it still is a valid option.

Perhaps you and I, with our staff, could get together to discuss this option. I welcome your suggestions.

5-0467L ✓
Cramer
4/30/87

Original sponsor: Jones

1 IN THE SENATE

2 CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 92 ()

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act eliminating certification requirements and
7 imposing duties on certain utilities that furnish
8 cable television service."

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

10 * Section 1. AS 42.05.711(k) is amended to read:

11 (k) A utility that [WHICH] furnishes cable television service is
12 exempt from [THE PROVISIONS OF] this chapter [OTHER THAN AS 42.05.-
13 221 - 42.05.281] unless 15 [25] percent of the subscribers petition
14 the commission for regulation. A utility exempted under this
15 subsection shall

16 (1) at least once every six months, notify its subscribers
17 of the right to petition for regulation; and

18 (2) make available on request and at reasonable cost a list
19 of the utility's current subscribers.

6/7 — Mark

Dave Palmer w/ City of Craig - 826-3275

is on legislative committee for Municipal League.
wants to talk w/you SB 92

concerned about right of ways
→ how it will affect cities

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Senator Lloyd Jones

M E M O R A N D O M

TO: Senator Tim Kelly, Chairman
Senate Labor and Commerce Committee

FROM: Senator Lloyd Jones *LJ*

DATE: March 23, 1987

SUBJECT: Sponsor Substitute for Senate Bill 92

I would appreciate it if you would schedule SS SB 92, An Act eliminating certification requirements for certain utilities that furnish cable television, for a hearing.

I have enclosed back-up materials for your and the committee's information.

Thank you.

burying cable. SB 92 does not effect any laws or regulations affecting the technical process of providing cable service.

PRICES

The cost of a basic cable package varies within the state. One of the lowest prices is in Anchorage. The most expensive is on the North Slope. However most package prices fluctuate from \$28 to \$50 dollars. (See the attached price schedule, appendix B)

In other states, the same packages cost significantly less, The basic package is around \$13 in both Honolulu, HI and Salem, OR. Cable operators claim that the main reason for the price differential is the availability of free commercial stations that are already on the air. Whereas in Alaska, most cable systems use other state's commercial T.V. and transmit it, at a cost, to Alaska.

Another reason for the high price is because there is no competition, Cable operators charge the consensus price within the state. As long as all operators charge between \$28 and \$50 then the consumer is not going to petition for price regulation. There exists absolutely no impetus for a cable system to offer the lowest price to its consumers under the present system.

EFFECTS

It is expected that the signing of SB 92 into law will not cause a great turmoil in the cable television industry. Most markets will not see new companies moving in and price wars ensuing. However, the continuous upward spiral of prices will be abated. The cable operator will not wish to price himself into a situation where another company will enter his market.

However, a significant number of smaller non-commercial enterprises may begin to operate. Condominiums and apartments could offer unit packages. Small communities and villages may organize and offer service to its citizens. This will also suppress any upward movement of price beyond and acceptable inflation factor.

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and groups that wish to compete in that area must petition the APUC for certification. APUC has never allowed more than one cable utility in an area even though it is legally allowable.

The purpose of SB 92 is to allow cable utilities who wish to compete reasonable access to the markets. Like telephone systems, it is now possible for other companies to compete in markets where companies already exist. Furthermore, this would allow community associations, condominiums and other groups to offer service to their members.

To accomplish what has been set out in the paragraph above, SB 92 eliminates the certification process that the cable operators have to go through. The certification process as described in sec. 42.05.221 is devoid of any substantive process except that it allows for the APUC to prohibit other companies from entering the market.

Cable companies have raised concerns that if APUC is eliminated as the certification agent then municipalities will step in and grant franchises in order to collect revenue. That is not the intent of SB 92, and according to Legal Services, is not possible (see appendix A).

Cable companies will still have to follow any municipal or state guidelines relating to the use of utility poles or

the necessary connections, like stringing telephone lines, for them to be competitive. This is referred to as "unnecessary duplication of services".

However it should be noted that many technological advances are occurring that strip the protection of a natural monopoly from utilities. Fiber optics and satellites in the telephone industry has allowed, after deregulation, companies like GCI, MCI and Sprint to compete with AT & T. In regards to cable television, it is now possible to string more than one cable on a utility pole.

Because a utility has a monopoly in any given community, government regulates the price it can charge its consumers. In Alaska, the regulator is the Alaska Public Utilities Commission (APUC).

Cable, as stated before, is an unregulated utility. And the State of Alaska is unable to set the rates it charges its consumers or the quality of the service. However, what the state can and does do is limit access to markets through the certification process of APUC.

In Alaska, there are cable companies in every major community. But APUC has only allowed one company to operate in a geographical area. Other companies, community associations

M E M O R A N D O M

TO: Senator Lloyd Jones
FROM: Staff
DATE: March 15, 1987
SUBJECT: SS SB 92

Overview on Cable Television

Presently, cable television systems operate as an unregulated monopoly. In 1984, the Federal government deregulated cable television. The FCC preempts the states from regulating cable prices. Now companies can charge any price. Cable operators do not have to add local programming to their packages either.

Cable T.V. is considered a utility. What that usually implies is two things. One, that the utility offered is an essential service in today's world. Other utilities are electricity, water, sewer, telephone, etc.

Secondly, a utility is traditionally an operation that is only offered by one company. Utilities are usually geographic monopolies because no other company has access to the markets once the first company begins service. Quite often it is because it would too expensive for a second company to make



CITY OF PALMER

M



231 W EVERGREEN AVE
PALMER, ALASKA 99645



Phone (907) 745-3271

A HOME RULE CITY

February 10, 1987

The Honorable Lloyd Jones
Senator, State of Alaska
P.O. Box V
Juneau, Alaska 99811

RE: Senate Bill 92-An Act Relating to the Deregulating
of Cable Television

Dear Senator Jones,

As a municipal officer, I am very concerned with the proposed Senate Bill 92 which deregulates cable television.

Not only does the deregulation bother me, but the point of allowing a cable television company to use a public right-of-way without regard to other utilities or the requirement to obtain a permit for right-of-way use is a further overwhelming concern.

The City of Palmer has experienced a problem with the use of rights of way by utilities even though we regulate via the permitting system the placement of underground cables, utility poles, and gas piping.

For example, in 1982 cable television was installed in the City of Palmer with a permit to construct utilizing the right-of-way. As a part of the stipulation in issuing the permit, the City required that cable be buried not more than five feet from the property line and ALL road crossings be at a minimum of three feet. Since the City has embarked on a major street reconstruction program, we find cables up to ten or more feet from the property line and only six to twelve inches below the street surface. In fact, this past summer, the local utility wanted to charge the city for cable damage as a result of grading the ditches. At this point we have not charged for permits as the law allows us to do. A more stringent inspection program is a local issue which is being implemented. A deregulation will compound our problem with cable installation.

The Honorable Lloyd Jones
February 10, 1987
Page 2


While I do not necessarily agree with the Alaska Public Utility Commission all the time, I believe that regulation of the cable television industry should still be a function of this commission for consumer protection. The certification process does insure that areas are served at a cost which provides a rate of return to the investors as well as insure the consumer a level of service. By deregulating the cable television industry, those areas which have the highest density will receive the service while those areas less dense will go without. The ramifications of just this facet alone could have a sweeping impact on a major portion of the populace who are in the fringe areas of the more populated cities.

In summation, the allowing for the deregulation of the cable television industry in the State of Alaska from all requirements now imposed upon the other utilities is unfair and probably an unjust enrichment.

The City of Palmer urges you to reconsider the proposed Senate Bill 92 to address the issues raised in this letter.

Should you have any questions, please contact me.

Yours truly,


David L. Soulak
City Manager
City of Palmer

DLS/cac

cc: Senator Kerttula
Senator Szymanski
Representative Larson
Representative Menard
Senator Tim Kelly, Chairman
Senator Richard Eliason, Vice Chairman
Senator Rick Uehling
Senator Bettye Fahrenkamp

M E M O R A N D O M

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FROM: Staff
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However it should be noted that many technological advances are occurring that strip the protection of a natural monopoly from utilities. Fiber optics and satellites in the telephone industry has allowed, after deregulation, companies like GCI, MCI and Sprint to compete with AT & T. In regards to cable television, it is now possible to string more than one cable on a utility pole.

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Cable companies will still have to follow any municipal or state guidelines relating to the use of utility poles or

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907 465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 9, 1987

SUBJECT: SB 92 (Regulation of cable television service utilities)

TO: Senator Lloyd Jones

FROM: Teresa B. Cramer *TBC*
Legislative Counsel

You have asked for an opinion on whether SB 92 is effective to preclude a municipality from regulating a cable television service utility under AS 29.35.060 and 29.35.070. In my opinion, the answer is that the bill precludes municipal regulation.

The bill does not affect the status quo as to municipal regulation. Under AS 42.05.711(1),

A person, utility, or cooperative that is exempt from regulation under AS 42.05.711 (a) or (d) - (k) is not subject to regulation by a municipality under AS 29.35.060 and 29.35.070.

Cable television utilities are exempt from regulation under AS 42.05.711(k). Therefore they are not subject to regulation by a municipality under AS 29.35.060 or 29.35.070.

It is possible that some confusion exists because AS 29.35.060 does not repeat the reference to exemption from regulation under AS 42.05.711 but AS 29.35.070 does. Both of these sections were enacted in the municipal code in 1985, sec. 10, ch 74, SLA 1985, and AS 42.05.711(1) was amended by the code to incorporate the references to those two statutes in sec. 68. Therefore they should all be read together to create consistency if possible. There should be little difficulty in accepting the specific exemption from AS 29.35.070 granted under AS 42.05.711(1).

If I may be of further assistance, please advise.

TC:csh
c7/048

Steve Cowper, Governor
State of Alaska

Garrey Peska, Commissioner
Department of Administration

Prepared by:

Deborah Gazaway, Planner
Division of Telecommunications Services

Information Provided By:

Cable System Operators
Throughout Alaska

ALASKA'S CABLE TELEVISION

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ALASKA'S CABLE TELEVISION

Cable television in Alaska is divided into three classifications for the purposes of this report: (1) Commercial: systems owned by independent operators or multiple system operating companies (MSO's), operated for profit, and certified by the Alaska Public Utilities Commission (APUC). (2) Community: systems found in bush communities which are owned by these communities, regional or local nonprofit entities. (3) Telco: systems which are wholly-owned subsidiaries of Alaska telephone operating companies.

COMMERCIAL CABLE

Commercial cable is available in 21 communities and five military bases. Most commercial cable systems started with two or three channels programmed by a bicycled tape service from Seattle. In the late 70's satellite antennae were installed; therefore, all systems now offer multiple satellite antennae services (ESPN, CNN, WGN, HBO, etc.) as well as one channel of delayed tapes. The State channel (TVP/ITV) is also available to commercial cable subscribers. All commercial cable systems charge subscriber rates and offer a variety of program service tiers. Although Alaska Public Utilities Commission (APUC) certification is required, these systems have been economically deregulated since 1980.

Multiple System Operating (MSO) companies in Alaska include Alaska Cablevision of Kirkland, Washington; McCaw Communications of Bellevue, Washington; Pacific Telecom, Inc., of Vancouver, Washington; and Sonic Cable Television of Anchorage, Alaska. In March 1986, APUC approved the transfer of ownership of MultiVision and InletVisions from Pacific Telecom, Inc. to Sonic Cable Television.

Sonic Cable Television now serves four communities and two military bases; Pacific Telecom, Inc. owns Bethel Cablevision; McCaw Cablevision serves five communities and three military bases; and Alaska Cablevision services seven communities.

Independent operators include ED&D, Inc., serving two communities, and Spectrum serving three communities. The Arctic Slope Regional Corporation owns Barrow Cable TV, and BMI serves Adak.

COMMUNITY CABLE

Since the mid-70's an increasing number of smaller communities have purchased and installed their own cable systems. In 1986, six communities (Akiachak, Anderson, Brevig Mission, Deering, Elim and Shungnak) installed systems, bringing the total number of community-owned cable systems to 36. In early 1987, Nikolai plans to begin offering cable to their community.

The older cable systems were financed through loans from village or regional Native corporations, bank loans, and prepaid subscriber fees. Most of the more recent systems have been financed through State Municipal Aid grants and have been purchased as turnkey packages from Alaskan and lower 48 cable system vendors.

Of the 36 systems currently operating, 21 charge subscriber fees and the others have various local schemes to generate income for maintenance, program service fees, etc. Thorne Bay operates their system as a cooperative, charging members for ten months of service and providing two months free of charge. Non-members pay the monthly rate for twelve months. Membership in MIC-TV (Metlakatla) is open at reduced rates to certain Alaska Natives who do not participate in land claims. Non-members pay a slightly higher monthly rate. In St. Michael everyone pays a monthly rate but community elders receive the service at 50% of the regular rate.

Program services available range from four or five channels up to 22 channels. All systems except the one in Metlakatla offer one basic service package which includes premium channels such as HBO, the Movie Channel or Cinemax, as well as other services such as CNN, ESPN, Nickelodeon, etc.

TELCO CABLE

Cable systems provided by wholly-owned subsidiaries of Alaska telephone operating companies currently serve 15 communities and the Galena Air Force Station. United Utilities' Univista currently serves ten communities and plans to activate one more system in Seward by the end of 1987. Interior Telephone Company's Eyecom, Inc. serves Galena (village and military installation), Port Lions and Unalaska and plans to activate a system in Girdwood. Girdwood's cable system is a joint venture between Eyecom and Alyeska Cable, Incorporated. The Matanuska Telephone Association serves Palmer and Wasilla through its company, Northern Sights Cable. Bristol Bay Telephone's Bay CableVision has received A.PUC certification to provide cable service to King Salmon and Naknek.

All telco-operated cable systems charge subscriber fees. Univista provides a single tier of service to eight communities and multi-tier service to two communities, while the others offer multi-tier service.

SUMMARY

There has been a dramatic increase in cable TV since 1980. Many older commercial systems have been in operation since the mid-60's, but the emergence of community-owned systems from 1980 to date has almost doubled the number of cabled communities in the state.

Seventy-seven (77) cable systems are currently operating in Alaska. Of the three classifications detailed in this report, 36 are community-owned, 26 are commercial operations and 15 are owned by telephone companies. Applications to provide cable service to three additional communities are being considered by the APUC. The APUC also has approved applications to provide service to two additional communities which will become operational during 1987.

TABLES

A brief description of cable service in each community is contained in the tables following. "ITV/TVP" refers to the State provided instructional television and entertainment programming which were combined on one channel on July 1, 1986.

ALASKA'S CABLE TELEVISION
OPERATIONAL SYSTEMS
Prepared by
Division of Telecommunications Services
Department of Administration
January 1987

<u>COMMUNITY</u>	<u>PROVIDER AND TYPE</u>	<u>ITV/TVP ON CABLE?</u>	<u>COMMUNITY ACCESS CHANNEL?</u>	<u>NUMBER OF CHANNELS?</u>	<u>BASIC SERVICE RATE</u>	<u>NUMBER OF SUBSCRIBERS OR PENETRATION RATE</u>	<u>NOTES/COMMENTS</u>
Adak	Adak Cable Commercial	Unknown	Unknown	Unknown	Unknown	Unknown	Owned by BMI
Akiachak	Community	Yes	Unknown	8	Unknown	Unknown	System built by Microcom, operational 7/86.
Alakanuk	City of Alakanuk Community	No	Unknown	8	None	100 subs.	Maintenance agreement w/Univista.
Anaktuvuk Pass	Nunamiut Corp. Community	No	Unknown	16	\$50/mo.	98%	System built by Alaska Cable Systems.
Anchorage	Sonic Cable TV of Alaska Commercial	No	Yes	54 (36 Basic)	\$21.95/mo.	*34,000 subs. 40%	*Includes Eagle River subscribers.
Anderson	City of Anderson Community	Yes	Unknown	8	Unknown	Unknown	System built by Alaska Cable Systems. Operational 11/86.
Angoon	City of Angoon Community	No	Unknown	6	\$37.50/mo.	Approx. 50%	
Atkasuk	N. Slope Borough & Village Community	Yes	Yes	12	\$40/mo.	Unknown	System built by Cable Consultants of Alaska.
Barrow	Barrow Cable TV Commercial	No	Yes	15 (12 Basic)	\$53/mo.	712 subs. 90%	Also serve Browerville & Dewline site. Owned by Arctic Slope Regional Corporation.
Bethel	Bethel Cablevision Commercial	No	No	16	\$30/mo.	750 subs. 60%	Company owned by Pacific Telecom, Inc.
Brevig Mission	City of Brevig Mission Community	Yes	Unknown	7	Unknown	Unknown	System built by Microcom, operational 5/86.
Buckland	Village of Buckland Community	Yes	Unknown	6	None	98%	System built by Alaska Cable Systems.
Cordova	Cordova Cablevision Commercial	Yes	No	27 (24 Basic)	\$31.20/mo.	650 subs. 90%	Owned by Alaska Cablevision.
Craig	Craig Non-Profit Corp. Community	Yes	Unknown	9	\$35/mo.	95%	

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Deering	City of Deering Community	Yes	Unknown	7	Unknown	Unknown	System built by Microcom, Inc. operational 9/86.
Dillingham	Dillingham Cablevision, Inc. Community	No	Yes	28 (25 Basic)	\$24/mo.	275 subs. 40%	Owned by Chogqing, Ltd.
Eagle River	Sonic Cable TV of Alaska Commercial	No	Yes	54 (36 Basic)	\$21.95/mo.	*See Anchorage	
Eielson AFB	McCaw Cablevision Commercial	No	Unknown	15	\$29.22/mo.	Unknown	
Elim	Community	Yes	Unknown	9	Unknown	Unknown	System built by Microcom, operational 11/86.
Elmendorf AFB	Sonic Cable TV of Alaska Commercial	No	Yes	36	\$21.95/mo.	*3,901 subs.	*3,901 is combined no. subscribers for Elmendorf AFB and Ft. Richardson.
Emmonak	City of Emmonak Community	Yes	Yes	11 (9 Basic)	\$20/mo.	144 subs.	
Fairbanks	McCaw Cablevision Commercial	No	Unknown	23	\$36.90/mo.	Unknown	
Ft. Greely	McCaw Cablevision Commercial	No	Unknown	17	\$23.85/mo.	Unknown	
Ft. Richardson	Sonic Cable TV of Alaska Commercial	No	Yes	36	\$21.95/mo.	*See Elmendorf	
Ft. Wainwright	McCaw Cablevision Commercial	No	Unknown	17	\$23.85/mo.	Unknown	
Ft. Yukon	City of Ft. Yukon Community	Yes	Unknown	8	\$30/mo.	80 subs. of 500-600 residents	
Galena/ Galena AFS	Eyecom, Inc. Telco	Yes	Yes	17 (14 Basic)	\$30/mo. Town \$45/mo. Military	216 subs. Approx. 46%	Military gets all channels for \$45/mo. Eyecom owned by Interior Telephone Co.

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Cambell	Univista Telco	Yes	*Yes	12	\$50/mo.	46 subs. 45%	Univista, owned by Unicom, Inc. *Community Access channel avail- able but community must purchase own equipment.
Haines	Haines Cable TV Commercial	Yes	Unknown	11	\$32.55/mo. Town \$31.31/mo. Out the Road	350 subs. 45%	Owned by E. D. & D., Inc.
Hoonah	Hoonah Community TV Community	Yes	Unknown	8	\$20.60/mo.	Unknown	
Hooper Bay	Univista Telco	Yes	*Yes	12	\$50/mo.	27 subs. 22%	Univista, owned by Unicom, Inc. *Community Access channel avail- able but community must purchase own equipment.
Hydaburg	Hydaburg Cable TV Community	No	Unknown	5	\$30/mo.	3/4 population	
Juneau	McCaw Cablevision Commercial	No	No	35 (31 Basic)	\$38.90/mo.	5,700 subs. 60%	
Kake	Kake CATV Assoc. Community	No	Unknown	6	\$30.90/mo.	Unknown	Municipally owned.
Kaktovik	North Slope Borough & Village Community	Yes	Yes	12	\$40/mo.	Unknown	System built by Cable Consultants of Alaska.
Kenai	Sonic Cable TV of Alaska Commercial	No	Yes	54 (36 Basic)	\$21.95/mo.	Unknown	
Ketchikan	McCaw Cablevision Commercial	No	Yes	30	\$32.95/mo.	3,350 subs. 78%	
Kiana	Village of Kiana Community	No	No	6	\$10/mo.	83 subs.	System built by Alaska Cable Systems.
Kipnuk	Univista Telco	Yes	*Yes	12	\$50/mo.	51 subs. 68%	Univista owned by Unicom, Inc. Community access channel available but community must purchase own equipment.

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Klawock	Klawock STV Community	Yes	Unknown	5	\$30/mo.	100%	Certified with APUC as non-profit.
Kodiak	Kodiak Cablevision Commercial	Yes	Yes	25 (17 Basic)	\$29/mo.	2,219 subs.	Owned by Alaska Cablevision.
Kotlik	City of Kotlik Community	No	Unknown	4	None	Approx. 50%	Kotlik wants KYUK.
Kotzebue	Kotzebue Cablevision Commercial	Yes	Unknown	16	\$31.95/mo.	520 subs.	Owned by Alaska Cablevision.
Manokotak	Manokotak Natives, Ltd. Community	No	Unknown	7	\$20/mo.	100%	
Metlakatla	MIC-TV* Community	Yes	Unknown	22	\$10/mo. Members \$15/mo. Non-Members	100%	Members are Tsimshians or other non-land claims Indians. Non- members are all others. *Metlakatla Indian Community TV.
Mountain Village	Village of Mtn. Village Community	Yes	N	6	None	150 subs.	System built by Alaska Cable Systems. Rates being discussed.
Napakiak	City of Napakiak Community	Unknown	Unknown	7	Unknown	50%	System, built by Microcom, operational 12/85.
Nome	Nome Cablevision Commercial	No	Yes	26 (23 Basic)	\$31/mo.	740 subs. 70%	Owned by Alaska Cablevision.
North Pole	McCaw Cablevision Commercial	No	Unknown	12	\$36.90/mo.	Unknown	
Nuiqsut	North Slope Borough & Village Community	Yes	Yes	12	\$40/mo.	Unknown	
Palmer	Northern Sights Cable Telco	No	Unknown	20	\$24.95/mo.	Unknown	Owned by Matanuska Telephone Assn.
Petersburg	Petersburg Cablevision Commercial	No	No	14 (11 Basic)	\$31/mo.	708 subs. 80%	Owned by Alaska Cablevision.

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Department of Administration
January 1987

<u>COMMUNITY</u>	<u>PROVIDER AND TYPE</u>	<u>ITV/TVP ON CABLE?</u>	<u>COMMUNITY ACCESS CHANNEL?</u>	<u>NUMBER OF CHANNELS?</u>	<u>BASIC SERVICE RATE</u>	<u>NUMBER OF SUBSCRIBERS OR PENETRATION RATE</u>	<u>NOTES/COMMENTS</u>
Pilot Station	City of Pilot Station Community	Yes	Unknown	12	None	100%	
Point Hope	North Slope Borough & Village Community	Yes	Yes	12	\$40/mo.	Unknown	
Point Lay	North Slope Borough & Village Community	Yes	Yes	12	\$40/mo.	Unknown	
Port Lions	Port Lions Cable Television Telco	Yes	Yes	12 (10 Basic)	\$27/mo.	44 subs. 60%	Owned by Eyecom, Inc. Interior Telephone Co.
Quinhagak	Univista Telco	Yes	*Yes	12	\$50/mo.	36 subs. 44%	Univista, owned by Unicom, Inc. *Community Access channel available but community must purchase own equipment.
St. Mary's	Univista Telco	Yes	*Yes	12	\$50/mo.	20 subs. 28%	Univista, owned by Unicom, Inc. *Community Access channel available but community must purchase own equipment.
St. Michael	City of St. Michael Community	No	Unknown	4	\$20/mo. \$10/mo. Elders	Approx. 100%	
Savoonga	Univista Telco	Yes	*Yes	12	\$50/mo.	38 subs. 35%	Univista, owned by Unicom, Inc. *Community Access channel available but community must purchase own equipment.
Selawik	City of Selawik Community	Yes	No (Planned)	8 (6 Basic)	\$30/mo.	80 subs. 75%	System built by Microcom, operational 3/85.
Shishmaref	Shishmaref Native Corp. Community	Yes	Unknown	8	\$50/mo.	80%	System built by Microm, operational 11/85.
Sitka	McCaw Cablevision Commercial	No	Yes	29 (26 Basic)	\$32.95/mo.	1,950 subs. 76%	
Shungnak	City of Shungnak Community	Yes	Unknown	7	Unknown	Unknown	System built by Microcom, operational 12/86.

ALASKA'S CABLE TELEVISION
OPERATIONAL SYSTEMS
Prepared by
Division of Telecommunications Services
Department of Administration
January 1987

<u>COMMUNITY</u>	<u>PROVIDER AND TYPE</u>	<u>ITV/TVP ON CABLE?</u>	<u>COMMUNITY ACCESS CHANNEL?</u>	<u>NUMBER OF CHANNELS?</u>	<u>BASIC SERVICE RATE</u>	<u>NUMBER OF SUBSCRIBERS OR PENETRATION RATE</u>	<u>NOTES/COMMENTS</u>
Skagway	Skagway Cable TV Commercial	Yes	Unknown	8	\$37.08/mo.	57 subs. Approx. 20%	Owned by ED&D, Inc.
Soldotna	Sonic Cable TV of Alaska Commercial	No	Yes	54 (36 Basic)	\$21.95/mo.	Unknown	
Stebbins	Village of Stebbins Community	Yes	No	9 (8 Basic)	\$4/mo.	59 subs.	System built by Valley Cable Service.
Thorne Bay	Thorne Bay Community TV, Inc. Community	Yes	Unknown	12	\$30/mo.*	100%	*Co-op members pay 10 mos., get 2 months free. Non-members pay straight monthly rate.
Togiak	Univista Telco	Yes	*Yes	12 (8 Basic)	\$28.95/mo.	75 subs. 74%	Univista, owned by Unicom, Inc. *Community access channel available but community must purchase own equipment.
Toksook Bay	Univista Telco	Yes	*Yes	12	\$50/mo.	38 subs. 58%	Univista, owned by Unicom, Inc. *Community access channel available but community must purchase own equipment.
Tununak	Univista Telco	Yes	*Yes	12	\$50/mo.	6 subs. 9%	Univista, owned by Unicom, Inc. *Community access channel available but community must purchase own equipment.
Unalakleet	Univista Telco	Yes	*Yes	12 (8 Basic)	\$28.95/mo.	101 subs. 64%	Univista, owned by Unicom, Inc. *Community access channel available but community must purchase own equipment.
Unalaska	Eyecom, Inc. Telco	Yes	Yes	25 22 Basic)	\$29/mo.	243 subs. 40%	Company owned by Interior Telephone Company.
Valdez	Valdez Cablevision Commercial	No	Yes	28 (24 Basic)	\$31/mo.	700 subs. of 1055 homes passed.	Owned by Alaska Cablevision.

ALASKA'S CABLE TELEVISION
OPERATIONAL SYSTEMS
Prepared by
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January 1987

<u>COMMUNITY</u>	<u>PROVIDER AND TYPE</u>	<u>ITV/TVP ON CABLE?</u>	<u>COMMUNITY ACCESS CHANNEL?</u>	<u>NUMBER OF CHANNELS?</u>	<u>BASIC SERVICE RATE</u>	<u>NUMBER OF SUBSCRIBERS OR PENETRATION RATE</u>	<u>NOTES/COMMENTS</u>
Wainwright	No. Slope Borough & Village Community	Yes	Yes	12	\$40/mo.	Unknown	System built by Cable Consultants of Alaska.
Wasilla	Northern Sights Cable Telco	No	Unknown	19	\$24.95/mo.	Unknown	Owned by Matanuska Telephone Assn.
Wrangell	Wrangell Cablevision Commerical	Yes	No	28 (25 Basic)	\$31/mo.	621 subs. of 900 homes passed.	Owned by Alaska Cablevision.

ALASKA'S CABLE TELEVISION
 PLANNED SYSTEMS
 Prepared by
 Division of Telecommunications Services
 Department of Administration
 January 1987

<u>COMMUNITY</u>	<u>PROVIDER AND TYPE</u>	<u>ITV/TVP ON CABLE?</u>	<u>COMMUNITY ACCESS CHANNEL?</u>	<u>NUMBER OF CHANNELS?</u>	<u>BASIC SERVICE RATE</u>	<u>NUMBER OF SUBSCRIBERS OR PENETRATION RATE</u>	<u>NOTES/COMMENTS</u>
Girdwood	Alyeska Cable Co./Eyecom, Inc. Telco	Yes	Yes	12	\$29.00	Unknown	Filed w/APUC, installation planned for January 1987 pending certification. Alyeska Cable Co./Eyecom, Inc. joint venture.
King Salmon	Bay CableVision Telco	No	Unknown	11 (9 Basic)	\$30/mo.	Unknown	*Installation planned for Summer '87. Company owned by Bristol Bay Telephone Coop, Inc.
Naknek	Bay CableVision Telco	No	Yes	11 (9 Basic)	\$30/mo.	Unknown	Installation planned for early 1987. Company owned by Bristol Bay Telephone Coop, Inc.
Nikolai	Nikolai Cable Community	Yes	No	6 (4 Basic)	Ø	30	Installation planned for January 1987.
Seward	Univista/General Tel or McCaw Cablevision Telco or Commercial	Yes	*Yes	12	\$50/mo. Univista Unknown McCaw	Unknown	Univista/General Telephone Co., as joint venture and McCaw Communications have both filed w/APUC. *Community access channel available. However, community must purchase their own equipment.

Alaska State Legislature

Senate Advisory Council



P.O. Box V
State Capitol
Juneau, Alaska 99811
Phone: (907) 465-3114

MEMORANDUM

TO: Senator Jones
Alaska State Senate

ATTN: Jim Lottsfelt

FROM: Carol R. Berryhill *CRB*
Researcher

DATE: March 23, 1987

RE: Research Request #87-001132; Cable Television Rates

Per your request, following is information regarding cable television rates. You specifically requested that the Senate Advisory Council obtain rates charged to consumers in communities with zero to two commercial stations.

I contacted several sources, including western State Cable TV Associations, private cable television companies, NCSL, and Dawson & Associates who lobby for the Alaska Cable TV Association, but was unable to obtain the information for rural communities. However, the National Cable Television Association (phone: 202-775-3550) provided the following average rates.

<u>State</u>	<u>Basic Rate</u>	<u>Pay Rate</u>
Arizona	\$12.24	\$10.10
California	11.10	11.01
Colorado	10.98	10.48
Hawaii	11.79	12.30
Idaho	10.54	11.26
Montana	12.30	11.76
Nebraska	11.18	9.65
Nevada	8.52	12.80
New Mexico	11.68	10.56
Oregon	9.96	8.15
Utah	10.20	10.79
Washington	11.22	11.69
Wyoming	10.53	10.66

If we may be of further assistance, please let us know.

MAR 20 1987

WYOMING CATV ASSOCIATION

March 16, 1987

Ms. Carol Berryhill
Alaska State Legislature
Senate Advisory Council
P.O. Box V
Juneau, Alaska 99811

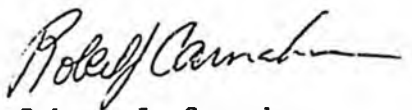
Dear Carol,

I was forwarded your letter requesting information on cable television rates charged in communities in Wyoming. I can only give you information about the system I work in, which is Casper, Wyoming. We have 3 local commercial stations, so we are outside of your research parameters.

I suggest you write to the individual system operators in this state to obtain adequate information. There are also several publications that have this information. I recommend the North America CableFile, published by Thompson Communications, 600 Grant Street, Denver, CO 80203.

I also suggest that someone within your organization become familiar with the deregulation provisions of the Cable Communications Policy Act of 1984. This comprehensive Federal legislation was enacted October 30, 1984, and may contain information that will help you decide what legally can and cannot be done as far as state or local regulation of cable systems.

Best Regards,



Robert J. Carnahan
Secretary/Treasurer

RJC:kg



Wyoming CATV Association

[REDACTED]
451 South Durbin
Casper, WY 82401



Mrs. Carol Berryhill
Alaska State Legislative
Senate Advisory Council
P.O. Box 4
Juneau, Alaska 99811



Russell Communications
Russell Financial Corporation
Russell Industrial Mining, Inc.

FEB 24 1987

February 20, 1987

Ms. Carol Berryhill
Researcher
Senate Advisory Council
ALASKA STATE LEGISLATURE
Post Office Box V
State Capitol
Juneau, Alaska 99811

Dear Ms. Berryhill:

RUSSELL COMMUNICATIONS holds approximately 42 construction permits to build originating television stations in different locations in the United States, one being for Channel 30 in Anchorage, Alaska.

Currently we have eight stations on the air and have other locations in the process of construction.

We do not own or operate any cable facilities. We do, however, expect to be involved with different cable companies when they commence carrying our local stations on their systems, but that would be an arm's length relationship wherein a service was being done for us.

We thank you for your inquiry and trust that this information answers your letter to us of February 16th.

Sincerely,

James Homer Russell
President

JHR:lar

MAR 20 1987



Hawaii Cable Television Association

Post Office Box 1245 • Kailua, Hawaii 96734
Telephone (808) 526-0159/261-9124

March 16, 1987

Carol Berryhill
Researcher
Alaska State Legislature
P. O. Box V
State Capitol
Juneau, Alaska 99811

Dear Ms. Berryhill:

This responds to your letter of March 9, 1987 to Don Carroll of Oceanic Cablevision with which you seek cable rights charged to customers in western states.

We have eight systems here in Hawaii, one public educational system, four commercial VHF stations and another 5 UHF television stations.

One commercial television station is located in Hilo, Hawaii which is also serviced by one cable system. All other commercial, VHF or UHF television stations are located in Honolulu, Hawaii served by two cable systems, Oceanic Cablevision and McCaw Cablevision.

The range of basic rate charges range from \$12.95 to \$14.95 per month. The higher the rate, the more basic channels available. From a low of 9 to a high of 16 channels.

Pay cable rates vary. The monthly rate for Home Box Office ranges from \$10.35 to \$14.00. Some systems offer HBO in combination with Showtime for around \$18.00 per month. Others combine HBO and Cinemax for around the same monthly rate. One system offers a package of three pay channels, HBO, The Movie Channel and Disney for \$30.00 a month.

This should give you something to go on.

Aloha,


Hardy Hutchinson
Executive Director

President
Sid Mizukami
Sun Cablevision of Hawaii
P.O. Box 2940
Kailua Kona, Hawaii 96740
Telephone (808) 329-2418

Vice President
Ross Waggoner
McCaw Cablevision
P.O. Box 25608
Honolulu, Hawaii 96825
Telephone (808) 395-5658

Secretary-Treasurer
Don Carroll
Oceanic Cablevision
2664 Kilihou St
Honolulu, Hawaii 96819
Telephone (808) 636-2588

A PERFORMANCE REPORT ON THE
DEPARTMENT OF COMMERCE AND
ECONOMIC DEVELOPMENT
ALASKA PUBLIC UTILITIES COMMISSION

October 18, 1985

Audit Control Number

08-4230-86-S

Commissioner, Department of
Commerce and Economic Development

Loren H. Lounsbury

Deputy Commissioners, Department of
Commerce and Economic Development

Greg Baker
Terry Elder

Members of the
Alaska Public Utilities Commission

Chairperson
Member
Member
Member
Member

Carolyn S. Guess
Marvin R. Weatherly
Susan M. Knowles
Louis E. Agi
Kathleen L. Whiteaker

STATE OF ALASKA

AUDIT DIVISION
POUCH W
JUNEAU, ALASKA 99811

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

October 18, 1985

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 of the Alaska
Statutes, the attached report is submitted for your review.

A PERFORMANCE REPORT ON THE
DEPARTMENT OF COMMERCE AND
ECONOMIC DEVELOPMENT
ALASKA PUBLIC UTILITIES COMMISSION

October 18, 1985

Audit Control Number

08-4230-86-S



Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit

In reviewing regulation from a national perspective, we find that for distribution cooperatives 21 states economically regulate 370 (41 percent) of the 912 existing systems. However, generation and transmission systems are regulated at the wholesale level in just ten states, including Alaska, and only 16 (25 percent) of the existing sixty-three G&Ts are regulated.

Recommendation No. 4

Alaska Statute 42.05 should be amended to cease certification of cable television.

Prior to the enactment of chapter 136 SLA 1980 all cable television systems were certificated and economically regulated by APUC. That legislation provided for economic deregulation until July 1, 1983 of all systems except those in cities or villages which have a population of less than 3,500 people which are not located on a state road or marine highway. In 1983 the legislation was broadened to exempt all cable systems from economic regulation permanently.

The effect of certificating a utility without economic regulation is to create a state sanctioned monopoly with a legally protected service area, but not to provide the companion public protection against unreasonable rates required when competition is eliminated. The resultant potential for abuse and public harm are high when the services are being provided to a large segment of the population by investor-owned companies. This is the current situation with cable television services in Alaska. Twenty-three companies, of which all but one is investor owned, have made cable services available to approximately 70 percent of the population of the State.

Total deregulation of cable television was recommended in a 1979 sunset audit report on the premise that cable television does not conform to the commonly accepted definition of public utilities; i.e., a natural monopoly supplying a service which is indispensable to modern living. Cable television is an entertainment service, not a necessity. The decision to continue certification arose from concern over the provision of fit, willing and able applicants and the resolution of problems with local exchange telephone companies.

The potential for problems arising from these concerns, however, has lessened significantly since 1979 for the following reason. Cable systems are now in place and operating for a substantial area of the State. Since the 1979 report, 13 cable television companies have been certificated to provide service to areas containing 266,000 Alaskans. As previously stated, this means 70 percent of the population is now served by cable television systems.

—MCCAW CABLE—MAUI BU
—P.O BOX 31000
—HONOLULU HI 96849-5010
ADDRESS CORRECTION REQUESTED

REMIT TO

MCCAW CABLE—MAUI
P.O BOX 31000
HONOLULU HI 96849-5010

495 40102421024 001349 870201 0

PLEASE DETACH AND ENCLOSE TOP PORTION WITH CHECK OR MONEY ORDER

DESCRIPTION	DATE	
BALANCE FORWARD		12.13
PAYMENT	01/09	12.13CR
MONTHLY CABLE SERVICE	02/01 TO 03/01/87	12.95
SALES TAX	02/01	.54
PAYMENTS ACCEPTED AT ALL BANK OF HAWAII BRANCHES. FOR BILLING INQUIRIES, PLEASE CALL US AT 244-5576. THANK YOU.		
TOTAL DUE		13.49



—MCCAW CABLEVISION586-3320 A
 —3151 CHANNEL DR. SUITE 1
 —JUNEAU AK 99801



MCCAW CABLEVISION586-3320
 3151 CHANNEL DR. SUITE 1
 JUNEAU AK 99801

ANY PAYMENTS RECEIVED AFTER THE 20TH MAY NOT APPEAR ON THIS BILL. ALL PAST DUE BILLS WILL BE CHARGED A 1.5 PERCENT LATE CHARGE.

PLEASE DETACH AND ENCLOSE TOP PORTION WITH CHECK OR MONEY ORDER

DESCRIPTION	DATE	
BALANCE FORWARD		56.06
PAYMENT	01/06	56.06 CR
CABLE SERVICE	02/01 TO 03/01/87	39.40
HBO	02/01 TO 03/01/87	9.50
COPYRIGHT SERVICE	02/01 TO 03/01/87	5.00
SALES TAX	02/01	2.16
ANY PAYMENTS RECEIVED AFTER THE 20TH MAY NOT APPEAR ON THIS BILL. ALL PAST DUE BILLS WILL BE CHARGED A 1.5 PERCENT LATE CHARGE.		
TOTAL DUE		56.06

Business Briefs

Cable TV costs more

WASHINGTON (AP) — Cable television companies, unshackled from government regulation barely a month ago, have wasted no time raising rates for basic service and repackaging the product they deliver to 42 million American homes.

Free now to set their own rates, cable operators across the country are trying a variety of strategies that generally include higher prices for the limited basic service, lower rates for premium channels like Home Box Office and the Disney Channel and elimination of charges like second-set hookups.

The net effect in many systems will be higher prices for customers receiving the lowest range of services and sometimes lower prices for top-of-the-line customers, say cable operators.

Report

MARK

*Circulate prior
to Wed meetings.*

1 IN THE SENATE

2 CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 92 ()

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act eliminating certification requirements for
7 certain utilities that furnish cable television
8 service."

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

10 * Section 1. AS 42.05.711(k) is amended to read:

11 (k) A utility that [WHICH] furnishes cable television service to
12 an area served by no more than two commercial broadcast television
13 stations is exempt from [THE PROVISIONS OF] this chapter [OTHER THAN
14 AS 42.05.221 - 42.05.281] unless 25 percent of the subscribers peti-
15 tion the commission for regulation. A utility that furnishes cable
16 television service to an area served by more than two commercial
17 broadcast television stations is exempt from this chapter other than
18 AS 42.05.221 - 42.05.281 unless 25 percent of the subscribers petition
19 the commission for regulation.

20
21
22 *Exempts Cable T.V. Stations in Communities with*
23 *2 or less Commercial Stations from APUC regulations.*
24 *Communities with more than 2 Commercial Stations are*
25 *still under APUC regulations just as they were*
26 *before.*
27
28
29