

LEG. FINANCE - BILLS 1975 - 1976 521  
SSB 136 cont., thru SB 152

PERMANENT TOTAL

Period

October 1, 1975 through September 30, 1976	-	74.7 + 15% = \$85.9
October 1, 1976 through September 30, 1977	-	93.3 + 15% = \$107.3
October 1, 1977 through September 30, 1978	-	163.7 + 15% = \$120.3
October 1, 1978 through September 30, 1979	-	110.0 + 15% = \$126.5

TEMPORARY TOTAL

FY 76	60.0
FY 77	40.0
FY 78	20.0
FY 79	10.0

IV. ATTACHMENTS: None

V. DATE: April 4, 1975

PREPARED BY:

John Cook, Director  
Workmen's Compensation  
Division

RATE IMPACT OF SENATE BILL 146 BY INDUSTRY

<u>Classification</u>	<u>Existing Rate/100\$</u>	<u>Increase/100\$</u>	<u>Rate/\$100 payroll - Sponsor Sub. SB146.</u>
1. Canneries	\$6.57	\$8.63	\$8.73
2. Carpentry-Construction	3.24	4.26	4.31
3. Colleges & Schools	2.04	2.68	2.71
4. Concrete Construction	4.98	6.54	6.62
5. Electrical Wiring	2.59	3.40	3.44
6. Hotels	1.76	2.31	2.34
7. Logging*	31.89	42.90	42.38
8. Plumbing	3.57	4.69	4.74
9. Retail Stores	.73	.95	.97
10. State & Municipal Workers	1.93	2.53	2.56

\*This is the rate as determined by the Workmens Compensation Rate Manual. The actual rate paid may be higher or lower depending on actual experience, the current rate paid per \$100 is approximately 19.00 per \$100.

# STATE OF ALASKA

DEPARTMENT OF LABOR

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, Governor

Phone (907) 586-6576

P. O. BOX 1149 - JUNEAU 99801

April 15, 1975

Mr. Dwayne Carlson  
Executive President  
Alaska State Federation of Labor  
1035 East 28th Avenue  
Anchorage, AK 99504

Dear Mr. Carlson:

Re: Explanation of Costs to State for Workmen's Compensation

In 1974 the Legislature was considering S.B. 400, and our fiscal note estimated \$388.5 thousand would be needed for the State supplemental benefits if that bill were enacted.

SB 400 AM was enacted and made effective May 4, 1974, and \$388.5 was appropriated for payment of benefits. We began supplemental payments to bring compensation payments up to the rates in effect on May 4, 1974.

In October, 1974 Workmen's Compensation submitted its Fiscal Year 1976 budget requesting \$159.8 for payment of supplemental benefits under SB 400 AM. Experience indicated we would not need the full \$388.5 that had been appropriated for the previous year's payments.

The 1974 Legislature also enacted SB 396 which increased maximum benefits payable for permanent total disability to \$175 a week, an increase of up to \$61.25 a week per injured person. This bill became effective August 1, 1974, but we did not immediately pay this increase since it became law after SB 400.

An opinion from the Attorney General's office dated January 21, 1975 stated the State would have to pick up any increase in rates enacted by the Legislature regardless of date of enactment for those injured prior to May 4, 1974, the effective date of AS 23.30.172. For injuries after that date the employer would be responsible for increase in rates. This meant that the State would pay the increase provided by SB 396 for 73 permanent total disability cases and any in the future who become so disabled from injuries before May 4, 1974.

At the Governor's Budget Review Committee hearings it was advised that \$159.8 requested in October was now too low in view of the increased liability imposed by SB 396 and that we would need \$264 thousand with which to pay supplemental benefits under SB 400 AM.

Mr. Dwayne Carlson  
April 15, 1975  
Page 2

The 1975 Legislature is considering SSSB 146. Like SB 396 last year, SSSB 146 this year will increase the rate of compensation being paid to persons injured prior to May 4, 1974, and the State is obligated by AS 23.30.172 (SB 400 AM) to pay those costs. We estimate those costs to be \$145.9 for FY 1976.

The above costs would be for payments required to be paid by the State under AS 23.30.172 and do not reflect workmen's compensation insurance costs paid by the Department of Administration for regular coverage of State government employees. That department has an agreement with the insurance company to reimburse actual losses plus an adjusting fee. Last year costs to the Department of Administration reportedly were about \$585,000 according to John George of that department's Risk Management Division. He indicated an approximate \$600,000 would be the costs for FY 1976 plus the equivalent percentage increase of benefits provided by new legislation. It has been estimated that SSSB 146 would cause an increase in rates of 32.9 percent. This would increase costs of providing workmen's compensation to State government employees in the amount of \$197.4 thousand ( $\$600,000 \times 32.9\%$ ).

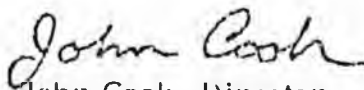
Estimated costs of SSSB 146:

Supplemental payments under AS 23.30.172 (administered by Department of Labor)	\$145.9
Increased costs for State government employees' workmen's compensation insurance (administered by Department of Administration)	<u>197.4</u>
Total costs of SSSB 146 to State	\$343.3

Supplemental payments administered by Workmen's Compensation under AS 23.30.172:

Appropriated for FY 1975	\$388.5
Requested in October, 1974 for FY 1976	\$159.8
Requested in January, 1975 for FY 1976 after Attorney General's office opinion	264.0
Needed appropriation for FY 1976 under present law	\$264.0
Estimated costs due to SSSB 146	\$145.9
Budget request for present law	264.0
Needed appropriation for FY 1976 under present law and SSSB 146	\$409.9

Very truly yours,



John Cook, Director  
Workmen's Compensation Division

April 3, 1975

Finance Committee  
Alaska State Senate  
Capitol Building  
Juneau, Alaska 99801

Gentlemen:

Re: Senate Bill 146

This is reply to request made to the Workmen's Compensation Division April 3, 1975.

Below are listed figures from our records showing workmen's compensation benefits paid during the previous calendar years. Our records do not show the amount paid by year. They reflect benefits paid for injuries by year of injury regardless of the year paid. In a few years benefits paid for 1973 and 1974 injuries will most probably exceed the amount paid for 1971 injuries.

CALENDAR YEARS

	<u>*1971</u>	<u>*1972</u>	<u>**1973</u>	<u>***1974</u>
Compensation Paid	\$2,669,137	\$2,280,187	\$1,374,774	\$1,524,566
Medical/Hospital	1,514,986	1,194,065	735,671	871,052
Other: (Fees to workers' attorneys, penalties, Second Injury Fund, etc.)	<u>176,077</u>	<u>91,477</u>	<u>21,269</u>	<u>123,663</u>
Total Paid in Benefits and Expenses	\$4,360,200	\$3,565,729	\$2,131,714	\$2,519,281

\*Updated September, 1973

\*\*Updated April, 1974

\*\*\*Updated March, 1975

The above amounts do not include amount paid for medical in cases of injuries causing three days or less loss of work. We do not require the carriers to report such payments.

Senate Finance Committee  
April 3, 1975  
Page 2

Insurance carriers do report premium and loss statistics to the Department of Commerce, Division of Insurance. That agency's reports show that in addition to approximately \$200,000 paid annually by surplus line insurance companies, the fire and casualty companies paid \$5,734,064 in 1969, \$6,456,650 in 1970, \$6,745,484 in 1971 and \$8,570,006 in 1972 for workmen's compensation losses.

The Department's fiscal section reports payment of \$218,000 from July 1, 1974 through March, 1975 of the \$388,000 appropriated in 1974 from the General Fund to pay the compensation provided for by AS 23.30.172.

Very truly yours,

John Cook, Director  
Workmen's Compensation Division

JC/eb

FISCAL NOTE  
1st Session - 9th Legislature

I. REQUEST

Bill Identification: SB 146  
 Title: An Act Relating to Workmen's Compensation Benefits  
 Requested by: Senate Finance Date: 4-3-75  
 Return Date Requested:  
 Agency: Labor Program: Workmen's Compensation

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Administration of Workmen's Compensation  
 07-67-9-03-00-00

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79
100 PERSONAL SERVICES				
200 TRAVEL				
300 CONTRACTURAL				
400 COMMODITIES				
500 EQUIPMENT				
600 LAND & STRUCTURES				
700 GRANTS, CLAIMS, ETC.	145.9	147.3	140.3	136.5
<b>TOTAL</b>	<b>145.9</b>	<b>147.3</b>	<b>140.3</b>	<b>136.5</b>

B. FUNDING: (Thousands of dollars)

GENERAL FUND	145.9	147.3	140.3	136.5
FEDERAL FUNDS				
OTHER				

C. PURPOSE:

PERMANENT/TEMPORARY	/	/	/0	/0	/0	/0
MAN MONTHS (P./T.)	/	/	/0	/0	/0	/0

III. ANALYSIS SB 146 would increase supplemental payments being made for permanent total disability compensation by the State of Alaska in accordance with provisions of AS 23.30.172. It would increase by 1-2/3% the percentage of the injured employee's wage in all cases presently being paid and would increase the maximum weekly rate depending on the employee's wage and the state average wage. The estimated state average wage used in our calculation was \$295.10 in 1975, \$305.80 in 1976, \$299.60 in 1977 and \$278.50 in 1978. Past experience indicates the number of new permanent total disability cases approximate 15% a year, and we have added this percentage to the estimated present costs of known permanent total cases.

In addition, S.B. 146 would increase supplemental State payments for temporary total disability for injuries occurring prior to June 11, 1974, the effective date of AS 23.30.172. Costs for temporary disability compensation is extremely difficult to predict; however, liability of the State would decrease rapidly as the temporarily disabled recover and return to work. The average length of temporary disability for injuries causing more than three days loss of work is 28 days. In February, 1975 only seven cases of injury in 1972, seven in 1973 and fourteen injured prior to May 4, 1974 were being paid temporary compensation. Often additional temporary disability occurs from a worsening of the condition months or even years after the worker has returned to employment. The carriers and employers are liable for increase in benefits for injuries on and after May 4, 1974.

PERMANENT TOTAL

Period

October 1, 1975 through September 30, 1976	-	74.7 + 15% = \$85.9
October 1, 1976 through September 30, 1977	-	93.3 + 15% = \$107.3
October 1, 1977 through September 30, 1978	-	103.7 + 15% = \$120.3
October 1, 1978 through September 30, 1979	-	110.0 + 15% = \$126.5

TEMPORARY TOTAL

FY 76	60.0
FY 77	40.0
FY 78	20.0
FY 79	10.0


IV. ATTACHMENTS: None

V. DATE: April 4, 1975

PREPARED BY: \_\_\_\_\_

John Cook, Director  
Workmen's Compensation  
Division

SSSB-146 "AN Act RELATING TO WEEKLY RATE AND AMOUNTS PAYABLE FOR WORKMEN'S COMPENSATION" IMPACT ON WORKMEN'S COMPENSATIONAL INSURANCE RATES

Prepared By:  Date: 4/11/75  
 Approved By: \_\_\_\_\_

1	ENTIRE PROPOSAL	+ 32.9 %							
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10	ALL BUT SECTIONS	+ 22.1 %							
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THESE PROPOSALS ASSUME THAT THE INITIAL STATE AVERAGE WEEKLY WAGE DETERMINATION BY THE COMMISSIONER OF LABOR WILL BE \$295.10.

80%

77.3 % DEATH  
 12.1 % PERMANENT TOTAL  
 34.0 % ANNO PERMANENT PARTIAL  
 27.1 % ANNO PERMANENT PARTIAL  
 12.1 % TEMPORARY TOTAL  
 0.0 % MEDICAL

77.3 % DEATH  
 12.1 % PERMANENT TOTAL  
 3.8 % ANNO PERMANENT PARTIAL  
 5.1 % ANNO PERMANENT PARTIAL  
 12.1 % TEMPORARY TOTAL  
 0.0 % MEDICAL



SB-146 "AN ACT RELATING TO WEEKLY RATE AND AMOUNTS PAYABLE FOR WORKMEN'S COMPENSATION." IMPACT ON WORKMEN'S COMPENSATION INSURANCE RATES

Prepared by: LM Date: 3-5-75  
 Approved by: \_\_\_\_\_

1	ENTIRE PROPOSAL	+38.9%							
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11	ALL BUT SECTION 5	+23.6%							
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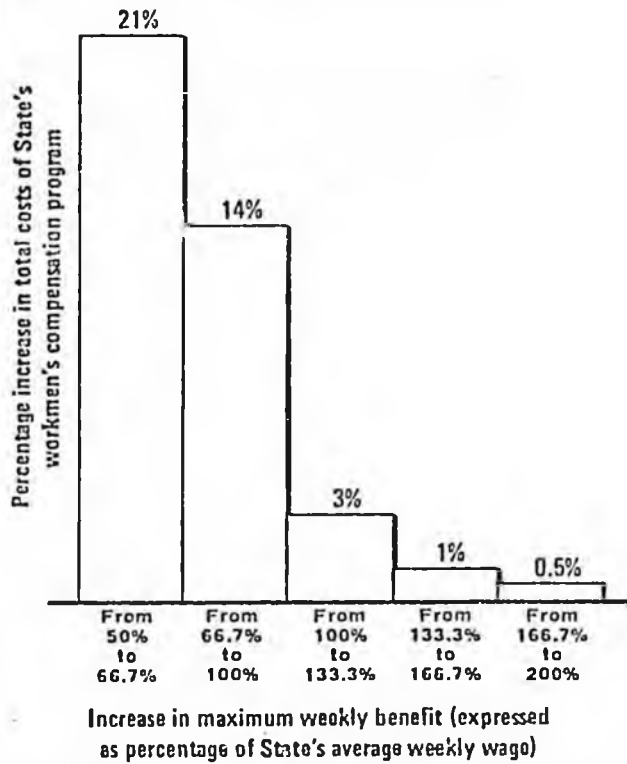
THESE PROPOSALS ASSUME THAT THE INITIAL STATE AVERAGE WEEKLY WAGE DETERMINED BY THE COMMISSIONER'S OFFICE WILL BE \$267.85.

\$100%

82.4% DEATH  
 14.8% PERMANENT TOTAL  
 48.2% MAJOR PERMANENT PARTIAL  
 34.7% MINOR PERMANENT PARTIAL  
 14.8% TEMPORARY TOTAL  
 0.0% MEDICAL

82.4% DEATH  
 14.8% PERMANENT TOTAL  
 3.6% MAJOR PERMANENT PARTIAL  
 5.3% MINOR PERMANENT PARTIAL  
 14.8% TEMPORARY TOTAL  
 0.0% MEDICAL

FIGURE 3.1. Additional cost of increasing maximum weekly benefits in workmen's compensation



Calculated by staff of National Commission on State Workmen's Compensation Laws with actuarial techniques of the National Council on Compensation Insurance. Calculations assume that a worker's benefit is 66.67% of his weekly wage, subject to a minimum weekly benefit equal to 20% of the State's average weekly wage and to the maximum weekly benefits shown in the figure.

ALASKA WORKMEN'S COMPENSATION RATE LEVEL HISTORY

<u>Date of Rate Change</u>	<u>Total Change In W.C. Rate Level</u>	<u>Portion Due To Experience</u>	<u>Portion Due To Law Change</u>
10- 1-57	-11.5%	-11.5%	0%
10- 1-58	- 8.8%	- 8.8%	0%
8- 1-59	+ 6.0%	-14.6%	+24.1%
12- 1-60	- 1.3%	- 1.4%	+ 0.1%
12-31-61	+ 6.2%	+ 6.2%	0%
21-31-62	- 0.4%	- 0.7%	+ 0.3%
12-31-63	- 5.4%	- 5.4%	0%
10- 1-64	+15.1%**	+ 9.6%	+ 5.0%
9- 1-65	- 0.3%	- 0.3%	0%
10- 1-66	-11.8%	-13.0%	+ 1.4%
11- 1-67	- 3.1%	- 3.1%	0%
1- 1-69	+ 7.2%	+ 4.9%	+ 2.2%
11- 1-69	+ 1.6%***	+ 6.1%	0%
10- 1-70	+ 5.4%	- 1.2%	+ 6.7%
4- 1-72	- 5.2%	- 5.2%	0%
6-15-72	+15.8%	0%	+15.8%
3- 1-73	- 3.1%	- 3.1%	0%
6- 1-74	+34.2%	+20.7%	+11.2%

18 YEARS

+ 40.6%

2.25% per year

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\* Records not available to account for difference. Compounding sometimes accounts for this type of difference.

\*\* Difference due to compounding

\*\*\* Difference is accounted for by change of premium basis from a \$300. per week payroll limitation to a \$400. per week payroll limitation.

WORKMENS COMPENSATION RATE COMPARISON AND PROJECTION FOR CLASSES DEVELOPING MORE THAN \$11,000,000 OF PAYROLL FOR THE PERIOD BEGINNING 1964 AND ENDING 1969.

Approved By: *OPIC* 44675  
Approved By:

# ACTUARIAL RATES (MANUAL)

CODE	CLASSIFICATION	RATE EFFECTIVE				CURRENT	ESTIMATED	ESTIMATED
		10-1-70	4-1-72	6-15-72	3-1-73	6-1-74	6-1-75	1-1-76
1 7403	AIRCRAFT OPERATION-SCHEDULED-NONFLYING	2.53	2.57	2.82	3.22	4.73	6.29	6.72
2 8387	AUTOMOBILE ACCESSORIES + GASOLINE STATIONS	1.71	1.52	1.66	1.73	2.37	3.15	3.37
3 8391	AUTOMOBILE GARAGES AND REPAIR SHOPS	2.28	1.95	2.15	2.12	3.00	3.99	4.26
4 9079	BAR-S-TAVERNS-RESTAURANTS	1.57	1.36	1.49	1.49	2.12	2.52	3.01
5 9014	BUILDINGS - OPERATION BY CONTRACTORS	3.20	2.27	2.60	2.15	2.61	3.47	3.71
6 9015	BUILDINGS - OPERATION BY OWNER OR LESSEE	1.37	1.24	1.38	1.27	1.59	2.11	2.26
7 2111	CANNERIES - N.O.C.	4.15	3.87	4.93	4.94	6.57	8.73	9.33
8 5645	CARPENTRY CONSTRUCTION-DET. PRIV. RESD.	3.09	2.70	3.00	2.72	3.24	4.31	4.60
9 5403	CARPENTRY-N.O.C.	4.63	4.94	5.52	6.25	8.81	11.7	12.51
10 8340	CHURCHES PROFESSIONAL (INCLUDES COLLEGES)	.31	.33	.36	.38	.53	.70	.75
11 8810	CLERICAL OFFICE EMPLOYEES	.21	.19	.19	.21	.28	.37	.40
12 9101	COLLEGES OR SCHOOLS - ALL OTHER EMPLOYEES	1.38	1.24	1.37	1.51	2.04	2.71	2.90
13 9078	COMMISARY WORK	1.66	2.00	2.30	2.77	4.02	5.34	5.71
14 5213	CONCRETE CONSTRUCTION - N.O.C.	3.98	3.30	3.65	3.27	4.98	6.62	7.07
15 8227	CONTRACTORS PERMANENT YARD	1.66	1.66	1.86	1.89	2.56	3.40	3.64
16 7539	ELECTRIC LIGHT OR POWER COMPANIES	2.04	1.68	1.85	1.63	2.07	2.75	2.94
17 7540	ELECTRIC LIGHT OR POWER CO-OPS	2.00	1.77	1.97	1.89	2.68	3.56	3.81
18 9519	ELECTRICAL HOUSEHOLD APPLIANCES INST. REP. SER.	1.06	.87	.97	.87	1.10	1.46	1.56
19 5190	ELECTRICAL WIRING	1.83	2.01	2.25	2.15	2.59	3.44	3.68
20 8601	ENGINEERS OR ARCHITECTS - CONSULTING	.64	.56	.62	.69	1.03	1.37	1.46
21 6217	EXCAVATION - N.O.C.	4.37	3.79	4.27	4.69	6.09	8.03	8.58
22 9052	HOTELS (INCLUDES MOTELS)	1.76	1.48	1.69	1.52	1.74	2.34	2.50
23 8833	HOSPITALS - PROFESSIONAL EMPLOYEES	.48	.45	.50	.43	.56	.74	.80
24 2702	LOGGING	21.71	19.75	21.91	23.39	31.89	42.38	45.28
25 8232	LUMBER YARDS	2.00	1.75	1.96	1.76	2.47	3.28	3.51
26 9410	MUNICIPAL OR STATE EMPLOYEES - N.O.C.	2.50	2.66	2.90	2.12	1.93	2.57	3.03
27 6235	OIL OR GAS DRILLING OR RE-DRILLING OF WELLS	5.34	5.85	6.46	7.53	11.12	14.78	15.79
28 6216	OIL OR GAS LEASE WORK - N.O.C.	3.63	4.36	5.10	5.78	8.67	11.52	12.31
29 7720	POLICE	2.17	2.05	2.24	2.15	2.91	3.87	4.13
30 5183	PLUMBING - N.O.C.	2.32	2.29	2.56	2.80	3.57	4.74	5.07
31 4207	PULP MANUFACTURE - CHEMICAL PROCESS	4.00	3.68	4.05	3.59	5.35	7.11	7.60
32 7609	RADIO STATIONS	.72	.73	.81	.88	1.23	1.63	1.75
33 8742	SALES MEN	.37	.30	.34	.32	.44	.58	.62
34 8039	STORES - DEPARTMENT - RETAIL	.46	.46	.50	.54	.73	.97	1.04
35 8033	STORES - MEN'S COMBINED GROCERY - RETAIL	1.09	1.11	1.21	1.31	1.74	2.34	2.50
36 8017	STORES - RETAIL - N.O.C.	.72	.66	.74	.74	.98	1.30	1.39
37 5506	STREET OR ROAD CONSTRUCTION - PAVING	3.18	2.98	3.33	3.27	3.60	4.78	5.11
38 5507	STREET OR ROAD CONSTRUCTION - CLEANING	3.66	3.30	3.69	4.53	5.95	7.91	8.45
39 7100	TELEPHONE COMPANIES	1.61	1.42	1.58	1.73	2.55	3.39	3.62
40 7219	TRUCKMEN - N.O.C.	6.24	4.35	5.07	5.35	6.94	9.22	9.85

Bureau of Labor Statistics  
Form 1057- Full - Form 6572 Green



# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith  
Signature of Camera Operator

2/8/90  
Date

An Act making a supplemental appropriation to the Office of the Governor: and providing for an effective date.

# COMMITTEE REPORT

4/23/75

HOUSE

Mr. Speaker:

Date \_\_\_\_\_

The Committee on FINANCE has had 35 1/2

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT

CS FOR \_\_\_\_\_ DO PASS

"and" recommends it BE REFERRED TO THE \_\_\_\_\_

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ Chairman

Original sponsor: Hohman and Kerttula

Offered: 4/22/75  
Referred: Finance

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

2

HOUSE CS FOR SENATE BILL NO. 149

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

NINTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making a supplemental appropriation to the

7

Office of the Governor; and providing for an effective

8

date."

9

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

10

\* Section 1. The sum of \$5,000,000 is appropriated from the general

11

fund to the Office of the Governor to initiate procurement and installation

12

of satellite terminals to serve rural Alaska communities, which may not be

13

sold by the state but the operation of which may be delegated for a time

14

certain by lease or other agreement.

15

\* Sec. 2. The appropriation made by this Act is to provide continuing

16

funding for more than one year and is not subject to the lapse provisions of

17

AS 37.25.010. Any monies expended or obligated from this appropriation after

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July 1, 1975 shall be subject to the approval of the Legislative Budget and

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Audit Committee.

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\* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-

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070(c).

22

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#

Introduced: 2/7/75  
Referred: Commerce and  
Finance

1 IN THE SENATE

BY HOHMAN AND KERTTULA

2 SENATE BILL NO. 149 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the  
7 Office of the Governor; and providing for an effective  
8 date."

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

10 \* Section 1. The sum of \$1,000,000 is appropriated from the general  
11 fund to the Office of the Governor to initiate procurement and installation  
12 of satellite terminals to serve rural Alaska communities.

13 \* Sec. 2. The appropriation made by this Act is to provide continuing  
14 funding for more than one year and is not subject to the lapse provisions of  
15 AS 37.25.010. Any monies expended or obligated from this appropriation after  
16 July 1, 1975 shall be subject to the approval of the Legislative Budget and  
17 Audit Committee.

18 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
19 070(c).

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21  
22  
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Introduced: 2/7/75  
Referred: Commerce, Finance

1 IN THE SENATE

BY HOHMAN AND KERTTULA

2

SENATE BILL NO. 149

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

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NINTH LEGISLATURE - FIRST SESSION

5

A BILL

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For an Act entitled: "An Act making a supplemental appropriation to the

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Office of the Governor; and providing for an effective

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date."

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

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\* Section 1. The sum of \$500,000 is appropriated from the general fund to

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the Office of the Governor to initiate procurement and installation of

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satellite terminals to serve rural Alaska communities.

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\* Sec. 2. The appropriation made by this Act is to provide continuing

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funding for more than one year and is not subject to the lapse provisions of

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AS 37.25.010.

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\* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-

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# MEMORANDUM

# State of Alaska

TO: All Legislators

DATE: May 6, 1975

FILE NO:

TELEPHONE NO:

FROM: Hilary Hilscher  
Office of Telecommunications

SUBJECT: small earth stations for Bush  
emergency-medical and basic  
telephone communications

Yesterday afternoon in the Anchorage Office of Telecommunications, the proposals for the State's procurement of 100-150 small earth stations were opened. Officials and consultants of the State and RCA participated in the opening. Proposals covered entire stations, turnkey operations and individual system components; some Outside companies teamed up with local Alaska firms in the proposals.

As predicted by the Office of Telecommunications, proposal costs ranged from \$40,000 to \$50,000, completely installed. State and RCA technical staff are presently involved in the evaluation of the approximately 20 proposals, a process which is expected to take two to three weeks. Evaluators will utilize the facilities of Stanford University's Institute for Communication Research, and will visit the various hardware vendors to see proposed equipment in operation. The State is doing the evaluation jointly with RCA to ensure compatibility of the earth station equipment with the existing and planned RCA communications equipment in Alaska.

HCSSB 149 - Satellite Ground Stations

Information regarding HCSSB 149 appropriating \$5 million for small earth stations to provide communications in rural areas of Alaska for emergency-medical and basic telephone requirements, and regarding additional positions for the Office of Telecommunications. This will not provide television capability; adding it will cost an estimated \$15,000 per earth station. If a continuing appropriation is used for the purchase of the ground stations, the following is an estimated schedule of expenditures:

Maximum: \$7 million for 140 ground stations

FY 76	3.85 million
FY 77	2.65 million
FY 78	.50 million

Minimum: \$5 million for 100 ground stations

FY 76	2.25 million
FY 77	2.35 million
FY 78	.45 million

Office of Telecommunications expanded personnel and related services (in addition to presently submitted budget). Figures include 18% benefits for personnel services and 10% per year inflation rate.

FY 76	322,000	?
FY 77	311,400	
FY 78	342,400	

Total for maximum ground station expenditure and expanded Office of Telecommunications:

FY 76	4,172,000
FY 77	2,961,000
FY 78	842,000

Total for minimum ground station expenditure and expanded Office of Telecommunications:

FY 76	2,572,000
FY 77	2,661,400
FY 78	792,400

Attached is a breakdown of the estimated costs of the expanded Office of Telecommunications.

## Village Priority List

1. Kotzebue hospital
2. Kivilina
3. Noorvik
4. Shungnak
5. Kiana
6. Kobuk
7. Ambler
8. Noatak
  
9. Nome hospital
10. Gambell
11. Savoonga
  
12. Anchorage hospital
13. Atka
14. St. Paul
15. St. George
16. King Cove
17. Akutan
  
18. Barrow hospital
19. Pt. Lay
20. Nuiqsut
  
21. Bethel hospital
22. Aniak
23. Stony River
24. Lime Village
25. Kipnuk
26. Mekoryuk
27. Toksook Bay
28. Tanunak
29. Nightmute
  
30. Chefnak hospital
31. Newtok
32. Togiak
33. Chignik Lake
  
34. Kanakanak hospital
  
35. Seward hospital
  
36. Allakaket
37. Anaktuvuk Pass
38. Arctic Village
39. Beaver
40. Chalkyitsik
  
41. Eagle
42. Fort Yukon
43. Galena
44. Hughes
45. Koyukuk
46. Nulato
47. Ruby
48. Steven's Village
49. Venetie
50. Tanana
51. Circle
52. Rampart
53. Fox
54. Minto

### TYPICAL STATION PROJECTED COSTS

Equipment hardware costs (maximum)	\$35,000 per station
Transportation costs (maximum)	\$5,000 per station
Installation costs (maximum)	<u>\$10,000</u> per station
Maximum Projected Costs	\$50,000 per station

Costs are predicated on a turn key operation. The manufacturer will procure, integrate, install system and turn it over to the state. Administration costs to the state for monitoring of installation cost can be borne by the existing budget.

In as much as the State of Alaska will not operate these stations but will lease back to RCA there will be no administrative or operational costs to the state. Such costs will be covered by the operation of the station.

Ten-year Cash Flow Analysis

Cost Assumptions

1. Purchase and Install 50 ground stations in 1975 at a cost of \$35,000 each.
2. Purchase and Install 50 additional ground stations in 1976 at a cost of \$35,000 each.
3. Maintenance cost estimated at 10 per cent of initial electronics cost (\$25,000/station) per year. [Allowance for maintenance staff, spare parts and maintenance travel.]
4. Administration and overhead costs--estimated at \$75,000 in year one and \$150,000 per year in following years. [Allowance for management staff, administration, economic, technical and policy planning and analysis, liason with telephone companies, etc.]
5. Depreciation calculated on ten-year straight line basis.
6. A one-time start-up cost and contingency fund of \$500,000 is assumed.
7. No interest charges or other costs of capital are included.
8. Satellite costs are not included in these figures. Such costs can be directly passed on to the users.

Revenue Assumptions

1. An initial non-refundable but non-recurring one-time capital appropriation of \$5 million is assumed. Thereafter, sufficient revenue should be obtained to cover depreciation and annual costs to make the system self-supporting on a long term basis, but without provision for repayment of initial capital, interest or other cost of capital, taxes, or profit.
2. Satellite channel revenues are omitted from this analysis because monthly satellite channel lease charges (e.g. from Western Union, RCA, Telesat, etc.) will merely be passed on to the end customer.
3. Access to ground stations will be sold only on a monthly lease basis, with up to three channels per ground station available in the initial configuration.
4. On the average, 50 per cent of the available ground station channels will be leased, (i.e., some stations will have purchasers for three channels, some for two channels and some for one channel with the result that an average of 1 1/2 channels per ground station will be leased to paying customers).

5. Since 1 1/2 channels should pay for all of the annual costs of the ground station, then the lease charge for each channel should pay 2/3 of the annual cost for that station.
6. Using the cost figures detailed in the following cash flow analysis, the annual cost per ground station is \$7,500. Therefore, the annual cost per channel should be approximately \$5,000. This amounts to a monthly charge of \$417. This can be thought of as \$400 per month for standard channel access and \$17 per month special terminal equipment (e.g. telephone instrument or push-to-talk handset).
7. To partially defray initial start-up costs, an installation charge equal to six months channel lease (\$2,500) is assumed for the first user requiring installation of each ground station.

#### Basis for Charges to Indian Health Service

1. Satellite annual costs. Assume 6 duplex satellite voice channels at a maximum cost of \$20,000 per channel per year for an annual cost of \$120,000. The first year start up costs (fiscal 1976 starting July 1, 1975) are estimated at half the later annual cost, or \$60,000.
2. Ground station annual costs. The ground station costs include access to the standard ground station transmit and receive channel equipment plus the special purpose terminal equipment (push to talk terminals). Given the cost and revenue requirement assumptions cited above, the ground station channel access prices can be set at \$400 per channel per month and \$17 per month for the terminal equipment. This leads to a total cost of \$5000 per location served per year. Assuming 50 locations available in the first year for an average of half a year each, the first year ground station cost will be \$125,000. Assuming an additional 50 stations become available during the second year (for an average of half a year each), the second year cost would be \$375,000. The annual cost thereafter would be \$500,000 per year for 100 stations. (This would be more if more stations are added.)
3. Non-recurring installation costs. The State of Alaska may wish to charge a one-time non-recurring installation cost of \$2,500 per ground station (equivalent to six months channel rental) for the first user requiring ground station installation. If such a charge is levied the IHS could pay an additional \$125,000 in installation charges in each of the first two years.
4. Total IHS costs per year. The total of these three cost components come to \$310,000 in the first year (starting July 1, 1975), and \$620,000 per year thereafter. These costs would be greater if the network is expanded beyond the 100 stations on which this analysis is based.

TEN YEAR CASH FLOW ANALYSIS (\$000)

<u>Year</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
(1) Capital Cost	1750	1750	-	-	-	-	-	-	-
#									
(2) Maintenance Cost	125	250	250	250	250	250	250	250	250
(3) Start-up cost/contingency	500	-	-	-	-	-	-	-	-
(4) Administrative Costs	75	150	150	150	150	150	150	150	150
(5) Annual Cost (before depreciation) [2+3+4]	700	400	400	400	400	400	400	400	400
(6) Depreciation	175	350	350	350	350	350	350	350	350
(7) Total annual cost [5+6]	875	750	750	750	750	750	750	750	750
#									
(8) Revenue from IHS	250	500	500	500	500	500	500	500	500
(9) Other revenue	-	125	250	250	250	250	250	250	250
(10) Total annual revenue [8+9]	250	625	750	750	750	750	750	750	750
(11) Net annual revenue [10-7]	-625	-125	0	0	0	0	0	0	0
#									
(12) Use of working capital [1-11]	2375	1875	0	0	0	0	0	0	0
(13) Working capital reserve [cumulative]	2625	750	750	750	750	750	750	750	750
(14) Depreciation Reserve [cumulative]	175	525	875	1225	1575	1925	2275	2675	2975
#									
(15) Annual cash flow [10 -1 -5]	-2200	-1525	350	350	350	350	350	350	350
(16) Working capital + depreciation reserve [13 + 14]	2800	1275	1625	1975	2325	2625	3025	3375	3725

COMMUNICATIONS TIMELINE

MALONE

September 1974 - RCA submits Alaska Communications Plan to the FCC; application before FCC is for construction of domestic satellites by RCA Alascom and Globcom.

September 1974 - FCC asks State to comment. State comments in October. Disapproves RCA plan on both economic and technical grounds; sets forth list of requirements for Alaska service; asks RCA for revision of plan to be submitted to FCC.

November 1974 - Meeting to resolve State and RCA differences scheduled but postponed until January because of election and change of Administration.

January 1975 - Conference held in Anchorage January 13-15; RCA comes in with new document but little substantive changes. High-power transponders offered by RCA, but only with a subsidy of the order of \$6 million. Changes agreed to by RCA not filed with FCC.

February 1975 - Several meetings were held between OT, Alascom and Globcom. RCA offered to install 90 small earth stations contingent upon a State subsidy. RCA also accepted concept of State installation and ownership of earth stations with leaseback to RCA.

February 14, 1975 - State files with FCC: RCA plan not acceptable to Alaska. Alaska wants to maintain "Open Skies" policy with regard to choice of satellite. State expresses intent to procure earth stations for Phase I service "without prejudice to RCA." Phase I service possible with RCA spacecraft, or any of existing satellites. Phase II will require additional study; present RCA satellite design will not provide Phase II service to small earth stations.

March 1975 - State moves ahead with procurement procedures for buying 100-150 small earth stations for rural service. Purchase price cut of 25% expected with State buying large lots over RCA purchase of seven. Ultimate ownership and operation of stations not specified.

March 28, 1975 - Bidders Conference held in Seattle. Over fifty representatives from prospective bidders present.

April 23, 1975 - Earth station bid opening and process of selecting vendor(s) will be held.

Summer 1975 - Initiate installation of 30 to 50 small earth stations in villages selected by IHS and OT on basis of need.

January 1976 - Completion date for study by Interim Communications Committee and OT on means to transfer earth station ownership from State to RCA or other carrier. Also deadline for study to determine optimum means for providing Phase II service.

I. PROCUREMENT

- . Prepare Purchase Specifications
- . Conduct Bidders Conference
- . Evaluate Proposals
- . Negotiate Purchase Contracts
- . Award Contracts
- . Monitor Contractor Performance

( ) II. SITE SELECTION (Each Village)

- . Radio Frequency Interference Survey
- . Satellite Look Angle
- . Zoning Restrictions
- . Acceptability to Community
- . Availability of Shelter
- . Availability of Power
- . Title Search
- . Negotiation of Lease or Purchase
- . Soil Analysis
- . Data for Environmental Impact Statement

III. PREPARE AND FILE LAND USE PERMITS  
IF SITE IS ON D-2 LAND

( ) IV. PREPARE AND FILE FCC CONSTRUCTION PERMIT  
(FORM 214)

V. EQUIPMENT INTEGRATION

- . Arrange for Assembly Area
- . Receive and Test Components from Vendors
- . Assemble Components
- . Make wiring H. gnesses
- . Test Completed Earth Stations
- . Ship to Sites

VI. INSTALLATION

- . Prepare transportation plan for equipment and personnel
- . Bid surface and air transportation contracts
- . Prepare installation plan for each village
- . Make installation
- . Conduct proof of performance tests

VII. OPERATION

- . Train maintenance technician
- . Instruct public on use of telephone system
- . Prepare and distribute technical documentation
- . Prepare spare parts provisioning schedule and resupply system
- . Establish component overhaul facility
- . Evaluate reliability performance and maintenance costs

VII. MARKETING

- . Evaluate customer satisfaction with service
- . Determine potential customer demand for additional services and revenues

REC

3/20/75

ALASKA FEDERATION OF NATIVES, INC.

1675 C STREET  
ANCHORAGE, ALASKA 99501  
PHONE (907) 274-3611

*Integrity, Pride in Heritage, Progress*

EXECUTIVE OFFICES

May 1, 1975

Members of Rural Alaska Caucus:

We have reviewed with Attorney General Avrum Gross, Commissioner Walt Parker, Director Marvin Weatherly and Marco Pignalberri, the proposed agreement with R.C.A. ALASCOM and our Executive Branch of the Government.

There are some points to consider. 1) The agreement is good, provided two things happen. A) The State continues with its request for 5M to install the ground stations, should for any reason the agreement falls through. B) R.C.A. ALASCOM signs the agreement prior to the date of May 15th.

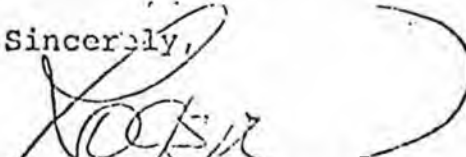
Timing is a consideration, and the timing requirements in the agreement are good. Phase II and Phase III of the new satellites, with T.V. capabilities are a further consideration. I would rather that some action take place soon, than to get into the position of being a part to two separate entities being before the F.C.C. and spending a year arguing the problem of "Who is to be the ground owner of the system."

The penalty clauses, the control over specifications, the timing, that the power to determine where the stations will be, vastly improved communications, all tend to encourage my thinking in this manner.

There is no harm in the State agreement. There is a need for the continued pressing for both the authority and the money, so that the State can get into business if it finds that R.C.A. ALASCOM is not acting in good faith. I think that everything totalled, immediate facility installation is a paramount consideration and we can always further our fight in the regulatory agencies if things come to that state.

Thank you for your work to date, and I encourage you to both pass the resolution and the act with monetary appropriations. It puts the State in a hell of alot better bargaining position at all phases of this new entry of satellite communications.

Sincerely,

  
Roger Lang  
President

EXPANDED OFFICE OF TELECOMMUNICATIONS

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES		<del>264.5</del>	<del>256.2</del>	<del>282.2</del>	<del>310.4</del>	<del>341.1</del>
200 TRAVEL		24.8	27.3	30.1	33.0	35.1
300 CONTRACTUAL		50.0	24.0	26.4	29.0	31.1
400 COMMODITIES		2.0	2.2	2.4	2.6	2.8
500 EQUIPMENT		12.0	1.2	1.3	1.4	1.5
600 LAND & STRUCTURES		0	0	0	0	0
700 GRANTS, CLAIMS, ETC.		0	0	0	0	0
		0	0	0	0	0
<b>TOTAL</b>		<b>180.5</b> <del>322.0</del>	<b>311.4</b>	<b>342.4</b>	<b>376.4</b>	<b>414.1</b>

B. FUNDING: (Thousands of dollars)

GENERAL FUND		322.0	311.4	342.4	376.4	414.1
FEDERAL FUNDS		0	0	0	0	0
OTHER		0	0	0	0	0

C. POSITIONS:

PERMANENT/TEMPORARY	/	15/	15/	15/	15/	15/
MAN MONTHS (P./T.)	/	180/	180/	180/	180/	180/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Expenditure figures are based on a 10% per year inflation rate. List of new positions is attached.

The personal services figures includes 18% benefits.

Presently, the director of the Office of Telecommunications also heads the Alaska Educational Broadcasting Commission. Since both are full-time positions, this expanded Office budget includes a salaried slot for a director.

The attached sheets are job descriptions for the three assistant director positions. Other proposed positions fall under the State's standard job descriptions.

OFFICE OF TELECOMMUNICATIONS

PERSONAL SERVICES

Executive Director	36,858	
<del>Deputy Director</del>	<del>30,656</del>	
Secretary II	<del>12,574</del>	13,494
<del>Assistant Director (Plans &amp; Policy)</del>	<del>28,476</del>	
Assistant Director (Research & Engineering)	28,476	30,656
<del>Assistant Director (Communications Economics)</del>	<del>28,476</del>	
<del>Administrative Officer III</del>	<del>26,465</del>	
Clerk typist	10,761	
<del>Clerk typist</del>	<del>10,761</del>	
<del>Public Information Officer III</del>	<del>19,711</del>	
Total	233,214	91,769

These figures include the 18% benefits.

PLANS AND POLICY--Assistant Director

This position requires a person with background in communications and satellite systems applications, with broad knowledge of various forms of communications systems, capabilities, design, regulatory agencies, planning and policy agencies and international advisory entities.

Duties include analysis of broad scope of communications services presently available in state agencies, and the private sector emphasis initially would be on compilation of all methods, locations and functions of current services, resulting in a coordinated comprehensive overview of present needs, projections of future requirements and coordination of inter-agency requirements for possible future sharing of facilities, methods and time.

Long-range focus of this position includes the realization of an integrated, flexible state agency communications system, interfacing with commercial and public service communications services and carriers. Continuing activities would include: Interfacing with the Alaska Public Utilities Commission to coordinate policy and regulatory matters, monitoring of all proceedings before the regulatory agencies to determine where intervention by the State is needed, liaison with the various Native, private and governmental groups to ensure all needs are considered, and performance by both local and common carrier utilities meets standards set by the State.

Communications Economist--Assistant Director

This position requires a person with a broad background in economics, finance and business, with emphasis on communications economics. Knowledge of rates, tariffs, separations, settlements communications systems financing and financial corporate structures would be essential to analyze local utility/common carrier interface for both intra- and inter-state rate-making, lease-purchase or public service subsidy funding arrangements.

Duties would include liaison with the federal and state regulatory agencies economics divisions, for intervention on related or policy-setting filings; contact with the federal, international and local policy entities such as the Office of Telecommunications Policy in the White House and the World Advisory Radio Conference (WARC) on economic and rate matters; analysis for federal, state and private organizations of rate, tariff and financing options, toward goal of coordinated, integrated rate structures, and settlements with common carriers and local utilities in the Lower 48.

## Research and Engineering--Assistant Director

This position requires a person with background in telecommunications engineering, technical systems design, and satellite/ground station configuration design. Experience should include but not be limited to: radio and/or television engineering; microwave design and installation specifications; satellite engineering and earth station, and terrestrial systems technical interface design.

Research activities would include liason with hardware manufacturers, federal and private aerospace agencies and organizations, experimental satellite and communications systems designers, international agencies for continuing research and applications of demonstration and operational technology; specific research in Alaska communications would involve liason with federal, state and university entities to study effects of unique Alaska climate, atmosphere, northern propogation characteristics, terrain and weather on satellite effective radiated power, footprint and broadband reception capabilities.

Engineering duties would include interface with Division of Communications engineers, Alaska Educational Broadcasting Commission stations and consulting to private or governmental organizations requiring technical specifications for systems and needs requirements. Broad engineering knowledge would be necessary to assist the local regulatory agency staffs in monitoring both local utilities and the common carrier. Essential qualification for this position is broad knowledge of cold weather design, northern latitude atmospheric and weather conditions, and geographic/sociological knowledge of rural

SUMMARY PRICING INFORMATION FOR STATE OF ALASKA

SMALL EARTH STATION PROCUREMENT

The following data summarize unit prices based on 100 lot quotations for major earth station equipment as recorded during the opening of subject proposals on May 5, 1975. Figures are rounded to the nearest dollar. Prices are those offered and do not reflect compliance or lack thereof with specifications.

General Electric

SCPC Equipment

1. Basic Push-to-Talk	\$28,630
2. ES-144, 4 Wire, E&M	28,900
3. Push-to-Talk Desk Set	29,060

\* Additional Channel Units \$ 4,360

COMMCO

3.5 Meter Antenna	\$ 6,850
5 Meter Antenna	11,050

NIPPON ELECTRIC

Low-Noise Amplifiers

1. 85K	\$15,419
2. 150K	11,557
3. 330K	4,506

50 Watt Power Amplifier \$13,763

TRANS ALASKA COMMUNICATIONS, INC.

Statement of interest and installation work. No price quotation.

SUMMARY PRICING  
Page 2

TRG

Non-responsive letter proposal for antenna development program.

PRODELIN, INC.

1.	10' Antenna	\$ 3,413
2.	15' Antenna	6,829

AMPLICA, INC.

Low-Noise Amplifiers

1.	290K	500 MHz	2,050
2.	260K	500 MHz	2,450
3.	250K	150 MHz	2,450
4.	240K	500 MHz	2,850
5.	190K	500 MHz	3,550
6.	215K	150 MHz	2,850
7.	170K	150 MHz	3,550

LNR

Low-Noise Amplifiers

1.	90K	\$12,350
2.	110K	10,250
3.	135K	9,250
4.	160K	8,250

VARIAN ASSOCIATES

Low-Noise Amplifiers

1.	290K	\$ 1,277
2.	250K	1,502

Power Amplifier

1.	35 Watt	60 dB Gain	8,100
2.	35 Watt	41 " "	5,617
3.	50 Watt	75 " "	10,300
4.	50 Watt	50 " "	7,925
5.	100 Watt	75 " "	12,300
6.	100 Watt	50 " "	9,800

SUMMARY PRICING

Page 3

HUGHES

1. 35 Watt Power Amplifier \$ 5,515

ANDREW

x x  
1. 15' Cassegrain Feed Antenna \$ 7,381  
2. 15' Prime Focus Feed Antenna 5,980  
3. 12' Cassegrain Feed Antenna 5,246  
4. 10' Cassegrain Feed Antenna 4,261

SCIENTIFIC COMMUNICATIONS, INC.

Low-Noise Amplifier

1. 90K \$ 9,350  
2. 110K 8,450  
3. 130K 6,850

x  
WESTINGHOUSE

1. 15' Antenna \$ 9,670  
2. 50 Watt Power Amplifier 13,493  
3. 100 Watt Power Amplifier 16,192  
4. 300K LNA 2,412  
5. One Channel SCPC Equipment 21,714  
6. Two Channel SCPC Equipment 26,356  
7. \* Additional Channel Units 5,975

x  
RCA LIMITED

1. Complete Earth Station \$47,704  
2. \*Additional Channel Units 6,623

AIL

Low-Noise Amplifiers

1. 88K \$ 9,350  
2. 130K 7,900  
3. 175K 7,300

SUMMARY PRICING

Page 4

III

Budgetary Estimate for 150 earth stations on turn-key basis \$12,000,000

SCIENTIFIC ATLANTA

SCPC Equipment \$15,900

PAGE

\* Complete Earth Station \$48,660

CALIFORNIA MICROWAVE

SCPC EQUIPMENT WITH TWO CHANNEL UNITS

Expandable to Four-Voice Channels

1. Single Conversion \$17,820  
2. Dual Conversion 18,929

Expandable to Eight-Voice Channels

1. Single Conversion \$20,933  
2. Dual Conversion 22,042

\*Additional Channel Units \$ 3,100

AII SYSTEMS

SCPC Equipment \$25,825  
\*Additional Channel Units 8,845

RADIATION SYSTEMS, INC.

1. 11' Antenna \$ 6,755  
2. 16' Antenna 11,200

AYDIN ENERGY SYSTEMS

Power Amplifiers

1. 50 Watt	\$11,390
2. 100 Watt	11,600

ANCOM

1. Low-Noise Amplifier, 290K	\$ 2,840
2. 15' Antenna	9,450

DIGITAL COMMUNICATIONS CORPORATION

SCPC Equipment	\$18,150
*Additional Channel Units	3,400

DATRON

15' Cassegrain Feed Antenna (Based on 150 Lot Procurement)	\$ 5,699
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WIRECOM

Complete Earth Station, Multiple Option Say Costing \$47,278 Plus  
Installation and Labor

*Code*

PLEASE HAND CARRY TO H. PRATT & N. BANFIELD <sup>FAX</sup>

To H. Pratt Location Juneau Date 5/6/75  
N. Banfield

From S. D. Heller Location Anchorage Telephone

Subject First Look at Small Earth Station Bids

- I. (a) If lowest quotes for individual components were accepted (regardless of quality, delivery, compatibility) \$28,774
- (b) RCA estimate of cost to integrate\* and install *on the ground* 20,700
- Cost per Earth Station \$49,474

II. Bids for integrated earth station delivered to Anchorage

- . Page Communications - \$46,660
- . Wire Comm - \$47,278
- . RCA Ltd. (Canada) - \$47,704 (Canadian dollars)
- . Westinghouse - FM Modulation \$52,373
- Digital Modulation \$52,915

*With  
...  
\$2,212*

III. Furnish and Install (Turnkey)

- . ITT - \$350,000 (budgetary)

\*Integrate means assemble and wire components in cabinet and test prior to shipping complete earth station to installation site.

SDH

- cc: C. E. Robinson
- G. P. Roberts
- A. R. Sarisky
- L. A. Custrini
- E. W. Peterson - FAX

1. Kivalina (update)
2. Noorvik (update)
3. Noatak
4. Shungnak
5. King Cove
6. Chignik Lake
7. Perryville - not on 3
8. Pilot Point - not on 3
9. Belkofski - not on 3
10. Ivanof Bay - not on 3
11. Kiana
12. Kobuk
13. Ambler
14. St. Paul
15. St. George
16. Gambell
17. Savoonga
18. Circle - not on 3
19. Barrow - not on 3
20. Kipnuk
21. Nekozuyuk
22. Toksook Bay
23. Tanunak
24. Nightmute
25. Newtok
26. Cheforak
27. Tatitlek - not on 3
28. Larsen Bay - not on 3
29. Norton
30. Atka

Village Priority List

List no 2

- |                        |                      |
|------------------------|----------------------|
| Kotzebue hospital      | 41. Eagle            |
| Kivilina               | 42. Fort Yukon       |
| Noorvik                | 43. Galena           |
| Shungnak               | 44. Hughes           |
| Kiana                  | 45. Koyukuk          |
| Kobuk                  | 46. Nulato           |
| Ambler                 | 47. Ruby             |
| Noatak                 | 48. Steven's Village |
|                        | 49. Venetie          |
| Nome hospital          | 50. Tanana           |
| Gambell                | 51. Circle           |
| Savoonga               | 52. Rampart          |
|                        | 53. Fox              |
| Anchorage hospital     | 54. Minto            |
| Atka                   |                      |
| St. Paul               |                      |
| 6. St. George          |                      |
| 5. King Cove           |                      |
| 7. Akutan              |                      |
| 8. Barrow hospital     |                      |
| 9. Pt. Lay             |                      |
| 10. Nuiqsut            |                      |
| 21. Bethel hospital    |                      |
| 22. Aniak              |                      |
| 23. Stony River        |                      |
| 24. Lime Village       |                      |
| 25. Kipnuk             |                      |
| 26. Mekoryuk           |                      |
| 27. Toksook Bay        |                      |
| 28. Tanunak            |                      |
| 29. Nightmute          |                      |
| 30. Chefnak hospital   |                      |
| 31. Newtok             |                      |
| 32. Togiak             |                      |
| 33. Chignik Lake       |                      |
| 34. Kanakanak hospital |                      |
| 35. Seward hospital    |                      |
| 36. Allakaket          |                      |
| 37. Anaktuvuk Pass     |                      |
| 38. Arctic Village     |                      |
| 39. Beaver             |                      |
| 40. Chalkyitsik        |                      |

*List No. 2*  
State of Alaska Village Priority List

Barrow	- 2
Pt. Lay	- 2
Nuiqsut	- 2
Kotzebue	- 2
Kivalina	1- 2
Noorvik	1- 2
Siuonak	1- 2
Kiana	1- 2
Kobuk	1- 2
Ambler	1- 2
Noatak	1- 2
Pl. Hope	- 2
Nome	- 2
Gambell	1- 2
Savoonga	1- 2
Bethel	
Aniak	- 2
Kipnuk	1- 2
Mekoryuk	
Tooksook Bay	
Tanunak	1
Nightmute	1- 2
Chefornak	1- 2
Newtok	1- 2
Kanakanak	
Togiak	
Chignik Lake	- 2
Aleknagik	
Seward	- 2
Anchorage	- 2
Atka	1- 2
St. Paul	1- 2
St. George	1- 2
King Cove	1- 2
Akutan	1- 2
Juneau	

These villages are those slated by the State for earth station installation by the end of calendar year 1975. May 8, 1975

State of Alaska Village Priority List

Barrow  
Pt. Lay  
Belisut  
Kotzebue  
Kivalina  
Noorvik  
Shungnak  
Kiana  
Kobuk  
Ambler  
Noatak  
Pt. Hope  
Nome  
Gambell  
Savoonga  
Bethel  
Aniak  
Kipnuk  
Mekoryuk  
20 Tooksook Bay  
Tanunak  
Nightmute  
Chefornak  
Newtok  
Kanakanak  
Togiak  
Chignik Lake  
Aleknagik  
Seward  
Anchorage  
Atka  
St. Paul  
St. George  
King Cove  
Akutan  
36 Juneau

These villages are those slated by the State for earth station installation by the end of calendar year 1975.

May 8, 1975

*list updated*

## MEMORANDUM

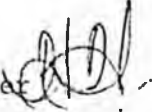
State of Alaska

TO: Jim Rhode  
House Finance Committee

DATE: May 12, 1975

FILE NO:

TELEPHONE NO:

FROM: Hilary Hilsch   
Office of Telecommunications

SUBJECT: conversations and incongruities  
of last week

I was in Anchorage over the weekend to talk with Marv and get some of the inconsistencies and misinformation (hopefully) straightened out, particularly those raised during the lunch with Jim McLecd from Page Communications.

1) Proposals were for f.o.b. Anchorage, not installed prices: While this is the case, Marv and our consultants added a \$5,000 figure to each estimate received to cover installation costs, thus final proposals did come out to between \$40,000 and \$50,000 installed. The Page bid was one of the highest received, so with the added \$5,000 per station, the total cost would be too high for the State to consider. Other proposals, however, came in at between \$37,000 and \$44,000 per station, so with the \$5,000 added for installation, the cost is as predicted. Problem with having the manufacturers include the installation costs in proposals is that the final locations were not yet chosen, and without that data, installation costs were so variable as to not be realistic. Hence, the f.o.b. Anchorage specification.

2) Locations/village list. The last list I gave you is the list that we are working with--and RCA too.

3) Installation time: As the Page guy mentioned, delivery time can be really fairly short; his estimate was that all 100 stations could be delivered by the end of this year. Another estimate from a firm that's done business up here for several years, and in Canada, says at least 50 could be in and operational by the end of this calendar year.

Marvin will be in town Tuesday night, and in the office Wednesday a.m.; he'll be here through the weekend.

ESTIMATED COSTS OF INSTALLING MODIFICATIONS  
OF SATELLITE EARTH STATIONS BY RCA TO PROVIDE  
TELEVISION CAPABILITY; AND ESTIMATED COSTS OF  
FURNISHING ONE-CHANNEL TELEVISION SERVICE

COSTS OF MODIFICATION

ADDITION OF TV RECEIVE CAPABILITY TO  
15' SMALL EARTH STATION

Add 55°K Low Noise Receiver	\$20,000
Add TV Demodulator	<u>\$18,000</u>
	\$38,000
Installed cost of basic 15' earth station	\$58,000
Addition of TV receiver capability	<u>\$38,000</u>
	\$96,000

ANNUAL COSTS TO PROVIDE TRANSMISSION  
ONLY ON ONE TV CHANNEL

Those portions of bush earth stations devoted to television reception including manning stations, insurance, taxes, depreciation, return on investment and income taxes and miscellaneous charges:

\$9,120 per station, for 15 stations - - \$136,800\*

Charge for transmitting from a large earth station such as San Francisco, Philadelphia, Juneau or Talkeetna to any number of stations - - \$16,000

Charge for Satcom satellite transponder service for a minimum of 3-1/2 hours and up to 24 hours a day, 365 days per year, to any number of stations - - \$300,000\*\*

\$452,800

\*The earth station charge per station will increase to \$9,600 if modification is made after initial installation of the ground station.

\*\*Rates for less than 3-1/2 hours per day or for less than 365 days per year would be higher per hour but can be made available.

Note: The last two operating charges are fixed and only the earth station charge will be increased by having more than 15 stations on the system.

FRIDAY, APRIL 29, 1975

AGREEMENT

THIS AGREEMENT made as of the day of May, 1975, between the State of Alaska, hereinafter referred to as the "State" and RCA Alaska Communications, Inc., hereinafter referred to as "RCA Alascom",

W I T N E S S E T H :

Whereas, the State of Alaska has initiated procurement of small earth stations for the purpose of providing communications services in rural Alaska;

And whereas, RCA Alascom desires to procure and install facilities for communications at such locations;

Now, therefore, the State and RCA Alascom agree as follows:

1. (a) The State has solicited proposals for the provision of not less than 100 earth stations to meet rural State communications requirements. Said proposals will be in the State's hands on or before May 5, 1975. The State, after May 5, 1975, agrees to provide the proposal information to RCA Alascom for the purpose of joint evaluation and RCA Alascom shall determine whether or not it will accept the proposals selected by State evaluation. If accepted by RCA Alascom, the State shall assign its rights in the proposals to RCA Alascom. In the event RCA Alascom does accept the proposals selected by the State, RCA Alascom shall thereafter assume responsibility for the procurement action commenced by the State and shall commit itself to the purchase of not less than 100 small earth stations or system components thereof, subject to requisite regulatory approval of the use of said stations by appropriate regulatory agencies.

(b) In the event RCA Alascom receives from alternate sources proposals for the sale of 100 earth stations or

system components thereof which could be a better combination of price, quality, required delivery time and terms than the proposals made to the State, RCA Alascom may notify the State that it intends to accept the alternate proposals. All specifications for the earth stations proposed to be purchased by RCA Alascom shall be submitted to the State in writing, and the State shall evaluate said proposals. If the State determines that it has no objection to RCA Alascom adopting the alternate proposals, it shall notify RCA Alascom in writing that it may accept such alternate proposals. If the State does have objection, it shall advise RCA Alascom and RCA Alascom shall determine whether or not it will accept the proposals submitted initially to the State or modify its proposed acceptance of the alternate bid if modifications are suggested by the State.

(c) If agreement is not reached between RCA Alascom and the State as to the source of procurement and specifications of the earth stations on or before May 15, 1975, this agreement shall have no further binding effect and each party shall be free to continue with procurement and installation of earth stations to provide communication services for rural Alaska.

2. In the event RCA Alascom and the State agree on a proposal for procurement of earth stations, RCA Alascom agrees not to change, alter, or modify the specifications for the earth stations prior to installation unless required to do so by a regulatory authority having jurisdiction of the matter or unless agreed to by the State. Any changes, alterations or modifications after installation shall only be made with approval of appropriate regulatory authorities and no application for modification shall be made without provision of at least thirty days notice to the Office of Telecommunications, State of Alaska.

3. The State agrees to furnish RCA Alascom upon execution of this agreement with a list of at least 100 locations at which it desires to have the earth stations installed. The order in which the locations are listed shall be substantially the order of priority of installation to be observed by RCA subject to adequate space and power facilities being available.

4. RCA Alascom agrees to install not less than 20 earth stations from the list furnished by the State during the calendar year 1975, not less than 50 such stations during the calendar year 1976, and agrees to have the total number installed on or before December 31, 1977. RCA Alascom will use reasonable efforts and diligence to deliver and install the stations in substantially the order agreed to between the parties.

5. A penalty for failure to complete earth station installations in accordance with the following installation and penalty schedules will be paid into the General Fund of the State, and shall not be included in the cost of operation and maintenance of communications services in the State of Alaska or otherwise included in the Alaska rate base; provided, however, that RCA Alascom shall not be responsible for failure to comply as provided in Sec. 16 and Sec. 17:

- (a) Twenty earth stations by December 31, 1975
- (b) Fifty additional earth stations by December 31, 1976
- (c) Thirty additional earth stations by December 31, 1977
- (d) A penalty of \$500 per day, per station for failure of completion of installation as above stated, but the penalties for failures of completion of all 100 earth stations shall be limited to an aggregate sum of \$500,000.

6. The State agrees to assist RCA Alascom in obtaining waivers to permit the procurement and construction of the initial

20 earth stations provided for in this agreement. In the event that the delivery of all of the components necessary to construct at least five earth stations occurs after August 25, 1975, then the penalty date of December 31, 1975 shall be extended for a period of time equal to the number of days after August 25, 1975 until such initial delivery has been made. Delivery by the vendors f.o.b. at the factory shall be considered the delivery date under this provision. The penalty date thus established shall be considered the penalty date for the installation of the first twenty earth stations, and no other provisions of this agreement with respect to future performance will be changed.

7. RCA Alascom agrees not to make any substantial modification, expansion or replacement of the rural communications system contemplated by this agreement or to apply to the Federal Communications Commission for such modification, expansion or replacement without providing at least thirty days advance notice to the Office of Telecommunications and the Alaska Public Utilities Commission.

8. RCA Alascom agrees to submit to the Federal Communications Commission on or before twenty days from the date of this agreement revised filings relative to proposed changes in the Alaska Communications Plan of September, 1974.

9. RCA Alascom shall make available to the Office of Telecommunications and the Alaska Public Utilities Commission on or before May 15, 1975, information delineating the relationship between RCA Alascom and RCA Globecom. The information shall include a statement of any interlocking corporate relationships, the names of officers who occupy positions in the corporate structure of both corporations; a financial breakdown of the costs of the proposed RCA Satcom series of satellites, and a statement of the precise contractual relationship whereby RCA

Alascom will lease or own a portion of these satellites, including present commitments with respect to transponder capacity, total satellite capacity and anticipated future capacity requirements of RCA Alascom. The information provided shall indicate the portion of the Satcom series of satellites that is intended to be initially or at some future date included in the rate base of RCA Alascom as a capital cost of providing service to Alaska. RCA Alascom agrees to provide such further information on costs and facilities as may be reasonably necessary to discharge their lawful responsibilities when required by the Office of Telecommunications or the Alaska Public Utilities Commission. Such information shall be provided on or before thirty days following receipt of written request.

10. This agreement shall be governed by, and construed and enforced in accordance with and subject to, the laws of the State of Alaska, except as it may be pre-empted by federal law and regulations.

11. Time is of the essence of this agreement and the failure to perform any obligation in conformity with the time limits set forth in the agreement shall be deemed to immediately give rise to the remedies for such failure in the payment of liquidated damages. A persistent failure to provide information required by this agreement, or otherwise to carry forth its obligations under the agreement shall be considered a material breach and be subject to appropriate remedies.

12. The State and RCA Alascom agree that the Alaska Public Utilities Commission may enforce those provisions of this agreement which are within the regulatory jurisdiction of the Commission.

13. The parties agree that it is in the public interest, convenience and necessity to install and operate the earth stations

provided for in this agreement at the locations specified and within the time limits determined. RCA Alascom affirmatively alleges that it is ready, willing and able to provide, as scheduled, the facilities involved in this agreement.

14. RCA Alascom waives any rights it may have to contest the enforcement of this agreement on the grounds of lack of consideration or mutuality.

15. This agreement is not intended to be in conflict with, and is subject to, the regulatory authority of the Federal Communications Commission and will be sent to the Federal Communications Commission to be placed as a matter of record in the Alaska file.

16. The performance under this agreement is subject to timely regulatory actions, approvals, permits and licenses, and the approvals of other public authority as required by law. Neither party shall be held to performance or penalties under this agreement if such performance would violate the laws of the United States or the State of Alaska, or an order of, or the regulations of, a regulatory body in the exercise of its lawful jurisdiction. Each party agrees to act to obtain such approvals with all due diligence and any failure to so act would constitute a breach of this agreement.

17. RCA Alascom shall be excused from any nonperformance of this agreement and any penalty provided herein, to the extent that such nonperformance is caused by any strike, act of God, action of any governmental authority, any matter or thing that is beyond the control of RCA Alascom but is not due to its negligence, or any failure of any regulatory agency to issue all necessary permits, orders and licenses within a reasonable time after application therefor.

18. Nothing in this contract shall prevent the future use of other than the RCA Alascom satellite system for communications

in the State of Alaska if such system is authorized or required by the regulatory agencies having jurisdiction over such satellite communications services and facilities, but RCA Alascom reserves the right to object to any authorization of another carrier to provide alternate satellite service.

This agreement is only meant to cover the installation of small ground stations in Alaska, and nothing in the agreement shall be construed to modify or alleviate the objection of the State to the proposed RCA Satcom Plan as the objections are set out in the October, 1974 and February, 1975 filings by the State before the FCC, except as subjects are specifically agreed to herein. The State objects to the inclusion in the RCA Alascom rate base for inter or intrastate services of any of the costs of RCA Satcom or ground stations located outside of Alaska. The State intends to assert before the FCC or any other appropriate regulatory authority that RCA Alascom is required to obtain its satellite services through public competitive bidding processes, which will include other satellite vendors besides RCA Globcom. RCA Alascom reserves the right to assert a contrary position in appropriate regulatory proceedings.

19. The parties to the agreement recognize that the rapid advance in communication technology may make installation of additional earth stations in rural Alaska the most feasible and economically advantageous course of improving non-common carrier communications. For this purpose, if the State believes such additional stations are necessary, the State reserves the right to subsequently apply for the installation of such additional stations itself. Prior to doing so, the State agrees to negotiate in good faith with RCA Alascom for the purchase of the existing RCA Alascom ground stations.

20. All communications between the parties with respect to this contract shall be addressed to them respectively as

follows:

Office of Telecommunications  
Office of the Governor  
State of Alaska  
Fourth AF  
Juneau, Alaska 99801

RCA Alaska Communications, Inc.  
511 "A" Street  
Anchorage, Alaska 99501

Either party may change its address to which such communications are to be sent by giving notice of such change in writing to the other party.

IN WITNESS WHEREOF the parties hereto have caused this instrument to be executed by their duly authorized officers as of the day and year herein first above written.

STATE OF ALASKA

By \_\_\_\_\_  
Governor

and by \_\_\_\_\_  
Commissioner of Administration

RCA ALASKA COMMUNICATIONS, INC.

By \_\_\_\_\_  
President

STATE OF ALASKA            )  
                                  ) ss.  
CITY OF JUNEAU            )

THIS CERTIFIES that on this \_\_\_\_\_ day of May, 1975, before me, a Notary Public in and for the State of Alaska, personally appeared JAY S. HARRISON and ANDREW S. WARMICK, to me known and known to me to be the persons whose names are subscribed to the foregoing Agreement and after being first duly sworn according to law they stated to me under oath that they are the Governor and Commissioner of Administration, respectively, of the State of Alaska, that they are authorized to execute the foregoing Agreement on its behalf and that they executed the same freely and voluntarily as the free

act and deed of the State of Alaska.

WITNESS my hand and official seal the day and year in this certificate first above written.

Notary Public for Alaska  
My commission expires: \_\_\_\_\_

STATE OF ALASKA                    )  
  ) ss.  
CITY OF JUNEAU                    )

THIS CERTIFIES that on this \_\_\_\_\_ day of May, 1975, before me, a Notary Public in and for the State of Alaska, personally appeared STEPHEN D. BELLER, to me known and known to me to be the person whose name is subscribed to the foregoing Agreement and after being first duly sworn according to law he stated to me under oath that he is the President of RCA Alaska Communications, Inc., that he is authorized to execute the foregoing Agreement on its behalf and that he executed the same freely and voluntarily as the free act and deed of the said corporation.

WITNESS my hand and official seal the day and year in this certificate first above written.

Notary Public for Alaska  
My commission expires: \_\_\_\_\_

SUMMARY OF AGREEMENT BETWEEN RCA/ALASCOM  
AND THE STATE OF ALASKA

April 29, 1975

1. The parties agree that it is in the public interest and necessity to proceed rapidly to install at least 100 small earth stations to provide much needed communications services in rural Alaska. RCA Alascom is willing and able to proceed to order and install these stations. The State of Alaska, Office of Telecommunications, has also initiated procurement for the installation of a State-owned system.

2. RCA Alascom and the State of Alaska will jointly evaluate the proposals which have been submitted to the State, and RCA Alascom will have the option to accept these proposals or to initiate procurement through alternative sources. In the event that RCA Alascom determines not to accept the bid proposals which have been submitted to the State, any alternative procurement and specifications must be submitted for joint approval by the parties. If no agreement can be reached between RCA Alascom and the Office of Telecommunications, State of Alaska, by May 15, 1975, the agreement will have no further binding effect and each party is free to continue with procurement and installation of an independent system.

3. In the event there is agreement between the parties on the procurement, RCA agrees not to change or modify the specifications prior to installation, and not to change or alter the system after installation without first providing notice to the State and obtaining approval from the appropriate regulatory authorities.

4. The State will provide RCA Alascom with a list of 100 small communities where the earth stations will be installed. These communities have been selected on the basis of priority of need, and the order listed will be substantially the order of priority for installation. RCA Alascom agrees to install not less than 20 earth stations during 1975, not less than 50 stations during the calendar year 1976 and to complete installation of the total number of 100 stations by the end of the calendar year 1977. A penalty for failure to complete the programmed installations would be paid to the State Treasury in the amount of \$500 per day, per station, limited to a maximum penalty of \$500,000. No part of this penalty would be passed on to the public as a part of the cost of doing business in Alaska.

5. Performance under the agreement is subject to timely application for, and approval of all necessary licenses and permits. The State agrees to assist RCA Alascom in obtaining necessary approvals from the Federal Communications Commission.

6. RCA Alascom agrees to submit to the Federal Communications Commission revised filings of proposed changes in the Alaska Communications Plan of September, 1974, currently on file with the Commission. RCA Alascom also agrees to provide the State with full information relative to the relationship between RCA Alascom and RCA Globecom with particular reference to future plans for leasing or owning portions of the RCA series of Satcom satellites. The State reserves the right to determine what portion of these satellites will appropriately be included in the Alaska rate base for determining the cost of future communications services.

7. The parties agree that the appropriate regulatory agencies (Alaska Public Utilities Commission or Federal Communications Commission) will enforce the provisions of the agreement. Each party reserves the right to institute such proceedings before these agencies.

8. Nothing in the agreement will prevent the future use of communications satellites other than those owned or controlled by RCA Alascom or Globecom. The agreement is intended only to provide for the rapid installation of small ground stations in rural Alaska, and does not modify or change the State's objections to the RCA Satcom Plan as evidenced by filing made with the Federal Communications Commission in October, 1974 and February, 1975. The State would object to the inclusion in the RCA Alascom rate base of any costs of ground stations located outside of Alaska, and the State will represent to the F.C.C. or other appropriate regulatory bodies that RCA Alascom is required to obtain its satellite services through public competitive bidding procedures which would include other satellite vendors besides Globecom.

9. The parties recognize that rapid advances in communications technology may require the installation of an additional series of modified earth stations in rural Alaska. The State reserves the right to install such stations itself, but only after negotiating in good faith with RCA Alascom for the purpose of providing such service, or in the alternative for the purchase of existing RCA Alascom ground stations.

CSSB COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 35 amended was referred to the Finance Committee.

am

SB The Commerce Committee has had SENATE BILL NO. 119 amended  
119 (smoke and fire detection devices in mobile and modular  
am homes) under consideration and a majority of the members  
of the Committee recommends it be replaced with HOUSE  
COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 119

"An Act relating to smoke detection devices;  
and providing for an effective date."

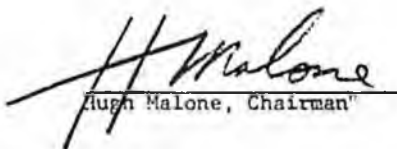
and that it do pass. The report was signed by Mr. Bradley,  
Chairman, and concurred in by Bradley, Urion, Freeman,  
Kelley and Smith.

SENATE BILL NO. 119 amended was referred to the Rules  
Committee for placement on the calendar.

HCS The Finance Committee Chairman's letter of intent on HOUSE  
SB COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 149 (Finance)  
149 (supplemental appropriation, Office of the Governor;  
(Fin) effective date) appears as follows: (The Finance Committee  
report appears on page 1083 of the journal).

"HOUSE FINANCE  
COMMITTEE LETTER OF INTENT  
ON HCSSB 149 (Finance)

It is the legislative intent that this appropriation be  
used solely to procure and install satellite ground sta-  
tions, in accordance with HOUSE CONCURRENT RESOLUTION NO.  
60 (telecommunications policy of the state), and that  
expenditures under this appropriation be reported on a  
quarterly basis to the Budget and Audit Committee.  
The operating budget for the Office of Telecommunications  
for FY 76 will be as appropriated in HB 70.

  
Hugh Malone, Chairman"

2d The Judiciary Committee has had 2d COMMITTEE SUBSTITUTE FOR  
CSSB SENATE BILL NO. 215 (navigable or public waters) under  
215 sideration and a majority of the members of the Committee  
recommends it be replaced with HOUSE COMMITTEE SUBSTITUTE  
FOR 2d COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 215 (same  
title) and that it do pass. The report was signed by Mr.  
Gardiner, Chairman, and concurred in by Gardiner, Parr,  
Bradley, Eliason, Specking, Cotten and Brown.

2d COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 215 was re-  
ferred to the Rules Committee for placement on the  
calendar.

A message dated May 3, 1975 was read stating the Senate has passed the following and they are transmitted herewith for consideration:

SENATE BILL NO. 272 amended

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 357

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 367

FIRST HEADING AND REFERENCE OF SENATE BILLS

SENATE BILL NO. 272 amended, by Chance, Butrovich, Croft, SB  
Hohman, Poland, Rodey, Sackett, Willis and Zeigler, 272  
entitled: am

"An Act relating to the operation of  
food service and concession stands by  
blind and handicapped persons."

was read the first time and referred to the Committees on  
Health, Education and Social Services and Finance.

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 357 by Colletta, SSSB  
entitled: 357

"An Act relating to minors on premises  
selling intoxicating beverages."

was read the first time and referred to the Committee on  
Judiciary.

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 367 by the CSSB  
Finance Committee, entitled: 367

"An Act relating to correspondence study;  
and providing for an effective date."

was read the first time and referred to the Committees on  
Health, Education and Social Services and Finance.

REPORTS OF STANDING COMMITTEES

The Health, Education and Social Services Committee has CSSB  
had COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 35 amended 35  
(public education in the unorganized borough; effective am  
date) under consideration and a majority of the members  
of the Committee recommends it be replaced with HOUSE  
COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR SENATE  
BILL NO. 35 (same title) and that it do pass. The report  
was signed by Mrs. Sullivan, Chairman, and concurred in  
by Sullivan, Davis, Hackney, Osterback, Ostrosky, Swanson  
and H. Beirne.

COMMITTEE REPORT

3/27/75

SENATE

Mr. President:

Date \_\_\_\_\_

The Committee on FINANCE has had SB 149 supplemental appropriation for satellite terminals under consideration. A Majority of the members of the Committee

- ( ) recommends it DO PASS
- ( ) recommends it DO NOT PASS
- ( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- ( ) recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT CS FOR \_\_\_\_\_ DO PASS
- ( ) "and" recommends it BE REFERRED TO THE \_\_\_\_\_ COMMITTEE
- ( ) reports it back WITHOUT RECOMMENDATION
- ( ) "other"

Members signing the Majority report:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ Chairman

A M E N D M E N T

Offered in the SENATE

By SENATE FINANCE COMMITTEE

To: S 149 SENATE BILL NO. \_\_\_\_\_

\_\_\_\_\_ HOUSE BILL NO. \_\_\_\_\_

AMENDMENT: Page 1 Line 10

SECTION 1

SECTION 2. \$500,000

SECTION 3

SECTION 4. \$1,000,000

Introduced: 2/7/75  
Referred: Commerce, Finance

1 IN THE SENATE

BY HOHMAN AND KERTTULA

2

SENATE BILL NO. 149

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

NINTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making a supplemental appropriation to the  
7 Office of the Governor; and providing for an effective  
8 date."

9

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

10

\* Section 1. The sum of \$500,000 is appropriated from the general fund to  
11 the Office of the Governor to initiate procurement and installation of  
12 satellite terminals to serve rural Alaska communities.

13

\* Sec. 2. The appropriation made by this Act is to provide continuing  
14 funding for more than one year and is not subject to the lapse provisions of  
15 AS 37.25.010.

16

\* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
17 070(c).

18

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Introduced: 2/7/75  
Referred: Commerce, Finance

1 IN THE SENATE

BY HOHMAN AND KERTTULA

2 SENATE BILL NO. 149

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the  
7 Office of the Governor; and providing for an effective  
8 date."

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

10 \* Section 1. The sum of \$500,000 is appropriated from the general fund to  
11 the Office of the Governor to initiate procurement and installation of  
12 satellite terminals to serve rural Alaska communities.

13 \* Sec. 2. The appropriation made by this Act is to provide continuing  
14 funding for more than one year and is not subject to the lapse provisions of  
15 AS 37.25.010.

16 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
17 070(c).

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Introduced: 2/7/75  
Referred: Commerce, Finance

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# RECORDS



# CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith  
Signature of Camera Operator

2/8/90  
Date

# COMMITTEE REPORT

## SENATE

3/14/75  
Mr. President:

Date \_\_\_\_\_

The Committee on FINANCE has had SR 152  
special appropriation to the University of Alaska  
under consideration. A Majority of the members of the Committee

- recommends it DO PASS
- recommends it DO NOT PASS
- recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT  
CS FOR \_\_\_\_\_ DO PASS
- "and" recommends it BE REFERRED TO THE \_\_\_\_\_  
COMMITTEE
- reports it back WITHOUT RECOMMENDATION
- "other"

Members signing the Majority report:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Members NOT concur ing in the Majority report:

\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:

\_\_\_\_\_ Chairman

COMMITTEE REPORT

SENATE

FINANCE

2/7/75

Mr. President:

Date March 11, 1975

The Committee on HEALTH, EDUCATION AND SOCIAL SERVICES has had SB 152

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

(  ) recommends it BE REPLACED WITH CS FOR SB 152 <sup>(new title)</sup> AND THAT

CS FOR SB 152 DO PASS

( ) "and" recommends it BE REFERRED TO THE \_\_\_\_\_

COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Hohman \_\_\_\_\_  
Genie Chance \_\_\_\_\_  
David Bradley \_\_\_\_\_  
Ferguson \_\_\_\_\_

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:

George H. ... Chairman

SENATE JOURNAL

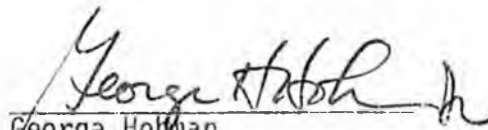
COMMITTEE REPORT ON COMMITTEE SUBSTITUTE SENATE BILL 152

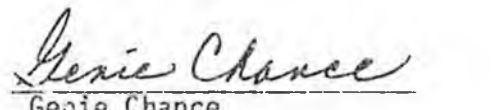
It is the intent of the Senate Health, Education, and Social Services Committee in passing out Committee Substitute for Senate Bill 152 to provide funds to the University of Alaska through the Legislative Affairs Agency. This money can be used for the University Task Force in telecommunications policy and planning.

The Committee recognizes the expertise of Professors Glenn Stanley and Robert Merritt and feels their efforts towards statewide telecommunications planning should be continued.

This funding extends through the remainder of this fiscal year and through FY 76.

The Senate Health, Education and Social Services Committee feels that telecommunications is one of Alaska's major priorities and the need for planning at this stage is critical.

  
George Hoffman  
Chairman  
Senate Health, Education  
and Social Services Committee

  
Genie Chance  
Vice Chairman  
Senate Health, Education  
and Social Services Committee

Offered: 3/14/75  
Referred: Finance

Original sponsor: Commerce Committee

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

1 IN THE SENATE

2 CS FOR SENATE BILL NO. 152

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the  
7 Legislative Affairs Agency; and providing for an  
8 effective date."

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

10 \* Section 1. The sum of \$157,500 is appropriated from the general fund to  
11 Legislative Affairs Agency in support of statewide programs for telecommunica-  
12 tions. Amounts unexpended or unencumbered shall lapse into the general fund  
13 on June 30, 1976.

14 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
15 070(c).

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# COMMITTEE COPY

Introduced: 2/7/75  
Referred: Health, Education  
& Social Services, Finance

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

2 SENATE BILL NO. 152

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

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7 of Alaska; and providing for an effective date."

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

9 \* Section 1. The sum of \$131,000 is appropriated from the general fund to  
10 the University of Alaska, Office of the Vice President, for research to  
11 support the university's task force for telecommunications.

12 \* Sec. 2. This Act takes effect July 1, 1975.  
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ALASKA STATE LEGISLATURE

NINTH... Legislature ..FIRST Session

SENATE BILL..... NO. 152.....

By THE COMMERCE COMMITTEE.....

"An Act making a special appropriation to the University of Alaska; and providing for an effective date."

special appropriation to U of A

Introduced in the Senate ..2/7....., 19.75

HISTORY IN THE SENATE

19 75

Read first time and referred to Committee on

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HEALTH, EDUCATION, AND SOCIAL SERVICES, AND FINANCE

3 11

Reported back with recommendation that *replace w/d. 5. 4 de pass To Finance*

Read second time and

Read third time and

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused Excused

Reconsideration

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused Excused

Reported correctly engrossed  
Signed by President  
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused Excused

Reconsideration

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused Excused

Reported correctly engrossed  
Signed by Speaker  
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

Reported correctly enrolled

Sent to Governor

..... By Governor

Filed with Lt. Governor

Chapter No. ....



Offered: 3/14/75  
Referred: Finance

Original sponsor: Commerce Committee

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

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CS FOR SENATE BILL NO. 152

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - FIRST SESSION

A BILL

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070(c).

Offered: 3/14/75  
Referred: Finance

Original sponsor: Commerce Committee

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BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2 CS FOR SENATE BILL NO. 152

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Offered: 3/14/75  
Referred: Finance

Original sponsor: Commerce Committee

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

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CS FOR SENATE BILL NO. 152

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IN THE LEGISLATURE OF THE STATE OF ALASKA

4

NINTH LEGISLATURE - FIRST SESSION

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Introduced: 2/7/75  
Referred: Health, Education  
& Social Services, Finance

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Introduced: 2/7/75  
Referred: Health, Education  
& Social Services, Finance

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31. Mar 75

CS Ser SB152

It is the purpose of this legislation to provide support to the Task Force for Telecommunication of the Geophysical Institute of the University of Alaska. In particular it pays the salaries and expenses of Professors Glenn Stanley and Robert Merritt of the University of Alaska and for a Secretary/assistant for the next 14 months.

Professors Stanley and Merritt will spend their time during this period participating in planning for the Telecommunications future for Alaska.

It is anticipated that this will be a one time effort thus no appropriation will be required in FY 77 or beyond.

31 Mar 75

CS & SB 152

Stanley 2 mo Fy 75 @ 2,976 \$ 5,952

10.5 mo Fy 76 @ 3,274 34,377

Merritt 2 mo FY 75 @ 2,976 5,952

10.5 mo FY @ 3,274 34,377

Sec/asst 2 mo FY 75 @ 1,100 2,200

11 mo FY 76 @ 1,210 13,310

\$ 96,168

7.9% Annual leave 7,597

8.0% Sick leave & Holliday 7,693

\$111,458

Staff Benefits 17% 18,948

\$130,406

Travel 90 days @ 200/day 18,000

\$148,406

Office expenses, printing, zerox, communications 9,094

\$157,500

SB 76 - Suppl. for Fig 75  
1.05 2.2

cc. Figure for 76  
cc 6.8  
1.8

of 2 figures