

LEG. FINANCE - BILLS 1977 - 1978

CASHB 545 thru CASHB 548

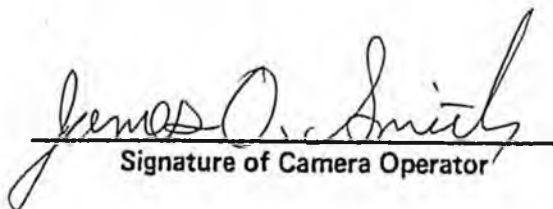
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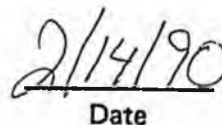


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Signature of Camera Operator


Date

TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

HB/Resolution No. CSUB 545

This Bill relating to the provision of television services requested by House Commerce Date _____

II. FISCAL DETAIL

Agency Affected _____

Program Category Affected _____

Budget Request Unit(s) Affected _____

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES	100	110	120	135	145	160
200 TRAVEL	15	15	15	17	19	20
300 CONTRACTUAL	20	15	12	15	13	15
400 COMMODITIES	5	5	5	6	7	8
500 EQUIPMENT	10	2	2	2	4	5
600 LAND & STRUCTURES	6	6	7	7	8	9
700 GRANTS, CLAIMS, ETC.						
TOTAL	150	153	161	180	198	217

FUNDING (Thousands of Dollars)

GENERAL FUND	156	173	87	72	80	0
FEDERAL FUNDS						
OTHER (Specify) user fees		50	64	102	158	217

POSITIONS

FULL TIME	4	4	4	4	4	4
PART TIME						
TEMPORARY						

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

Positions are: Director - Policy and Program Manager III
 Administrator - Administrative Officer II
 Scheduling - Administrative Assistant III
 Secretary - Secretary II

Engineering assistance to be contracted. Inflation and initial start-up costs have been considered. Declining General Fund obligation reflects shift of funding to users' association at 20 percent per year.

Walp 3550

*Copy 7
of the bill
to be
passed.*

HOUSE SELECT COMMITTEE ON TELECOMMUNICATIONS
Fred Brown, Chairman

April 5, 1978

LETTER OF INTENT
TO ACCOMPANY CS FOR HL 545

The Honorable Hugh Malone
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. Speaker:

House Bill 545 was expanded and changed somewhat in committee.

Its title is now "An Act relating to the provision of Statewide entertainment, educational and public television services." The bill now compasses the original satellite user's association included in HB 545 as well as other provisions addressed to the activities of the Alaska Public Broadcasting Commission. This is the reason for the amended and expanded title.

CS for HB 545 basically establishes a consortium or pool of Alaskan users of "broadband" satellite telecommunications services. To communications engineers, "broadband" usually denotes uses like television, the most sophisticated of data transmission techniques, and the better quality radio broadcast lines.

It has been present and prior experience that use of satellite transmission of communications in Alaska is very necessary for many applications, and is indispensable for some, particularly television. Yet the costs of such services and present and past economies of scale have not allowed their use on any wide-ranging level.

The satellite television demonstration project established by the Ninth Legislature provided, for the first time, a crude method of pooling together users of television services for purchasing satellite time. In that situation, in fact all of the money came from the State of Alaska to provide services to both rural and urban communities. But had the cost been apportioned among the various users (for instance, the private broadcasters in Fairbanks, Anchorage, Juneau and Sitka), charging them only for the time actually used by those various companies, the per-hour cost for satellite delivery of news, sports, and other time-value special events programming would have been far less than the amount that each would have had to pay to a provider of satellite services in the current market.

CS for HB 545 seeks to pool together many more users of television and other broadband communications techniques, in order to reduce the per-hour cost to each participant as much as possible. Hopefully, if the consortium established under the bill is successful, Alaskans will be able to enjoy much more time-value television programming, and special-purpose users in education, public broadcasting, and data transmission will also be able to make much more use of modern communications techniques over long distances without paying or being asked to pay prohibitively high amounts for such satellite services.

Communications engineers know that broadband communications techniques cannot be used over long distances by pairs of wires suspended from poles. Also, signal deterioration is extensive through the use of undersea cables, even if such cables were available to Alaskans. Noise-free, wide-channel data transmission over long distances to points in Alaska from the lower 48 and between points in Alaska, as well as similar transmission of television pictures, can be accomplished only through the use of either microwave relay, coaxial cable, or satellite relay using synchronous communications satellites (of course, this satellite transmission is simply the very most sophisticated use of microwave transmission). Considering Alaska's topography and huge size, the use of coaxial cable or microwave relay facilities through most of the state would be economically ridiculous. For this reason, even before the satellite television demonstration project, Alaskan television stations had to use very expensive casual purchases of satellite transmission time in order to carry very major news events (such as inaugurations or moon landings) and sports events (such as the World Series, or the Super Bowl). Alaskan data transmission users have not attempted to make use of satellite transmission facilities in most situations, except to the extent that the satellite transmission is involved in a telephone-type line for much cruder methods of data transmission.

The bill would be a method for continuing, on a permanent basis, the activities started under the satellite television demonstration project. However, the bill anticipates that each of the members of the nonprofit corporation to be established will, after about five years, be assessed for the full cost of their own satellite time and other related transmission costs. However, it is hoped that by that time there will be enough members in the pool (and tariffs for satellite time will be such) that the per-hour cost to each member after discontinuation of any direct state subsidy, would be small enough to be practical.

The original bill provided for a board of directors that was, in the view of many, too close to government. In order to meet these criticisms, the board was broken into two boards: one that would be the "initial board," and another which would be the regular board of directors established after approximately eighteen months.

April 5, 1978

The initial board of directors would be made up of five persons, only two of whom would be appointed by the Governor and from government. Others would be selected by the Alaska Broadcaster's Association, the Mini-TV Association, and the Alaska Cable Television Association. The regular board would be elected in much the same manner as the board of directors of any nonprofit corporation under Section 60 of the bill, but so long as direct State funding continued, at least two members of the board would continue to be chosen by the Governor.

There are two ways that the association will obtain funds from the State at the beginning. One of them would be through direct appropriations. If Committee Substitute for House Bill 908 or some other version of it passes, or if another appropriations bill passes, those funds should and can be directed to the satellite user's association after its establishment. In addition, the bill provides for loans to be made to the association by the Department of Commerce (which would then be sold to the Department of Revenue) in a manner similar to that of the Medical Indemnity Corporation of Alaska established under other legislation two years ago.

It is intended that the direct State funding of the association decline. Section 140 of the bill provides that "subject to legislation appropriation and the availability of loans. . . , the State shall continue to pay a share of the cost of the association which will decline by twenty percent each year for four fiscal years following the first meeting of the initial board of directors." No other State funding would go to the association after that time, unless there were a financial emergency which would require the Commissioner of Commerce to make a loan in order to maintain solvency of the association under Section 160(b).

The board of directors would determine dues of the association, which in act would be assessment of members to allocate the costs of operation on the basis of the actual use of the services of the association.

If a member also provided services to the association (e.g., a member provided satellite-receive facilities from an earth station owned by the member) such contributions would be taken into account in determining the dues of the member, or in determining the amounts to be paid to the member for the services.

No member, of course, could provide services to the association at a profit without being a certificated common carrier.

Similarly, the association itself cannot make a profit without becoming a common carrier. That is why it was established as a nonprofit corporation.

The association is not intended to become a telephone company, nor to become a large-operations long lines common carrier. Basically, the group is

really a buyers' cooperative association, which will take advantage of certain FCC rulings which have provided that an entity that provides such services without taking a profit need not be a common carrier.

The association may, at a later time, also provide broadcast-quality audio lines to Alaskan radio facilities: however, it does appear that such services can be obtained economically by Alaskan radio stations without the need to join such an association. If the need arose, such broadcasters could join the association.

However, the association is expected to involve itself mostly with the most complex of truly broadband communications techniques: television transmission and wideband data transmission.

There is a provision in the bill that proscribes the association from engaging in telephone transmission and further states that the association may not "provide a substitute for usual methods of telephonic communication except as directly related to services authorized in this chapter." (Section 120).

This last section refers to a practice common in television broadcasting. Frequently, in a full connection to one of the commercial networks, a broadcaster will have a separate audio line intended only for the local TV station, which will include information about in-cues and out-cues, time placement of commercial breaks, station breaks and other information.

Sections 2, 3, and 4 of the bill change somewhat the charter of the Alaska Public Broadcasting Commission and provide for programming development grants to be administered by the staff of the Commission. It should be clear, however, that even with the coordinating role set forth in the proposed Section 14.58.050(2), the APBC cannot make programming decisions for individually licensed public broadcasting stations in Alaska. Those stations, under the terms of their licenses and applicable federal law, must be responsible to the Federal Communications Commission for any programming decisions.

The programming development grant is intended to be a vehicle to encourage new educational and public television production in Alaska, particularly on a local or regional level. Other legislation would be required to fund the grant program, of course. Simultaneously with reporting out CS for HB 545, the committee is also reporting out CS for HB 908, which includes a line-item appropriation for such program. It is intended that the actual decisions on individual grant applications not be made by the Public Broadcasting Commission, but rather by its staff under the standards set forth in this bill and in other standards to be promulgated by the commission. This seems far less unwieldy than requiring a commission of unpaid laymen to consider all of the professional and technical information on a sporadic basis at meetings that are held quarterly at best.

Section 4 of the bill recognizes in law the existing Educational Telecommunications Consortium that has grown up informally under the aegis of the Commissioner of Education and his staff. Admittedly, the powers set forth in the statute for the consortium are not extensive: however, it is basically meant to educate the educators and other public users of television techniques.

Hopefully, the educational telecommunications consortium can acquaint all prospective public and educational users of television techniques with the tools of modern communications. These techniques should be considered no better or even different from other tools such as chalk, books, laboratory equipment, magazine-format publications, and so forth. But the newer tools are incredibly flexible ones and it is hoped that the educational telecommunications consortium can spread that word.

CS for HB 545 nearly, but not quite, provides a full structure for continuing and expanding the services presently provided under the television demonstration project. It should be noted that State agencies may and should be members of the satellite user's association for their own needs. The University of Alaska is very interested in using television techniques in its programs, and in fact taught one course during the television demonstration project, using television. The Department of Education and other State agencies are interested in similar uses. At the same time, the Department of Administration has expressed interest in having wideband data transmission capability available for use of State computer services for various departments.

Even though the "direct State funding" will discontinue after approximately five years under this legislation, the State will continue to provide funds to it so long as any State agency is a member of the association and is paying its dues or assessments along with each of the other members.

It is anticipated that, if other legislation passes to continue or expand the rural portion of the television demonstration project, the Governor's Office of Telecommunications and the Mini-TV Association will work jointly to provide a member of the association for the purposes of providing services to the rural communities. The Mini-TV Association and the Office of Telecommunications may even wish to establish another entity, perhaps a nonprofit corporation, that would be a member of the association for the purposes of providing and paying for these services.

As can be seen from the previous discussion, the structure established by CS HB 545 is very flexible in its ability to address the needs of individual prospective members of the association.

In another sense CS for HB 545 continues present services by establishing the grant program in the APBC. Presently, on a shoestring budget, the Department of Education has been providing educational and public television for the 23 demonstration villages. However, representatives of the Department of Education

The Honorable Hugh Malone

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indicated that this should not be done on a continuing basis but that programming sources should be regionalized and localized, taking into account the continuing State policy to decentralize education and education decisions. For this reason, the first priorities are given to grants to develop educational and public television programs that have a regional or local identification.

Respectfully submitted,

Fred Brown, Chairman
House Select Committee on
Telecommunications

FB:kfm

COMMITTEE REPORT
SENATE

FURTHER: Finance

5/18/78

Date: June 11, 1978

Mr. President:

The Committee on COMMERCE has had CSHB 545 (Com)
creating the Alaska Satellite Users Association

under consideration and (a majority of the committee) (the committee reports it back as follows)

- 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 _____ new title same title

AND attaches a Letter of Intent New Fiscal Note

reports it back without ^{recommendation} recommendation

and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

L.R. Polgard
Bill Hair
Bill Sumner
Blum Hartman

No REC
Do Not Pass
NO REC

Man E. Bradley
Chairman

Introduced: 5/20/77
Referred: Special Committee on
Telecommunications and Commerce

1 IN THE HOUSE

BY STATE AFFAIRS COMMITTEE

2 HOUSE BILL NO. 545

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Alaska Satellite Users Associa-
7 tion."

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

9 * Section 1. AS 44 is amended by adding a new chapter to read:

10 CHAPTER 55. ALASKA SATELLITE USERS ASSOCIATION.

11 Sec. 44.55.010. ALASKA SATELLITE USERS ASSOCIATION. There is
12 created the Alaska Satellite Users Association. The association is a
13 public nonprofit corporation and government instrumentality but has a
14 legal existence independent of and separate from the state.

15 Sec. 44.55.020. PURPOSE OF ASSOCIATION. (a) The purpose of the
16 association is to make available to Alaskan users, through cooperative
17 purchasing and utilization, satellite communication services including
18 television programming, special television services, data transmission,
19 radio broadcast, and other broad band channels.

20 (b) The association shall act as a broker of telecommunication
21 services to the various categories of users of these services in Alaska,
22 with all services to be provided at cost.

23 Sec. 44.55.030. BOARD OF DIRECTORS. (a) The association is
24 governed by a seven-member board of directors. The members of the board
25 shall consist of the following persons:

26 (1) two members designated by the Alaska Broadcasters Asso-
27 ciation from its directors, at least one of whom must be a representa-
28 tive of a television broadcasting station licensed by the Federal
29 Communications Commission;

1 (2) three members appointed by the governor, composed of the
2 following:

3 (A) one person involved in a direct day-to-day mana-
4 gerial capacity in a public television station;

5 (B) one person on the staff of the University of Alaska
6 involved in the use of television in education;

7 (C) one person familiar with data transmission tech-
8 niques;

9 (3) one member representing the Alaska Cable Television
10 Association; and

11 (4) one member chosen by the governor from candidates desig-
12 nated or nominated by active organizations having primarily rural
13 interests.

14 (b) At least one of the seven directors shall be a person compe-
15 tent and knowledgeable in engineering and technology related to tele-
16 vision and data transmission.

17 (c) The members receive no salary for their service as directors
18 of the association, but are entitled to per diem and travel expenses
19 authorized by law.

20 Sec. 44.55.040. TERM OF OFFICE. The term of office of a director
21 is three years. The terms are staggered with two terms expiring every
22 third year beginning with 1978, two terms expiring every third year
23 beginning with 1979, and three terms expiring every third year beginning
24 with 1980. No member may serve more than six years.

25 Sec. 44.55.050. POWERS OF THE ASSOCIATION. The association has
26 the general power to:

- 27 (1) adopt, alter and use a corporate seal;
28 (2) prescribe, adopt, amend and repeal bylaws;
29 (3) sue and be sued in its own name;

1 (4) employ personnel and to fix, change and pay compensation
2 for their services as the association may determine;

3 (5) make and execute agreements, contracts and other instru-
4 ments necessary or convenient in the exercise of its powers and func-
5 tions, including contracts with any person, firm, corporation, govern-
6 ment agency or other entity;

7 (6) lease or otherwise contract for communications channel
8 capability from suppliers of telecommunications services, particularly,
9 but not limited to, suppliers of entertainment and educational tele-
10 vision programming and data transmission over long distances;

11 (7) provide technical advice and assistance to members, mem-
12 ber associations, and individual users which relate to services provided
13 by the association;

14 (8) receive, administer and comply with the conditions and
15 requirements of an appropriation, gift, grant or donation of property or
16 money;

17 (9) acquire, hold, use, lease, sell or otherwise dispose of
18 property of any kind, real, personal or mixed or any interest in it;

19 (10) adopt, amend and repeal bylaws necessary for the exercise
20 and performance of its powers and duties or to govern the rendering of
21 service;

22 (11) determine, fix, alter, charge and collect rates, fees,
23 rentals and other charges to reimburse the association for the use of
24 facilities and services of the association;

25 (12) do all acts and things necessary, convenient or desirable
26 to carry out the powers granted or implied in this chapter.

27 Sec. 44.55.060. ELIGIBILITY FOR MEMBERSHIP. Any person, business,
28 or other entity in the state who has a present or prospective need for
29 the services provided by the association is eligible for membership in

1 the association, including, but not limited to, the following:

2 (1) public or privately owned, federally licensed broad-
3 casting facilities;

4 (2) cable television operations certified with a Federal
5 Communications Commission "Certificate of Compliance";

6 (3) state or federal agencies (to the extent permitted by
7 applicable law) which provide medical services and which have a need for
8 the services of the association, and including nonprofit health corpora-
9 tions;

10 (4) theater television enterprises;

11 (5) departments, agencies, or offices of the state that have
12 now or may develop a need to use television or data transmission in the
13 conduct of their operations;

14 (6) local governments or agencies or entities of local
15 governments that have now or may develop a need to use television or
16 data transmission in the conduct of their operations;

17 (7) any other private businesses which can demonstrate to the
18 board of directors that it cannot feasibly obtain television or data
19 transmission services without participation in the association.

20 Sec. 44.55.070. EXECUTIVE DIRECTOR. The association may employ an
21 executive director and such other personnel as are necessary to carry
22 out the purposes of this chapter.

23 Sec. 44.55.080. TAX EXEMPTION. The exercise of the powers granted
24 by this chapter will be in all respects for the benefit of the people of
25 the state, for their well-being and prosperity and for the improvement
26 of their social and economic conditions, and the association is not re-
27 quired to pay a tax or assessment on any property owned by the associ-
28 ation under the provisions of this chapter or upon the income from it.

29 Sec. 44.55.090. SERVICES OF GOVERNMENT AGENCIES AND COST OF SER-

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1 VICES. All officers, departments, boards, agencies divisions and
2 commissions of the state may render those services to the association as
3 are within the area of their respective governmental functions and as
4 are requested by the association. The cost and expense of services
5 requested by the association shall, at the request of the officer,
6 department, board, agency, division or commission rendering the service,
7 be paid by the association.

8 Sec. 44.55.100. RESTRICTIONS ON ASSOCIATION. (a) Decisions,
9 choices, and orders regarding programming and data content shall be made
10 by the individual members, not by the association acting as a corporate
11 body.

12 (b) The association may not engage in telephone business or pro-
13 vide a substitute for usual methods of telephonic communication except
14 as directly related to otherwise authorized services.

15 Sec. 44.55.110. DUES OF ASSOCIATION. (a) Subject to the pro-
16 visions of sec. 120 of this chapter relating to the declining state
17 subsidy of the association, the board of the association shall establish
18 a schedule of assessment of members of the association which shall
19 allocate cost of operation of the association among the members of the
20 association on a pro rata basis according to actual use of services of
21 the association.

22 (b) Costs of operation of the association shall be allocated to
23 and assessed against agencies of the state participating in the associa-
24 tion and utilizing services of the association on the same basis as non-
25 state users.

26 Sec. 44.55.120. DECLINING STATE SUBSIDY OF THE ASSOCIATION.
27 During the first year of operation, the state shall cover the full cost
28 of operation of the association. Subject to legislative appropriation
29 and the availability of loans under sec. 130 of this chapter, the state

1 shall continue to pay a share of the cost of the association which will
2 decline by 10 per cent each year for seven years. Thereafter, the full
3 cost of the association shall be borne by the members of the association
4 according to sec. 110 of this chapter.

5 Sec. 44.55.130. AUDIT. The association shall be subject to audit
6 by the Department of Administration and by the legislative audit divi-
7 sion in the same manner as a state agency.

8 Sec. 44.55.140. LOAN FUND. (a) There is in the Department of
9 Commerce and Economic Development the satellite communications users
10 revolving loan fund, to be administered by the commissioner in compli-
11 ance with this chapter.

12 (b) Loans may be made from the fund to the association upon certi-
13 fication by the commissioner that a loan is necessary to enable the
14 association to accomplish the purposes of secs. 10 - 120 of this chap-
15 ter.

16 (c) If a loan is made to the association from the fund, the
17 association shall issue a note to the fund as evidence of the loan.
18 Terms and conditions of each loan shall be determined by the commis-
19 sioner. The commissioner may sell at par value to the Department of
20 Revenue and the Department of Revenue shall purchase the notes held by
21 the fund as security for loans made under this section.

22 Sec. 44.55.150. DEFINITIONS. In this chapter

23 (1) "association" means the Alaska Satellite Users Associ-
24 ation;

25 (2) "member" means a member of the Alaska Satellite Users
26 Association;

27 (3) "user" means a person using the facilities and services
28 of the Alaska Satellite Users Association.

Original sponsor: State Affairs Committee

Offered: 4/5/78
Referred: Commerce

1 IN THE HOUSE

BY THE SELECT COMMITTEE
ON TELECOMMUNICATIONS

2 CS FOR HOUSE BILL NO. 545

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the provision of statewide enter-
7 tainment, educational and public television services."

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

9 * Section 1. AS 44 is amended by adding a new chapter to read:

10 CHAPTER 55. ALASKA SATELLITE USERS ASSOCIATION.

11 Sec. 44.55.010. ALASKA SATELLITE USERS ASSOCIATION. There is
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16 association is to make available to Alaskan users, through cooperative
17 purchasing and utilization, satellite communications services as re-
18 quired for television programming, special television services, data
19 transmission, radio broadcast, and other broadband uses.

20 (b) The association shall act as a cooperative purchaser of tele-
21 communications services to the various categories of users of these
22 services in Alaska, with all services to be provided at cost.

23 Sec. 44.55.030. INITIAL BOARD OF DIRECTORS. (a) The association
24 shall initially be governed by a five-member board of directors con-
25 sisting of the following persons:

26 (1) one member designated by the Alaska Broadcasters Asso-
27 ciation who is a representative of a television broadcasting station
28 licensed by the Federal Communications Commission;

29 (2) two members appointed by the governor, composed of the

1 following:

2 (A) one person from the staff of either the University
3 of Alaska or the Department of Education who is involved in the use
4 of television in education;

5 (B) one person from the Office of the Gov. or, office
6 of telecommunications or an executive department who is competent
7 and knowledgeable in broadcast engineering and technology related
8 to television and data transmission;

9 (3) one member designated by the Alaska Cable Television
10 Association who is a representative of a cable television service facil-
11 ity in Alaska certified with a Federal Communications Commission "Cer-
12 tificate of Compliance"; and

13 (4) one member chosen by the Alaska Mini-TV Association from
14 candidates designated or nominated by active organizations having pri-
15 marily rural interests.

16 (b) The members receive no salary for their service as directors
17 of the association, but are entitled to per diem and travel expenses
18 authorized by law.

19 Sec. 44.55.040. TERM OF OFFICE. The term of office of the members
20 of the initial board of directors is 18 months or until their successors
21 are elected under the charter of the association after its approval.
22 Members of the regular board shall serve for staggered terms as provided
23 in the charter.

24 Sec. 44.55.050. ARTICLES OF INCORPORATION. (a) The initial board
25 of directors shall adopt initial bylaws for the operation of the asso-
26 ciation. Until the preparation and adoption of permanent articles of
27 incorporation under (b) of this section, the association shall operate
28 under this chapter as its corporate charter.

29 (b) Within 12 months of the first meeting of the initial board of

1 directors, the board shall prepare articles of incorporation of the
2 association as a nonprofit corporation, consistent with the provisions
3 of AS 10.20 and this chapter, for approval by the membership of the
4 association after review by the commissioner.

5 Sec. 44.55.060. ELECTION OF BOARD OF DIRECTORS OF CORPORATION.

6 (a) At the first annual meeting of the association, no sooner than 18
7 months after the first meeting of the initial board, the board of direc-
8 tors of the corporation shall be elected in the manner provided in the
9 articles of incorporation and bylaws, subject to (b) of this section.

10 (b) So long as there continues to be direct state funding of the
11 association under sec. 140 or 160 of this chapter, two members of the
12 board of directors shall be chosen by the governor in the same manner as
13 for the initial board under sec. 30 of this chapter.

14 Sec. 44.55.070. POWERS OF THE ASSOCIATION. The association has
15 the general power to

- 16 (1) adopt, alter and use a corporate seal;
- 17 (2) prescribe, adopt, amend and repeal bylaws;
- 18 (3) sue and be sued in its own name;
- 19 (4) employ personnel and to fix, change and pay compensation
20 for their services as the association may determine;
- 21 (5) make and execute agreements, contracts and other instru-
22 ments necessary or convenient in the exercise of its powers and func-
23 tions, including contracts with any person, firm, corporation, govern-
24 ment agency or other entity, including contracts with its own members;
- 25 (6) lease or otherwise contract for communications channel
26 capability from suppliers or users of telecommunications services,
27 particularly, but not limited to, suppliers of entertainment and educa-
28 tional television programming and data transmission over long distances,
29 and including from its own members;

1 (7) contract out any or all of the operations of the associ-
2 ation with appropriate contract supervision by the board through its
3 executive director;

4 (8) provide technical advice and assistance to members, mem-
5 ber associations, and individual users which relate to services provided
6 by the association;

7 (9) receive, administer and comply with the conditions and
8 requirements of an appropriation, gift, grant or donation of property or
9 money;

10 (10) acquire, hold, use, lease, sell or otherwise dispose of
11 property of any kind, real, personal or mixed or any interest in it;

12 (11) adopt, amend and repeal bylaws necessary for the exercise
13 and performance of its powers and duties or to govern the rendering of
14 service;

15 (12) determine, fix, alter, charge and collect rates, fees,
16 rentals and other charges to reimburse the association for the use of
17 facilities and services of the association;

18 (13) do all acts and things necessary, convenient or desirable
19 to carry out the powers granted or implied in this chapter.

20 Sec. 44.55.080. ELIGIBILITY FOR MEMBERSHIP. (a) Any person,
21 business, or other entity in the state who has a present or prospective
22 need for the services provided by the association is eligible for mem-
23 bership in the association, including, but not limited to, the follow-
24 ing:

25 (1) public or privately owned, federally licensed broad-
26 casting facilities;

27 (2) cable television operations certified with a Federal
28 Communications Commission "Certificate of Compliance";

29 (3) state or federal agencies (to the extent permitted by

1 applicable law) which provide medical services and which have a need for
2 the services of the association, and including nonprofit health corpora-
3 tions;

4 (4) theater television enterprises;

5 (5) departments, agencies, or offices of the state that have
6 now or may develop a need to use television or data transmission in the
7 conduct of their operations;

8 (6) local governments or agencies or entities of local
9 governments that have now or may develop a need to use television or
10 data transmission in the conduct of their operations;

11 (7) any other private business or nonprofit entity which
12 demonstrates a need for television or data transmission services without
13 participation in the association.

14 (b) Each of the following state agencies is empowered to join the
15 association:

16 (1) any state executive agency at the department or division
17 level;

18 (2) the executive Office of the Governor;

19 (3) the Legislative Affairs Agency;

20 (4) the Alaska Court System;

21 (5) the University of Alaska;

22 (6) any other state agency or entity created as an instru-
23 mentality of the state.

24 Sec. 44.55.090. EXECUTIVE DIRECTOR. The association may employ an
25 executive director and such other personnel as are necessary to carry
26 out the purposes of this chapter.

27 Sec. 44.55.100. TAX EXEMPTION. The exercise of the powers granted
28 by this chapter will be in all respects for the benefit of the people of
29 the state, for their well-being and prosperity and for the improvement

1 of their social and economic conditions, and the association is not re-
2 quired to pay a tax or assessment on any property owned by the associ-
3 ation under the provisions of this chapter or upon the income from it.

4 Sec. 44.55.110. SERVICES OF GOVERNMENT AGENCIES AND COST OF SER-
5 VICES. All officers, departments, boards, agencies, divisions and
6 commissions of the state may render those services to the association as
7 are within the area of their respective governmental functions and as
8 are requested by the association. The cost and expense of services
9 requested by the association shall, at the request of the officer,
10 department, board, agency, division or commission rendering the service,
11 be paid by the association.

12 Sec. 44.55.120. RESTRICTIONS ON ASSOCIATION. (a) Decisions,
13 choices, and orders regarding programming and data content shall be made
14 by the individual members, not by the association acting as a corporate
15 body nor by the executive director or other employee of the association.

16 (b) The association may not engage in telephone business or pro-
17 vide a substitute for usual methods of telephonic communication except
18 as directly related to services otherwise authorized in this chapter.

19 (c) The association may not act as a communications common carrier
20 as defined by applicable state and federal law.

21 Sec. 44.55.130. DUES OF ASSOCIATION. (a) Subject to the pro-
22 visions of sec. 140 of this chapter relating to the declining state
23 subsidy of the association, the board of the association shall establish
24 a schedule of assessment of members of the association which shall
25 allocate cost of operation of the association among the members of the
26 association on a pro rata basis according to actual use of services of
27 the association.

28 (b) Costs of operation of the association shall be allocated to
29 and assessed against agencies of the state participating in the associa-

1 tion and utilizing services of the association on the same basis as non-
2 state users.

3 (c) The board may adjust membership fees of a member to reflect
4 services provided by that member under sec. 70(5) and (6) of this chap-
5 ter.

6 Sec. 44.55.140. DECLINING STATE SUBSIDY OF THE ASSOCIATION.

7 During the first year of operation, the state shall cover the full cost
8 of operation of the association unless the initial board finds that
9 assessments to members of partial costs can begin earlier without ad-
10 versely affecting services and without substantial adverse financial
11 effect on private members. Subject to legislative appropriation and the
12 availability of loans under sec. 160 of this chapter, the state shall
13 continue to pay a share of the cost of the association which will de-
14 cline by 20 per cent each year for four fiscal years following the first
15 meeting of the initial board of directors. Thereafter, the full cost of
16 the association shall be borne by the members of the association ac-
17 cording to sec. 130 of this chapter, unless there is a finding by the
18 commissioner under sec. 160(b) of this chapter of impaired solvency of
19 the association.

20 Sec. 44.55.150. AUDIT. The association shall be subject to audit
21 by the Department of Administration and by the legislative audit divi-
22 sion in the same manner as a state agency.

23 Sec. 44.55.160. LOAN FUND. (a) There is in the Department of
24 Commerce and Economic Development the satellite communications users
25 revolving loan fund, to be administered by the commissioner in compli-
26 ance with this chapter.

27 (b) Loans may be made from the fund to the association upon certi-
28 fication by the commissioner that a loan is necessary to enable the
29 association to accomplish the purposes of secs. 10 - 120 of this chap-

1 ter. No loan may be certified by the commissioner after discontinuance
2 of the direct subsidy under sec. 140 of this chapter unless the com-
3 missioner has made a written finding that the solvency of the associ-
4 ation would be substantially impaired without the loan.

5 (c) If a loan is made to the association from the fund, the asso-
6 ciation shall issue a note to the fund as evidence of the loan. Terms
7 and conditions of each loan shall be determined by the commissioner.
8 The commissioner may sell at par value to the Department of Revenue and
9 the Department of Revenue shall purchase the notes held by the fund as
10 security for loans made under this section.

11 Sec. 44.55.170. DEFINITIONS. In this chapter

12 (1) "association" means the Alaska Satellite Users Associ-
13 ation;

14 (2) "commissioner" means the commissioner of commerce and
15 economic development;

16 (3) "direct state subsidy" means an appropriation, grant or
17 loan to the association and does not include dues or fees paid by a
18 state agency or instrumentality for membership and participation in the
19 association;

20 (4) "member" means a member of the Alaska Satellite Users
21 Association;

22 (5) "user" means a person using the facilities and services
23 of the Alaska Satellite Users Association.

24 * Sec. 2. AS 14.58.050 is amended to read:

25 Sec. 14.58.050. PURPOSE OF COMMISSION. The commission is created
26 to

27 (1) encourage and supervise the development of an integrated
28 public broadcasting system for the state, and

29 (2) serve as the statewide coordinator for all state and

J

1 local public use of radio and television for educational and other
2 public purposes including [FOR] the coordination of all public broad-
3 casting stations.

4 * Sec. 3. AS 14.58.060 is amended by adding new paragraphs to read:

5 (13) coordinate satellite delivery of educational and public
6 programming and serve as a clearinghouse for information on satellite
7 delivery of noncommercial programming;

8 (14) administer, through its staff, the provision of grants
9 for the development of educational and public programming.

10 * Sec. 4. AS 14.58 is amended by adding new sections to read:

11 Sec. 14.58.065. EDUCATIONAL TELECOMMUNICATIONS CONSORTIUM. (a)
12 There is established under the commission the educational telecommuni-
13 cations consortium to

14 (1) investigate the practical uses of television and tele-
15 communications techniques to accomplish the goals and duties of educa-
16 tional and other public institutions of the state; and

17 (2) familiarize persons in state and local government and
18 public service nonprofit organizations with the capabilities of tele-
19 vision and telecommunications as they relate to the objectives of the
20 particular agency or organization.

21 (b) Members may include state agencies and private nonprofit
22 entities which have an interest in the use of television and telecom-
23 munications techniques for educational and public purposes.

24 Sec. 14.58.085. PROGRAMMING DEVELOPMENT GRANTS. (a) The commis-
25 sion shall administer, through its staff, a grant program to provide
26 funding or matching funds for the production of television and radio
27 programs for education and other public purposes.

28 (b) In determining eligibility of applicants and awarding grants
29 under this section, the following factors shall be considered:

1 (1) the relevance of the application and proposal to the
2 educational and public programming needs of a regional or local area of
3 Alaska;

4 (2) the likelihood of continued production of the program
5 through funding other than the initial grant;

6 (3) the competence and fitness of the applicant to carry out
7 the program;

8 (4) the capacity or ability to carry out the proposed program
9 development through existing technical systems.

10 (c) In awarding grants under this section, first priority will be
11 given to traditionally educational projects and second priority to news
12 and public affairs projects, with appropriate consideration given to the
13 provision of bilingual services in relevant regional areas.

14 (c) Review of applications and awarding of grants under this
15 section shall be a responsibility of the executive director of the
16 commission in accordance with standards and guidelines established in
17 this section and by the commission by resolution.
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Original sponsor: State Affairs Committee

Offered: 5/10/78
Referred: Rules

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2

CS FOR HOUSE BILL NO. 545 (Commerce)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the provision of statewide enter-
tainment, educational and public television services."

7

8

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

9

* Section 1. AS 44 is amended by adding a new chapter to read:

10

CHAPTER 55. ALASKA SATELLITE USERS ASSOCIATION.

11

Sec. 44.55.010. ALASKA SATELLITE USERS ASSOCIATION. There is
created the Alaska Satellite Users Association. The association is a
public nonprofit corporation and government instrumentality but has a
legal existence independent of and separate from the state.

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Sec. 44.55.020. PURPOSE OF ASSOCIATION. (a) The purpose of the
association is to make available to Alaskan users, through cooperative
purchasing and utilization, satellite communications services as re-
quired for television programming, special television services, data
transmission, radio broadcast, and other broadband uses.

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(b) The association shall act as a cooperative purchaser of tele-
communications services to the various categories of users of these
services in Alaska, with all services to be provided at cost.

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Sec. 44.55.030. INITIAL BOARD OF DIRECTORS. (a) The association
shall initially be governed by a five-member board of directors con-
sisting of the following persons:

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(1) one member designated by the Alaska Broadcasters Asso-
ciation who is a representative of a television broadcasting station
licensed by the Federal Communications Commission;

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(2) two members appointed by the governor, composed of the

1 following:

2 (A) one person from the staff of either the University
3 of Alaska or the Department of Education who is involved in the use
4 of television in education;

5 (B) one person from the Office of the Governor, office
6 of telecommunications or an executive department who is competent
7 and knowledgeable in broadcast engineering and technology related
8 to television and data transmission;

9 (3) one member designated by the Alaska Cable Television
10 Association who is a representative of a cable television service facil-
11 ity in Alaska certified with a Federal Communications Commission "Cer-
12 tificate of Compliance"; and

13 (4) one member chosen by the Alaska Mini-TV Association from
14 candidates designated or nominated by active organizations having pri-
15 marily rural interests.

16 (b) The members receive no salary for their service as directors
17 of the association, but are entitled to per diem and travel expenses
18 authorized by law.

19 Sec. 44.55.040. TERM OF OFFICE. The term of office of the members
20 of the initial board of directors is 18 months or until their successors
21 are elected under the charter of the association after its approval.
22 Members of the regular board shall serve for staggered terms as provided
23 in the charter.

24 Sec. 44.55.050. ARTICLES OF INCORPORATION. (a) The initial board
25 of directors shall adopt initial bylaws for the operation of the asso-
26 ciation. Until the preparation and adoption of permanent articles of
27 incorporation under (b) of this section, the association shall operate
28 under this chapter as its corporate charter.

29 (b) Within 12 months of the first meeting of the initial board of

1 directors, the board shall prepare articles of incorporation of the
2 association as a nonprofit corporation, consistent with the provisions
3 of AS 10.20 and this chapter, for approval by the membership of the
4 association after review by the commissioner. The board of directors of
5 the corporation may not consist of more than five members.

6 Sec. 44.55.060. ELECTION OF BOARD OF DIRECTORS OF CORPORATION.

7 (a) At the first annual meeting of the association, no sooner than 18
8 months after the first meeting of the initial board, the board of direc-
9 tors of the corporation, consisting of not more than five members, shall
10 be elected in the manner provided in the articles of incorporation and
11 bylaws, subject to (b) of this section.

12 (b) So long as there continues to be direct state funding of the
13 association under sec. 140 or 160 of this chapter, two members of the
14 board of directors shall be chosen by the governor in the same manner as
15 for the initial board under sec. 30 of this chapter.

16 Sec. 44.55.070. POWERS OF THE ASSOCIATION. The association has
17 the general power to

- 18 (1) adopt, alter and use a corporate seal;
- 19 (2) prescribe, adopt, amend and repeal bylaws;
- 20 (3) sue and be sued in its own name;
- 21 (4) employ personnel and to fix, change and pay compensation
22 for their services as the association may determine;
- 23 (5) make and execute agreements, contracts and other instru-
24 ments necessary or convenient in the exercise of its powers and func-
25 tions, including contracts with any person, firm, corporation, govern-
26 ment agency or other entity, including contracts with its own members;
- 27 (6) lease or otherwise contract for communications channel
28 capability from suppliers or users of telecommunications services,
29 particularly, but not limited to, suppliers of entertainment and educa-

1 tional television programming and data transmission over long distances,
2 and including from its own members;

3 (7) contract out any or all of the operations of the associ-
4 ation with appropriate contract supervision by the board through its
5 executive director;

6 (8) provide technical advice and assistance to members, mem-
7 ber associations, and individual users which relate to services provided
8 by the association;

9 (9) receive, administer and comply with the conditions and
10 requirements of an appropriation, gift, grant or donation of property or
11 money;

12 (10) acquire, hold, use, lease, sell or otherwise dispose of
13 property of any kind, real, personal or mixed or any interest in it;

14 (11) adopt, amend and repeal bylaws necessary for the exercise
15 and performance of its powers and duties or to govern the rendering of
16 service;

17 (12) determine, fix, alter, charge and collect rates, fees,
18 rentals and other charges to reimburse the association for the use of
19 facilities and services of the association;

20 (13) do all acts and things necessary, convenient or desirable
21 to carry out the powers granted or implied in this chapter.

22 Sec. 44.55.080. ELIGIBILITY FOR MEMBERSHIP. (a) Any person,
23 business, or other entity in the state who has a present or prospective
24 need for the services provided by the association is eligible for mem-
25 bership in the association, including, but not limited to, the follow-
26 ing:

27 (1) public or privately owned, federally licensed broad-
28 casting facilities;

29 (2) cable television operations certified with a Federal

1 Communications Commission "Certificate of Compliance";

2 (3) state or federal agencies (to the extent permitted by
3 applicable law) which provide medical services and which have a need for
4 the services of the association, and including nonprofit health corpora-
5 tions;

6 (4) theater television enterprises;

7 (5) departments, agencies, or offices of the state that have
8 now or may develop a need to use television or data transmission in the
9 conduct of their operations;

10 (6) local governments or agencies or entities of local
11 governments that have now or may develop a need to use television or
12 data transmission in the conduct of their operations;

13 (7) any other private business or nonprofit entity which
14 can demonstrate to the board of directors that it cannot feasibly obtain
15 television or data transmission services without participation in the
16 association.

17 (b) Each of the following state agencies is empowered to join the
18 association:

19 (1) any state executive agency at the department or division
20 level;

21 (2) the executive Office of the Governor;

22 (3) the Legislative Affairs Agency;

23 (4) the Alaska Court System;

24 (5) the University of Alaska;

25 (6) any other state agency or entity created as an instru-
26 mentality of the state.

27 Sec. 44.55.090. EXECUTIVE DIRECTOR. The association may employ an
28 executive director and such other personnel as are necessary to carry
29 out the purposes of this chapter.

1 Sec. 44.55.100. TAX EXEMPTION. The exercise of the powers granted
2 by this chapter will be in all respects for the benefit of the people of
3 the state, for their well-being and prosperity and for the improvement
4 of their social and economic conditions, and the association is not re-
5 quired to pay a tax or assessment on any property owned by the associ-
6 ation under the provisions of this chapter or upon the income from it.

7 Sec. 44.55.110. SERVICES OF GOVERNMENT AGENCIES AND COST OF SER-
8 VICES. All officers, departments, boards, agencies, divisions and
9 commissions of the state may render those services to the association as
10 are within the area of their respective governmental functions and as
11 are requested by the association. The cost and expense of services
12 requested by the association shall, at the request of the officer,
13 department, board, agency, division or commission rendering the service,
14 be paid by the association.

15 Sec. 44.55.120. RESTRICTIONS ON ASSOCIATION. (a) Decisions,
16 choices, and orders regarding programming and data content shall be made
17 by the individual members, not by the association acting as a corporate
18 body nor by the executive director or other employee of the association.

19 (b) The association may not engage in the business of providing
20 message toll service or provide a substitute for usual methods of tele-
21 phonic communication except as directly related to services otherwise
22 authorized in this chapter.

23 (c) The association may not act as a communications common carrier
24 as defined by applicable state and federal law.

25 Sec. 44.55.130. DUES OF ASSOCIATION. (a) Subject to the pro-
26 visions of sec. 140 of this chapter relating to the declining state
27 subsidy of the association, the board of the association shall establish
28 a schedule of assessment of members of the association which shall
29 allocate cost of operation of the association among the members of the

1 association on a pro rata basis according to actual use of services of
2 the association.

3 (b) Costs of operation of the association shall be allocated to
4 and assessed against agencies of the state participating in the associa-
5 tion and utilizing services of the association on the same basis as
6 non-state users.

7 (c) The board may adjust membership fees of a member to reflect
8 services provided by that member under sec. 70(5) and (6) of this chap-
9 ter.

10 Sec. 44.55.140. DECLINING STATE SUBSIDY OF THE ASSOCIATION.

11 During the first year of operation, the state shall cover the initial
12 cost of the operation of the association less an assessment to each
13 member which shall be determined by the initial board of directors of
14 the association. The assessment under this section shall be based on
15 savings which benefit that member, and which arise out of services
16 provided by the association during the first year of operation. Subject
17 to legislative appropriation and the availability of loans under sec.
18 160 of this chapter, the state shall continue to pay a share of the cost
19 of the association which will decline from the cost covered during the
20 first year by the state by 20 per cent each year for five fiscal years
21 following the first meeting of the initial board of directors. There-
22 after, the full cost of the association shall be borne by the members of
23 the association according to sec. 130 of this chapter, unless there is a
24 finding by the commissioner under sec. 160(b) of this chapter of im-
25 paired solvency of the association.

26 Sec. 44.55.150. AUDIT. The association shall be subject to audit
27 by the Department of Administration and by the legislative audit divi-
28 sion in the same manner as a state agency.

29 Sec. 44.55.160. LOAN FUND. (a) There is in the Department of

1 Commerce and Economic Development the satellite communications users
2 revolving loan fund, to be administered by the commissioner in compli-
3 ance with this chapter.

4 (b) Loans may be made from the fund to the association upon certi-
5 fication by the commissioner that a loan is necessary to enable the
6 association to accomplish the purposes of secs. 10 - 120 of this chap-
7 ter. No loan may be certified by the commissioner after discontinuance
8 of the direct subsidy under sec. 140 of this chapter unless the com-
9 missioner has made a written finding that the solvency of the associ-
10 ation would be substantially impaired without the loan.

11 (c) If a loan is made to the association from the fund, the asso-
12 ciation shall issue a note to the fund as evidence of the loan. Terms
13 and conditions of each loan shall be determined by the commissioner.
14 The commissioner may sell at par value to the Department of Revenue and
15 the Department of Revenue shall purchase the notes held by the fund as
16 security for loans made under this section.

17 Sec. 44.55.170. DEFINITIONS. In this chapter

18 (1) "association" means the Alaska Satellite Users Associ-
19 ation;

20 (2) "commissioner" means the commissioner of commerce and
21 economic development;

22 (3) "direct state subsidy" means an appropriation, grant or
23 loan to the association and does not include dues or fees paid by a
24 state agency or instrumentality for membership and participation in the
25 association;

26 (4) "member" means a member of the Alaska Satellite Users
27 Association;

28 (5) "user" means a person using the facilities and services
29 of the Alaska Satellite Users Association.

1 * Sec. 2. AS 14.58.050 is amended to read:

2 Sec. 14.58.050. PURPOSE OF COMMISSION. The commission is created
3 to

4 (1) encourage and supervise the development of an integrated
5 public broadcasting system for the state, and

6 (2) serve as the statewide coordinator for all state and
7 local public use of radio and television for educational and other
8 public purposes including [FOR] the coordination of all public broad-
9 casting stations.

10 * Sec. 3. AS 14.58.060 is amended by adding new paragraphs to read:

11 (13) coordinate satellite delivery of educational and public
12 programming and serve as a clearinghouse for information on satellite
13 delivery of noncommercial programming;

14 (14) administer the provision of grants for the development of
15 educational and public programming.

16 * Sec. 4. AS 14.58 is amended by adding new sections to read:

17 Sec. 14.58.065. EDUCATIONAL TELECOMMUNICATIONS CONSORTIUM. (a)
18 There is established under the office of the commissioner of the Depart-
19 ment of Education the educational telecommunications consortium to

20 (1) investigate the practical uses of television and tele-
21 communications techniques to accomplish the goals and duties of educa-
22 tional and other public institutions of the state; and

23 (2) familiarize persons in state and local government and
24 public service nonprofit organizations with the capabilities of tele-
25 vision and telecommunications as they relate to the objectives of the
26 particular agency or organization.

27 (b) Members may include state agencies and private nonprofit
28 entities which have an interest in the use of television and telecom-
29 munications techniques for educational and public purposes.

1 Sec. 14.58.085. PROGRAMMING DEVELOPMENT GRANTS. (a) The commis-
2 sion shall administer a grant program to provide funding or matching
3 funds for the production of television and radio programs for instruc-
4 tional educational and other public purposes.

5 (b) In determining eligibility of applicants and awarding grants
6 under this section, the following factors shall be considered:

7 (1) the relevance of the application and proposal to the
8 educational and public programming needs of the state;

9 (2) the likelihood of continued production of the program
10 through funding other than the initial grant;

11 (3) the competence and fitness of the applicant to carry out
12 the program;

13 (4) the capacity or ability to carry out the proposed program
14 development through existing technical systems.

15 (c) In awarding grants under this section, first priority will be
16 given to traditionally educational projects and second priority to public
17 affairs projects, with appropriate consideration given to the provision
18 of bilingual services in relevant regional areas.

19 (d) Review of applications and awarding of grants under this
20 section is a responsibility of the commission in accordance with
21 standards and guidelines established in this section and by the commis-
22 sion by resolution.

23 (e) The Department of Education shall review all grant applications
24 addressing elementary and secondary education, and submit detailed
25 written recommendations to the commission assessing the need, value and
26 objectives of the proposal.
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Original sponsor: State Affairs Committee

Offered: 5/10/78
Referred: Rules

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 545 (Commerce) am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the provision of statewide enter-
7 tainment, educational and public television services."

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

9 * Section 1. AS 44 is amended by adding a new chapter to read:

10 CHAPTER 55. ALASKA SATELLITE USERS ASSOCIATION.

11 Sec. 44.55.010. ALASKA SATELLITE USERS ASSOCIATION. There is
12 created the Alaska Satellite Users Association. The association is a
13 public nonprofit corporation and government instrumentality but has a
14 legal existence independent of and separate from the state.

15 Sec. 44.55.020. PURPOSE OF ASSOCIATION. (a) The purpose of the
16 association is to make available to Alaskan users, through cooperative
17 purchasing and utilization, satellite communications services as re-
18 quired for television programming, special television services, data
19 transmission, radio broadcast, and other broadband uses.

20 (b) The association shall act as a cooperative purchaser of tele-
21 communications services to the various categories of users of these
22 services in Alaska, with all services to be provided at cost.

23 Sec. 44.55.030. INITIAL BOARD OF DIRECTORS. (a) The association
24 shall initially be governed by a seven-member board of directors con-
25 sisting of the following persons:

26 (1) one member designated by the Alaska Broadcasters Asso-
27 ciation who is a representative of a television broadcasting station
28 licensed by the Federal Communications Commission;

29 (2) three members appointed by the governor, composed of the

1 following:

2 (A) one person from the staff of either the University
3 of Alaska or the Department of Education who is involved in the use
4 of television in education;

5 (B) one person from the Office of the Governor, office
6 of telecommunications or an executive department who is competent
7 and knowledgeable in broadcast engineering and technology related
8 to television and data transmission;

9 (C) one person from the general public.

10 (3) one member designated by the Alaska Cable Television
11 Association who is a representative of a cable television service facil-
12 ity in Alaska certified with a Federal Communications Commission "Cer-
13 tificate of Compliance"; and

14 (4) one member chosen by the Alaska Mini-TV Association from
15 candidates designated or nominated by active organizations having pri-
16 marily rural interests.

17 (5) one member selected at a meeting of all noncable sub-
18 scription television operators, who shall be a representative of one of
19 them. The meeting shall be called by the governor or his representative
20 for this purpose.

21 (b) The members receive no salary for their service as directors
22 of the association, but are entitled to per diem and travel expenses
23 authorized by law.

24 Sec. 44.55.040. TERM OF OFFICE. The term of office of the members
25 of the initial board of directors is 18 months or until their successors
26 are elected under the charter of the association after its approval.
27 Members of the regular board shall serve for staggered terms as provided
28 in the charter.

29 Sec. 44.55.050. ARTICLES OF INCORPORATION. (a) The initial board
CSHB 545 (Commerce) am

1 of directors shall adopt initial bylaws for the operation of the asso-
2 ciation. Until the preparation and adoption of permanent articles of
3 incorporation under (b) of this section, the association shall operate
4 under this chapter as its corporate charter.

5 (b) Within 12 months of the first meeting of the initial board of
6 directors, the board shall prepare articles of incorporation of the
7 association as a nonprofit corporation, consistent with the provisions
8 of AS 10.20 and this chapter, for approval by the membership of the
9 association after review by the commissioner. The board of directors of
10 the corporation may not consist of more than seven members.

11 Sec. 44.55.060. ELECTION OF BOARD OF DIRECTORS OF CORPORATION.

12 (a) At the first annual meeting of the association, no sooner than 18
13 months after the first meeting of the initial board, the board of direc-
14 tors of the corporation, consisting of not more than seven members, shall
15 be elected in the manner provided in the articles of incorporation and
16 bylaws, subject to (b) of this section.

17 (b) So long as there continues to be direct state funding of the
18 association under sec. 140 or 160 of this chapter, three members of the
19 board of directors shall be chosen by the governor in the same manner as
20 for the initial board under sec. 30 of this chapter.

21 Sec. 44.55.070. POWERS OF THE ASSOCIATION. The association has
22 the general power to

- 23 (1) adopt, alter and use a corporate seal;
24 (2) prescribe, adopt, amend and repeal bylaws;
25 (3) sue and be sued in its own name;
26 (4) employ personnel and to fix, change and pay compensation
27 for their services as the association may determine;
28 (5) make and execute agreements, contracts and other instru-
29 ments necessary or convenient in the exercise of its powers and func-

1 tions, including contracts with any person, firm, corporation, govern-
2 ment agency or other entity, including contracts with its own members;

3 (6) lease or otherwise contract for communications channel
4 capability from suppliers or users of telecommunications services,
5 particularly, but not limited to, suppliers of entertainment and educa-
6 tional television programming and data transmission over long distances,
7 and including from its own members;

8 (7) contract out any or all of the operations of the associ-
9 ation with appropriate contract supervision by the board through its
10 executive director;

11 (8) provide technical advice and assistance to members, mem-
12 ber associations, and individual users which relate to services provided
13 by the association;

14 (9) receive, administer and comply with the conditions and
15 requirements of an appropriation, gift, grant or donation of property or
16 money;

17 (10) acquire, hold, use, lease, sell or otherwise dispose of
18 property of any kind, real, personal or mixed or any interest in it;

19 (11) adopt, amend and repeal bylaws necessary for the exercise
20 and performance of its powers and duties or to govern the rendering of
21 service;

22 (12) determine, fix, alter, charge and collect rates, fees,
23 rentals and other charges to reimburse the association for the use of
24 facilities and services of the association;

25 (13) do all acts and things necessary, convenient or desirable
26 to carry out the powers granted or implied in this chapter.

27 Sec. 44.55.080. ELIGIBILITY FOR MEMBERSHIP. (a) Any person,
28 business, or other entity in the state who has a present or prospective
29 need for the services provided by the association is eligible for mem-

1 bership in the association, including, but not limited to, the follow-
2 ing:

3 (1) public or privately owned, federally licensed broad-
4 casting facilities;

5 (2) cable television operations certified with a Federal
6 Communications Commission "Certificate of Compliance";

7 (3) state or federal agencies (to the extent permitted by
8 applicable law) which provide medical services and which have a need for
9 the services of the association, and including nonprofit health corpora-
10 tions;

11 (4) theater television enterprises;

12 (5) departments, agencies, or offices of the state that have
13 now or may develop a need to use television or data transmission in the
14 conduct of their operations;

15 (6) local governments or agencies or entities of local
16 governments that have now or may develop a need to use television or
17 data transmission in the conduct of their operations;

18 (7) any other private business or nonprofit entity which
19 can demonstrate to the board of directors that it cannot feasibly obtain
20 television or data transmission services without participation in the
21 association.

22 (b) Each of the following state agencies is empowered to join the
23 association:

24 (1) any state executive agency at the department or division
25 level;

26 (2) the executive Office of the Governor;

27 (3) the Legislative Affairs Agency;

28 (4) the Alaska Court System;

29 (5) the University of Alaska;

1 (6) any other state agency or entity created as an instru-
2 mentality of the state.

3 Sec. 44.55.090. EXECUTIVE DIRECTOR. The association may employ an
4 executive director and such other personnel as are necessary to carry
5 out the purposes of this chapter.

6 Sec. 44.55.100. TAX EXEMPTION. The exercise of the powers granted
7 by this chapter will be in all respects for the benefit of the people of
8 the state, for their well-being and prosperity and for the improvement
9 of their social and economic conditions, and the association is not re-
10 quired to pay a tax or assessment on any property owned by the associ-
11 ation under the provisions of this chapter or upon the income from it.

12 Sec. 44.55.110. SERVICES OF GOVERNMENT AGENCIES AND COST OF SER-
13 VICES. All officers, departments, boards, agencies, divisions and
14 commissions of the state may render those services to the association as
15 are within the area of their respective governmental functions and as
16 are requested by the association. The cost and expense of services
17 requested by the association shall, at the request of the officer,
18 department, board, agency, division or commission rendering the service,
19 be paid by the association.

20 Sec. 44.55.120. RESTRICTIONS ON ASSOCIATION. (a) Decisions,
21 choices, and orders regarding programming and data content shall be made
22 by the individual members, not by the association acting as a corporate
23 body nor by the executive director or other employee of the association.

24 (b) The association may not engage in the business of providing
25 message toll service or provide a substitute for usual methods of tele-
26 phonic communication except as directly related to services otherwise
27 authorized in this chapter.

28 (c) The association may not act as a communications common carrier
29 as defined by applicable state and federal law.

1 Sec. 44.55.130. DUES OF ASSOCIATION. (a) Subject to the pro-
2 visions of sec. 140 of this chapter relating to the declining state
3 subsidy of the association, the board of the association shall establish
4 a schedule of assessment of members of the association which shall
5 allocate cost of operation of the association among the members of the
6 association on a pro rata basis according to actual use of services of
7 the association.

8 (b) Costs of operation of the association shall be allocated to
9 and assessed against agencies of the state participating in the associa-
10 tion and utilizing services of the association on the same basis as
11 non-state users.

12 (c) The board may adjust membership fees of a member to reflect
13 services provided by that member under sec. 70(5) and (6) of this chap-
14 ter.

15 Sec. 44.55.140. DECLINING STATE SUBSIDY OF THE ASSOCIATION.
16 During the first year of operation, the state shall cover the initial
17 cost of the operation of the association less an assessment to each
18 member which shall be determined by the initial board of directors of
19 the association. The assessment under this section shall be based on
20 savings which benefit that member, and which arise out of services
21 provided by the association during the first year of operation. Subject
22 to legislative appropriation and the availability of loans under sec.
23 160 of this chapter, the state shall continue to pay a share of the cost
24 of the association which will decline from the cost covered during the
25 first year by the state by 20 per cent each year for five fiscal years
26 following the first meeting of the initial board of directors. There-
27 after, the full cost of the association shall be borne by the members of
28 the association according to sec. 130 of this chapter, unless there is a
29 finding by the commissioner under sec. 160(b) of this chapter of im-

1 paired solvency of the association.

2 Sec. 44.55.150. AUDIT. The association shall be subject to audit
3 by the Department of Administration and by the legislative audit divi-
4 sion in the same manner as a state agency.

5 Sec. 44.55.160. LOAN FUND. (a) There is in the Department of
6 Commerce and Economic Development the satellite communications users
7 revolving loan fund, to be administered by the commissioner in compli-
8 ance with this chapter.

9 (b) Loans may be made from the fund to the association upon certi-
10 fication by the commissioner that a loan is necessary to enable the
11 association to accomplish the purposes of secs. 10 - 120 of this chap-
12 ter. No loan may be certified by the commissioner after discontinuance
13 of the direct subsidy under sec. 140 of this chapter unless the com-
14 missioner has made a written finding that the solvency of the associ-
15 ation would be substantially impaired without the loan.

16 (c) If a loan is made to the association from the fund, the asso-
17 ciation shall issue a note to the fund as evidence of the loan. Terms
18 and conditions of each loan shall be determined by the commissioner.
19 The commissioner may sell at par value to the Department of Revenue and
20 the Department of Revenue shall purchase the notes held by the fund as
21 security for loans made under this section.

22 Sec. 44.55.170. DEFINITIONS. In this chapter

23 (1) "association" means the Alaska Satellite Users Associ-
24 ation;

25 (2) "commissioner" means the commissioner of commerce and
26 economic development;

27 (3) "direct state subsidy" means an appropriation, grant or
28 loan to the association and does not include dues or fees paid by a
29 state agency or instrumentality for membership and participation in the

1 association;

2 (4) "member" means a member of the Alaska Satellite Users
3 Association;

4 (5) "user" means a person using the facilities and services
5 of the Alaska Satellite Users Association.

6 * Sec. 2. AS 14.58.050 is amended to read:

7 Sec. 14.58.050. PURPOSE OF THE COMMISSION. The commission is
8 created to

9 (1) encourage and supervise the development of an integrated
10 public broadcasting system for the state, and

11 (2) serve as the statewide coordinator for all state and
12 local public use of radio and television for educational and other
13 public purposes including [FOR] the coordination of all public broad-
14 casting stations.

15 * Sec. 3. AS 14.58.060 is amended by adding new paragraphs to read:

16 (13) coordinate satellite delivery of educational and public
17 programming and serve as a clearinghouse for information on satellite
18 delivery of noncommercial programming;

19 (14) administer the provision of grants for the development of
20 educational and public programming.

21 * Sec. 4. AS 14.58 is amended by adding new sections to read:

22 Sec. 14.58.065. EDUCATIONAL TELECOMMUNICATIONS CONSORTIUM. (a)

23 There is established under the office of the commissioner of the Depart-
24 ment of Education the educational telecommunications consortium to

25 (1) investigate the practical uses of television and tele-
26 communications techniques to accomplish the goals and duties of educa-
27 tional and other public institutions of the state; and

28 (2) familiarize persons in state and local government and
29 public service nonprofit organizations with the capabilities of tele-

1 vision and telecommunications as they relate to the objectives of the
2 particular agency or organization.

3 (b) Members may include state agencies and private nonprofit
4 entities which have an interest in the use of television and telecom-
5 munications techniques for educational and public purposes.

6 Sec. 14.58.085. PROGRAMMING DEVELOPMENT GRANTS. (a) The commis-
7 sion shall administer a grant program to provide funding or matching
8 funds for the production of television and radio programs for instruc-
9 tional educational and other public purposes.

10 (b) In determining eligibility of applicants and awarding grants
11 under this section, the following factors shall be considered:

12 (1) the relevance of the application and proposal to the
13 educational and public programming needs of the state;

14 (2) the likelihood of continued production of the program
15 through funding other than the initial grant;

16 (3) the competence and fitness of the applicant to carry out
17 the program;

18 (4) the capacity or ability to carry out the proposed program
19 development through existing technical systems.

20 (c) In awarding grants under this section, first priority will be
21 given to traditionally educational projects and second priority to public
22 affairs projects, with appropriate consideration given to the provision
23 of bilingual services in relevant regional areas.

24 (d) Review of applications and awarding of grants under this
25 section is a responsibility of the commission in accordance with
26 standards and guidelines established in this section and by the commis-
27 sion by resolution.

28 (e) The Department of Education shall review all grant applications
29 addressing elementary and secondary education, and submit detailed

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written recommendations to the commission assessing the need, value and objectives of the proposal.

#

COMMITTEE REPORT
SENATE

FURTHER: _____

6/13/78

Date: _____

Mr. President:

The Committee on FINANCE has had CSHB 545 (Com)
creating the Alaska Satellite Users Association

under consideration and (a majority of the committee) (the committee reports it back as follows)

- 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 _____ new title same title

- AND attaches a Letter of Intent New Fiscal Note
 reports it back without recommendation
 and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Chairman

COMMITTEE REPORT

SENATE

FURTHER: Finance

5/18/78

Date: June 11, 1978

Mr. President:

The Committee on COMMERCE has had CSHB 545 (Com) creating the Alaska Satellite Users Association

under consideration and (a majority of the committee) (the committee reports it back as follows)

() 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 _____ () new title () same title

() AND attaches a Letter of Intent () New Fiscal Note

() reports it back without ^{and include} recommendation

() and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

2 K. Poland do pass Poland
1 Bill Raiz
1 Bill Sumner
1 Glenn Hackney

OTHER RECOMMENDATIONS:

No REC
Do Not Pass
NO REC

Ray E. Bradley
Chairman
1 No Rec

Original sponsor: State Affairs Committee

Offered: 5/10/78
Referred: Rules

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 545 (Commerce) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the provision of statewide enter-
7 tainment, educational and public television services."

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

9 * Section 1. AS 44 is amended by adding a new chapter to read:

10 CHAPTER 55. ALASKA SATELLITE USERS ASSOCIATION.

11 Sec. 44.55.010. ALASKA SATELLITE USERS ASSOCIATION. There is
12 created the Alaska Satellite Users Association. The association is a
13 public nonprofit corporation and government instrumentality but has a
14 legal existence independent of and separate from the state.

15 Sec. 44.55.020. PURPOSE OF ASSOCIATION. (a) The purpose of the
16 association is to make available to Alaskan users, through cooperative
17 purchasing and utilization, satellite communications services as re-
18 quired for television programming, special television services, data
19 transmission, radio broadcast, and other broadband uses.

20 (b) The association shall act as a cooperative purchaser of tele-
21 communications services to the various categories of users of these
22 services in Alaska, with all services to be provided at cost.

23 Sec. 44.55.030. INITIAL BOARD OF DIRECTORS. (a) The association
24 shall initially be governed by a seven-member board of directors con-
25 sisting of the following persons:

26 (1) one member designated by the Alaska Broadcasters Asso-
27 ciation who is a representative of a television broadcasting station
28 licensed by the Federal Communications Commission;

29 (2) three members appointed by the governor, composed of the

1 following:

2 (A) one person from the staff of either the University
3 of Alaska or the Department of Education who is involved in the use
4 of television in education;

5 (B) one person from the Office of the Governor, office
6 of telecommunications or an executive department who is competent
7 and knowledgeable in broadcast engineering and technology related
8 to television and data transmission;

9 (C) one person from the general public.

10 (3) one member designated by the Alaska Cable Television
11 Association who is a representative of a cable television service facil-
12 ity in Alaska certified with a Federal Communications Commission "Cer-
13 tificate of Compliance"; and

14 (4) one member chosen by the Alaska Mini-TV Association from
15 candidates designated or nominated by active organizations having pri-
16 marily rural interests.

17 (5) one member selected at a meeting of all noncable sub-
18 scription television operators, who shall be a representative of one of
19 them. The meeting shall be called by the governor or his representative
20 for this purpose.

21 (b) The members receive no salary for their service as directors
22 of the association, but are entitled to per diem and travel expenses
23 authorized by law.

24 Sec. 44.55.040. TERM OF OFFICE. The term of office of the members
25 of the initial board of directors is 18 months or until their successors
26 are elected under the charter of the association after its approval.
27 Members of the regular board shall serve for staggered terms as provided
28 in the charter.

29 Sec. 44.55.050. ARTICLES OF INCORPORATION. (a) The initial board
CSHB 545 (Commerce) am -2-

COMMITTEE COPY

1 of directors shall adopt initial bylaws for the operation of the asso-
2 ciation. Until the preparation and adoption of permanent articles of
3 incorporation under (b) of this section, the association shall operate
4 under this chapter as its corporate charter.

5 (b) Within 12 months of the first meeting of the initial board of
6 directors, the board shall prepare articles of incorporation of the
7 association as a nonprofit corporation, consistent with the provisions
8 of AS 10.20 and this chapter, for approval by the membership of the
9 association after review by the commissioner. The board of directors of
10 the corporation may not consist of more than seven members.

11 Sec. 44.55.060. ELECTION OF BOARD OF DIRECTORS OF CORPORATION.

12 (a) At the first annual meeting of the association, no sooner than 18
13 months after the first meeting of the initial board, the board of direc-
14 tors of the corporation, consisting of not more than seven members, shall
15 be elected in the manner provided in the articles of incorporation and
16 bylaws, subject to (b) of this section.

17 (b) So long as there continues to be direct state funding of the
18 association under sec. 140 or 160 of this chapter, three members of the
19 board of directors shall be chosen by the governor in the same manner as
20 for the initial board under sec. 30 of this chapter.

21 Sec. 44.55.070. POWERS OF THE ASSOCIATION. The association has
22 the general power to

- 23 (1) adopt, alter and use a corporate seal;
- 24 (2) prescribe, adopt, amend and repeal bylaws;
- 25 (3) sue and be sued in its own name;
- 26 (4) employ personnel and to fix, change and pay compensation
27 for their services as the association may determine;
- 28 (5) make and execute agreements, contracts and other instru-
29 ments necessary or convenient in the exercise of its powers and func-

1 tions, including contracts with any person, firm, corporation, govern-
2 ment agency or other entity, including contracts with its own members;

3 (6) lease or otherwise contract for communications channel
4 capability from suppliers or users of telecommunications services,
5 particularly, but not limited to, suppliers of entertainment and educa-
6 tional television programming and data transmission over long distances,
7 and including from its own members;

8 (7) contract out any or all of the operations of the associ-
9 ation with appropriate contract supervision by the board through its
10 executive director;

11 (8) provide technical advice and assistance to members, mem-
12 ber associations, and individual users which relate to services provided
13 by the association;

14 (9) receive, administer and comply with the conditions and
15 requirements of an appropriation, gift, grant or donation of property or
16 money;

17 (10) acquire, hold, use, lease, sell or otherwise dispose of
18 property of any kind, real, personal or mixed or any interest in it;

19 (11) adopt, amend and repeal bylaws necessary for the exercise
20 and performance of its powers and duties or to govern the rendering of
21 service;

22 (12) determine, fix, alter, charge and collect rates, fees,
23 rentals and other charges to reimburse the association for the use of
24 facilities and services of the association;

25 (13) do all acts and things necessary, convenient or desirable
26 to carry out the powers granted or implied in this chapter.

27 Sec. 44.55.080. ELIGIBILITY FOR MEMBERSHIP. (a) Any person,
28 business, or other entity in the state who has a present or prospective
29 need for the services provided by the association is eligible for mem-

1 bership in the association, including, but not limited to, the follow-
2 ing:

3 (1) public or privately owned, federally licensed broad-
4 casting facilities;

5 (2) cable television operations certified with a Federal
6 Communications Commission "Certificate of Compliance";

7 (3) state or federal agencies (to the extent permitted by
8 applicable law) which provide medical services and which have a need for
9 the services of the association, and including nonprofit health corpora-
10 tions;

11 (4) theater television enterprises;

12 (5) departments, agencies, or offices of the state that have
13 now or may develop a need to use television or data transmission in the
14 conduct of their operations;

15 (6) local governments or agencies or entities of local
16 governments that have now or may develop a need to use television or
17 data transmission in the conduct of their operations;

18 (7) any other private business or nonprofit entity which
19 can demonstrate to the board of directors that it cannot feasibly obtain
20 television or data transmission services without participation in the
21 association.

22 (b) Each of the following state agencies is empowered to join the
23 association:

24 (1) any state executive agency at the department or division
25 level;

26 (2) the executive Office of the Governor;

27 (3) the Legislative Affairs Agency;

28 (4) the Alaska Court System;

29 (5) the University of Alaska;

1 (6) any other state agency or entity created as an instru-
2 mentality of the state.

3 Sec. 44.55.090. EXECUTIVE DIRECTOR. The association may employ an
4 executive director and such other personnel as are necessary to carry
5 out the purposes of this chapter.

6 Sec. 44.55.100. TAX EXEMPTION. The exercise of the powers granted
7 by this chapter will be in all respects for the benefit of the people of
8 the state, for their well-being and prosperity and for the improvement
9 of their social and economic conditions, and the association is not re-
10 quired to pay a tax or assessment on any property owned by the associ-
11 ation under the provisions of this chapter or upon the income from it.

12 Sec. 44.55.110. SERVICES OF GOVERNMENT AGENCIES AND COST OF SER-
13 VICES. All officers, departments, boards, agencies, divisions and
14 commissions of the state may render those services to the association as
15 are within the area of their respective governmental functions and as
16 are requested by the association. The cost and expense of services
17 requested by the association shall, at the request of the officer,
18 department, board, agency, division or commission rendering the service,
19 be paid by the association.

20 Sec. 44.55.120. RESTRICTIONS ON ASSOCIATION. (a) Decisions,
21 choices, and orders regarding programming and data content shall be made
22 by the individual members, not by the association acting as a corporate
23 body nor by the executive director or other employee of the association.

24 (b) The association may not engage in the business of providing
25 message toll service or provide a substitute for usual methods of tele-
26 phonic communication except as directly related to services otherwise
27 authorized in this chapter.

28 (c) The association may not act as a communications common carrier
29 as defined by applicable state and federal law.

1 Sec. 44.55.130. DUES OF ASSOCIATION. (a) Subject to the pro-
2 visions of sec. 140 of this chapter relating to the declining state
3 subsidy of the association, the board of the association shall establish
4 a schedule of assessment of members of the association which shall
5 allocate cost of operation of the association among the members of the
6 association on a pro rata basis according to actual use of services of
7 the association.

8 (b) Costs of operation of the association shall be allocated to
9 and assessed against agencies of the state participating in the associa-
10 tion and utilizing services of the association on the same basis as
11 non-state users.

12 (c) The board may adjust membership fees of a member to reflect
13 services provided by that member under sec. 70(5) and (6) of this chap-
14 ter.

15 Sec. 44.55.140. DECLINING STATE SUBSIDY OF THE ASSOCIATION.
16 During the first year of operation, the state shall cover the initial
17 cost of the operation of the association less an assessment to each
18 member which shall be determined by the initial board of directors of
19 the association. The assessment under this section shall be based on
20 savings which benefit that member, and which arise out of services
21 provided by the association during the first year of operation. Subject
22 to legislative appropriation and the availability of loans under sec.
23 160 of this chapter, the state shall continue to pay a share of the cost
24 of the association which will decline from the cost covered during the
25 first year by the state by 20 per cent each year for five fiscal years
26 following the first meeting of the initial board of directors. There-
27 after, the full cost of the association shall be borne by the members of
28 the association according to sec. 130 of this chapter, unless there is a
29 finding by the commissioner under sec. 160(b) of this chapter of im-

1 paired solvency of the association.

2 Sec. 44.55.150. AUDIT. The association shall be subject to audit
3 by the Department of Administration and by the legislative audit divi-
4 sion in the same manner as a state agency.

5 Sec. 44.55.160. LOAN FUND. (a) There is in the Department of
6 Commerce and Economic Development the satellite communications users
7 revolving loan fund, to be administered by the commissioner in compli-
8 anc with this chapter.

9 (b) Loans may be made from the fund to the association upon certi-
10 fication by the commissioner that a loan is necessary to enable the
11 association to accomplish the purposes of secs. 10 - 120 of this chap-
12 ter. No loan may be certified by the commissioner after discontinuance
13 of the direct subsidy under sec. 140 of this chapter unless the com-
14 missioner has made a written finding that the solvency of the associ-
15 ation would be substantially impaired without the loan.

16 (c) If a loan is made to the association from the fund, the asso-
17 ciation shall issue a note to the fund as evidence of the loan. Terms
18 and conditions of each loan shall be determined by the commissioner.
19 The commissioner may sell at par value to the Department of Revenue and
20 the Department of Revenue shall purchase the notes held by the fund as
21 security for loans made under this section.

22 Sec. 44.55.170. DEFINITIONS. In this chapter

23 (1) "association" means the Alaska Satellite Users Associ-
24 ation;

25 (2) "commissioner" means the commissioner of commerce and
26 economic development;

27 (3) "direct state subsidy" means an appropriation, grant or
28 loan to the association and does not include dues or fees paid by a
29 state agency or instrumentality for membership and participation in the

1 association;

2 (4) "member" means a member of the Alaska Satellite Users
3 Association;

4 (5) "user" means a person using the facilities and services
5 of the Alaska Satellite Users Association.

6 * Sec. 2. AS 14.58.050 is amended to read:

7 Sec. 14.58.050. PURPOSE OF THE COMMISSION. The commission is
8 created to

9 (1) encourage and supervise the development of an integrated
10 public broadcasting system for the state, and

11 (2) serve as the statewide coordinator for all state and
12 local public use of radio and television for educational and other
13 public purposes including [FOR] the coordination of all public broad-
14 casting stations.

15 * Sec. 3. AS 14.58.060 is amended by adding new paragraphs to read:

16 (13) coordinate satellite delivery of educational and public
17 programming and serve as a clearinghouse for information on satellite
18 delivery of noncommercial programming;

19 (14) administer the provision of grants for the development of
20 educational and public programming.

21 * Sec. 4. AS 14.58 is amended by adding new sections to read:

22 Sec. 14.58.065. EDUCATIONAL TELECOMMUNICATIONS CONSORTIUM. (a)
23 There is established under the office of the commissioner of the Depart-
24 ment of Education the educational telecommunications consortium to

25 (1) investigate the practical uses of television and tele-
26 communications techniques to accomplish the goals and duties of educa-
27 tional and other public institutions of the state; and

28 (2) familiarize persons in state and local government and
29 public service nonprofit organizations with the capabilities of tele-

1 vision and telecommunications as they relate to the objectives of the
2 particular agency or organization.

3 (b) Members may include state agencies and private nonprofit
4 entities which have an interest in the use of television and telecom-
5 munications techniques for educational and public purposes.

6 Sec. 14.58.085. PROGRAMMING DEVELOPMENT GRANTS. (a) The commis-
7 sion shall administer a grant program to provide funding or matching
8 funds for the production of television and radio programs for instruc-
9 tional educational and other public purposes.

10 (b) In determining eligibility of applicants and awarding grants
11 under this section, the following factors shall be considered:

12 (1) the relevance of the application and proposal to the
13 educational and public programming needs of the state;

14 (2) the likelihood of continued production of the program
15 through funding other than the initial grant;

16 (3) the competence and fitness of the applicant to carry out
17 the program;

18 (4) the capacity or ability to carry out the proposed program
19 development through existing technical systems.

20 (c) In awarding grants under this section, first priority will be
21 given to traditionally educational projects and second priority to public
22 affairs projects, with appropriate consideration given to the provision
23 of bilingual services in relevant regional areas.

24 (d) Review of applications and awarding of grants under this
25 section is a responsibility of the commission in accordance with
26 standards and guidelines established in this section and by the commis-
27 sion by resolution.

28 (e) The Department of Education shall review all grant applications
29 addressing elementary and secondary education, and submit detailed

1 written recommendations to the commission assessing the need, value and
2 objectives of the proposal.
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HOUSE SELECT COMMITTEE ON TELECOMMUNICATIONS
Fred Brown, Chairman

April 5, 1978

LETTER OF INTENT
TO ACCOMPANY CS FOR HB 545

The Honorable Hugh Malone
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. Speaker:

House Bill 545 was expanded and changed somewhat in committee.

Its title is now "An Act relating to the provision of Statewide entertainment, educational and public television services." The bill now compasses the original satellite user's association included in HB 545 as well as other provisions addressed to the activities of the Alaska Public Broadcasting Commission. This is the reason for the amended and expanded title.

CS for HB 545 basically establishes a consortium or pool of Alaskan users of "broadband" satellite telecommunications services. To communications engineers, "broadband" usually denotes uses like television, the most sophisticated of data transmission techniques, and the better quality radio broadcast lines.

It has been present and prior experience that use of satellite transmission of communications in Alaska is very necessary for many applications, and is indispensable for some, particularly television. Yet the costs of such services and present and past economies of scale have not allowed their use on any wide-ranging level.

The satellite television demonstration project established by the Ninth Legislature provided, for the first time, a crude method of pooling together users of television services for purchasing satellite time. In that situation, in fact all of the money came from the State of Alaska to provide services to both rural and urban communities. But had the cost been apportioned among the various users (for instance, the private broadcasters in Fairbanks, Anchorage, Juneau and Sitka), charging them only for the time actually used by those various companies, the per-hour cost for satellite delivery of news, sports, and other time-value special events programming would have been far less than the amount that each would have had to pay to a provider of satellite services in the current market.

CS for HB 545 seeks to pool together many more users of television and other broadband communications techniques, in order to reduce the per-hour cost to each participant as much as possible. Hopefully, if the consortium established under the bill is successful, Alaskans will be able to enjoy much more time-value television programming, and special-purpose users in education, public broadcasting, and data transmission will also be able to make much more use of modern communications techniques over long distances without paying or being asked to pay prohibitively high amounts for such satellite services.

Communications engineers know that broadband communications techniques cannot be used over long distances by pairs of wires suspended from poles. Also, signal deterioration is extensive through the use of undersea cables, even if such cables were available to Alaskans. Noise-free, wide-channel data transmission over long distances to points in Alaska from the lower 48 and between points in Alaska, as well as similar transmission of television pictures, can be accomplished only through the use of either microwave relay, coaxial cable, or satellite relay using synchronous communications satellites (of course, this satellite transmission is simply the very most sophisticated use of microwave transmission). Considering Alaska's topography and huge size, the use of coaxial cable or microwave relay facilities through most of the state would be economically ridiculous. For this reason, even before the satellite television demonstration project, Alaskan television stations had to use very expensive casual purchases of satellite transmission time in order to carry very major news events (such as inaugurations or moon landings) and sports events (such as the World Series, or the Super Bowl). Alaskan data transmission users have not attempted to make use of satellite transmission facilities in most situations, except to the extent that the satellite transmission is involved in a telephone-type line for much cruder methods of data transmission.

The bill would be a method for continuing, on a permanent basis, the activities started under the satellite television demonstration project. However, the bill anticipates that each of the members of the nonprofit corporation to be established will, after about five years, be assessed for the full cost of their own satellite time and other related transmission costs. However, it is hoped that by that time there will be enough members in the pool (and tariffs for satellite time will be such) that the per-hour cost to each member after discontinuation of any direct state subsidy, would be small enough to be practical.

The original bill provided for a board of directors that was, in the view of many, too close to government. In order to meet these criticisms, the board was broken into two boards: one that would be the "initial board," and another which would be the regular board of directors established after approximately eighteen months.

The initial board of directors would be made up of five persons, only two of whom would be appointed by the Governor and from government. Others would be selected by the Alaska Broadcaster's Association, the Mini-TV Association, and the Alaska Cable Television Association. The regular board would be elected in much the same manner as the board of directors of any nonprofit corporation under Section 60 of the bill, but so long as direct State funding continued, at least two members of the board would continue to be chosen by the Governor.

There are two ways that the association will obtain funds from the State at the beginning. One of them would be through direct appropriations. If Committee Substitute for House Bill 908 or some other version of it passes, or if another appropriations bill passes, those funds should and can be directed to the satellite user's association after its establishment. In addition, the bill provides for loans to be made to the association by the Department of Commerce (which would then be sold to the Department of Revenue) in a manner similar to that of the Medical Indemnity Corporation of Alaska established under other legislation two years ago.

It is intended that the direct State funding of the association decline. Section 140 of the bill provides that "subject to legislation appropriation and the availability of loans. . . , the State shall continue to pay a share of the cost of the association which will decline by twenty percent each year for four fiscal years following the first meeting of the initial board of directors." No other State funding would go to the association after that time, unless there were a financial emergency which would require the Commissioner of Commerce to make a loan in order to maintain solvency of the association under Section 160(b).

The board of directors would determine dues of the association, which in act would be assessment of members to allocate the costs of operation on the basis of the actual use of the services of the association.

If a member also provided services to the association (e.g., a member provided satellite-receive facilities from an earth station owned by the member) such contributions would be taken into account in determining the dues of the member, or in determining the amounts to be paid to the member for the services.

No member, of course, could provide services to the association at a profit without being a certificated common carrier.

Similarly, the association itself cannot make a profit without becoming a common carrier. That is why it was established as a nonprofit corporation.

The association is not intended to become a telephone company, nor to become a large-operations long lines common carrier. Basically, the group is

really a buyers' cooperative association, which will take advantage of certain FCC rulings which have provided that an entity that provides such services without taking a profit need not be a common carrier.

The association may, at a later time, also provide broadcast-quality audio lines to Alaskan radio facilities: however, it does appear that such services can be obtained economically by Alaskan radio stations without the need to join such an association. If the need arose, such broadcasters could join the association.

However, the association is expected to involve itself mostly with the most complex of truly broadband communications techniques: television transmission and wideband data transmission.

There is a provision in the bill that proscribes the association from engaging in telephone transmission and further states that the association may not "provide a substitute for usual methods of telephonic communication except as directly related to services authorized in this chapter." (Section 120).

This last section refers to a practice common in television broadcasting. Frequently, in a full connection to one of the commercial networks, a broadcaster will have a separate audio line intended only for the local TV station, which will include information about in-cues and out-cues, time placement of commercial breaks, station breaks and other information.

Sections 2, 3, and 4 of the bill change somewhat the charter of the Alaska Public Broadcasting Commission and provide for programming development grants to be administered by the staff of the Commission. It should be clear, however, that even with the coordinating role set forth in the proposed Section 14.58.050(2), the APBC cannot make programming decisions for individually licensed public broadcasting stations in Alaska. Those stations, under the terms of their licenses and applicable federal law, must be responsible to the Federal Communications Commission for any programming decisions.

The programming development grant is intended to be a vehicle to encourage new educational and public television production in Alaska, particularly on a local or regional level. Other legislation would be required to fund the grant program, of course. Simultaneously with reporting out CS for HB 545, the committee is also reporting out CS for HB 908, which includes a line-item appropriation for such program. It is intended that the actual decisions on individual grant applications not be made by the Public Broadcasting Commission, but rather by its staff under the standards set forth in this bill and in other standards to be promulgated by the commission. This seems far less unwieldy than requiring a commission of unpaid laymen to consider all of the professional and technical information on a sporadic basis at meetings that are held quarterly at best.

Section 4 of the bill recognizes in law the existing Educational Telecommunications Consortium that has grown up informally under the aegis of the Commissioner of Education and his staff. Admittedly, the powers set forth in the statute for the consortium are not extensive: however, it is basically meant to educate the educators and other public users of television techniques.

Hopefully, the educational telecommunications consortium can acquaint all prospective public and educational users of television techniques with the tools of modern communications. These techniques should be considered no better or even different from other tools such as chalk, books, laboratory equipment, magazine-format publications, and so forth. But the newer tools are incredibly flexible ones and it is hoped that the educational telecommunications consortium can spread that word.

CS for HB 545 nearly, but not quite, provides a full structure for continuing and expanding the services presently provided under the television demonstration project. It should be noted that State agencies may and should be members of the satellite user's association for their own needs. The University of Alaska is very interested in using television techniques in its programs, and in fact taught one course during the television demonstration project, using television. The Department of Education and other State agencies are interested in similar uses. At the same time, the Department of Administration has expressed interest in having wideband data transmission capability available for use of State computer services for various departments.

Even though the "direct State funding" will discontinue after approximately five years under this legislation, the State will continue to provide funds to it so long as any State agency is a member of the association and is paying its dues or assessments along with each of the other members.

It is anticipated that, if other legislation passes to continue or expand the rural portion of the television demonstration project, the Governor's Office of Telecommunications and the Mini-TV Association will work jointly to provide a member of the association for the purposes of providing services to the rural communities. The Mini-TV Association and the Office of Telecommunications may even wish to establish another entity, perhaps a nonprofit corporation, that would be a member of the association for the purposes of providing and paying for these services.

As can be seen from the previous discussion, the structure established by CSHB 545 is very flexible in its ability to address the needs of individual prospective members of the association.

In another sense CS for HB 545 continues present services by establishing the grant program in the APBC. Presently, on a shoestring budget, the Department of Education has been providing educational and public television for the 23 demonstration villages. However, representatives of the Department of Education

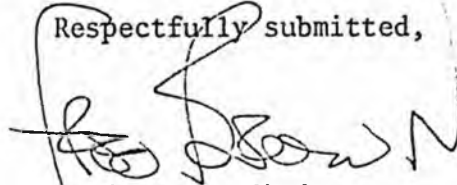
The Honorable Hugh Malone

-6-

April 5, 1978

indicated that this should not be done on a continuing basis but that programming sources should be regionalized and localized, taking into account the continuing State policy to decentralize education and education decisions. For this reason, the first priorities are given to grants to develop educational and public television programs that have a regional or local identification.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Fred Brown". The signature is written in a cursive style with a large, prominent "F" and "B".

Fred Brown, Chairman
House Select Committee on
Telecommunications

FB:kfm

ALASKA STATE LEGISLATURE

TENTH Legislature FIRST Session

HOUSE BILL NO. 545

By THE STATE AFFAIRS COMMITTEE

"An Act creating the Alaska Satellite Users Association."

Ak. Satellite Users Assn.

Introduced in the House 5-20, 1977

HISTORY IN THE HOUSE

19 77		
May 20		Read first time and referred to Committee on The communications and Commerce
Apr 5		Reported back with recommendation that <i>File Comm. report/CS before Commerce</i>
May 10		<i>Commerce report/CS (com) before Review</i>
May 16		Read second time and <i>CS Comm. adopted & amended today</i>
May 16		Read third time and
May 17		<i>Reconsideration before debate</i>
May 16		PASS Effective Date Yeas 26 Nays 5 Absent Excused 9
May 16		Reconsideration
May 17		PASS Effective Date Yeas 31 Nays 6 Absent Excused 3
May 17		Reported correctly engrossed
May 17		Signed by Speaker
May 17		Sent to Senate
		<i>Gene Paschen</i> CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19 78		
5 18		Read first time and referred to Committee on <i>Com Fin</i>
6 13		Reported back with recommendation that <i>Comm House</i> <i>do pass to Finance</i>
		Read second time and
		Read third time and
		PASS Effective Date Yeas Nays Absent Excused
		Reconsideration
		PASS Effective Date Yeas Nays Absent Excused
		Reported correctly engrossed
		Signed by President
		Returned to House
		SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

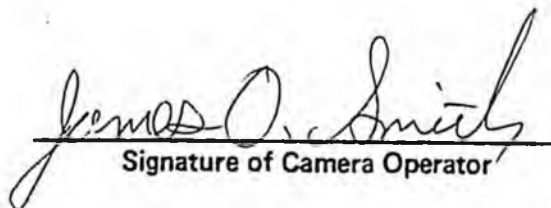
19	
	Received from Senate
	Concurred in Senate amendment thus adopting:
	Failed to concur in Senate amendment; asked Sen. to recede
	Senate receded from amendment
	Senate failed to recede from amendment
	FCC appointed by House
	FCC appointed by Senate
	FCC adopted
	To enrolling
	Reported correctly enrolled
	Sent to Governor
 by Governor
	Filed with Lt. Governor
	Chapter No.

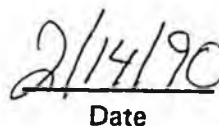


RECORDS CERTIFICATION



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.


Signature of Camera Operator


Date

COMMITTEE REPORT
SENATE

FURTHER: _____

5/16/78

Date: June 2, 1978

Mr. President:

The Committee on FINANCE has had CSHB 548 (Fin)
education of exceptional children

under consideration and (a majority of the committee) (the committee reports it back as follows)

- 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 _____ new title same title

- AND attaches a Letter of Intent New Fiscal Note
- reports it back without recommendation
- and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

John S. ...
Chairman

Original sponsors: Rudd, Bradley,
Buchholdt, et al

Offered: 5/8/78
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 548 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the education of exceptional child-
7 ren; and providing for an effective date."

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

9 * Section 1. AS 47.20 is amended by adding a new section to read:

10 Sec. 47.20.005. PURPOSE. It is the purpose of secs. 5 - 50 of
11 this chapter to provide appropriate public education and training for
12 the exceptional children in this state who have not reached the age of
13 three. To the maximum extent possible, the department shall establish a
14 learning program which emphasizes individual needs, is home based, and
15 involves parents in the education and training of their children.

16 * Sec. 2. AS 47.20.010 is amended to read:

17 Sec. 47.20.010. ASSISTANCE AUTHORIZED. (a) The Department of
18 Health and Social Services shall [MAY] provide professional guidance and
19 financial assistance to organized groups of parents, nonprofit corpora-
20 tions, school districts, and regional educational attendance areas ac-
21 cording to standards and regulations adopted [DEvised] by the department
22 for providing special services, evaluation and special training required
23 by exceptional children [WHO ARE EDUCABLE OR TRAINABLE BUT PHYSICALLY OR
24 MENTALLY RETARDED].

25 (b) The program established under (a) of this section shall em-
26 phasize individual needs and, where possible, be home based and involve
27 parents in the education and training of their children.

28 * Sec. 3. AS 47.20.020 is amended to read:

29 Sec. 47.20.020. STANDARDS FOR ASSISTANCE. The department shall

1 assist organized parental groups, school districts, regional educational
2 attendance areas, and nonprofit corporations which have requested
3 assistance and have arranged for the necessary facilities and equipment
4 for training centers for [FIVE OR MORE] exceptional children. [THE
5 DEPARTMENT SHALL RESTRICT ITS ASSISTANCE TO EVALUATION, PROFESSIONAL
6 GUIDANCE AND RECRUITMENT AND PAYMENT OF SPECIALIZED TEACHERS.]

7 * Sec. 4. AS 47.20.050(1) is amended to read:

8 (1) "exceptional children" includes those children who have
9 not reached the age of three whose development is significantly delayed
10 due to mental retardation, physical, neurological, or emotional handi-
11 caps [PHYSICALLY HANDICAPPED CHILDREN AND MENTALLY RETARDED EDUCABLE AND
12 TRAINABLE CHILDREN];

13 * Sec. 5. AS 47.20.050 is amended by adding new paragraphs to read:

14 (7) "professional guidance" means the consultative services
15 or other medical and educational specialists developed by the department
16 for the education and training of exceptional children;

17 (8) "department" means the Department of Health and Social
18 Services.

19 * Sec. 6. AS 47.20.030, 47.20.040 and 47.20.050(3) and (6) are repealed.

20 * Sec. 7. This Act takes effect July 1, 1978.

TELEGRAM

NCA ALASKA COMMUNICATIONS, INC.
PHONE: 644-6440
JUNEAU, ALASKA 99801

02038 NL ANCHORAGE ALASKA 72 05-30 245P ADT

PMS REP LISA RUDD

JUN

EARLIER THIS YEAR I HAD THE OPPORTUNITY TO DISCUSS THE NEEDS OF RURAL EXCEPTIONAL CHILDREN WITH MANY ALASKAN LEGISLATORS. SINCE THAT TIME LEGISLATION (HB548) HAS BEEN INTRODUCED WHICH WOULD HAVE ENORMOUS IMPACT ON SERVICES TO THESE INDIVIDUALS. RECENT RESEARCH HAS CONSISTANTLY DEMONSTRATED THE IMPORTANCE OF EARLY IDENTIFICATION, EVALUATION AND INTERVENTION IN REDUCING THE INCIDENCE AND SEVERITY OF HANDICAPPING CONDITIONS. I STRONGLY URGE THEREFORE YOUR FAVORABLE CONSIDERATION OF HOUSE BILL 548.

CLYDE FARRINGTON ALASKA VISION HEARING IMPAIRED
(DEAF-BLIND) PROGRAM



AMENDMENT #1

OFFERED IN THE SENATE:

By: SENATE HESS

To: _____ SENATE BILL No. _____

HOUSE BILL No. CSHB 548 (Fin)

PAGE: 2

LINE: 9

line 9: after "three" add "and"

COMMITTEE REPORT

SENATE

FURTHER: FINANCE

5/12/78

Date: 5/17/78

Mr. President:

HEALTH, EDUCATION AND SOCIAL

The Committee on SERVICES has had CSHB 548 (Fin)
education of exceptional children

under consideration and (a majority of the committee) (the committee reports it back as follows)

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 _____ () new title () same title

() AND attaches a Letter of Intent () New Fiscal Note

() reports it back without recommendation

() and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Brad Bradley
3 votes
5/17/78

Glenn Hachem
Chairman

TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CSIB 548
 Title _____
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Department of Health & Social Services
 Program Category Affected Health
 Budget Request Unit(s) Affected Section of Family Health

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES	0	33.8	35.8	38.0	39.9	42.0
200 TRAVEL	0	3.2	3.4	3.6	3.8	4.0
300 CONTRACTUAL	110.0					
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	110.0	288.0	322.8	362.4	381.3	386.0
TOTAL		325.0	362.0	404.0	425.0	426.0

FUNDING (Thousands of Dollars)

215. More than now

GENERAL FUND	75.0	285.0	285.0	285.0	285.0	285.0
FEDERAL FUNDS	35.0	40.0	77.0	119.0	140.0	161.0
OTHER (Specify)						

POSITIONS

FULL TIME	0	1	1	1	1	1
PART TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

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

A. Assumption: The FY 79 and 80 increase in funds would permit expansion of Infant Stimulation programs into 6 additional communities per year in response to the mandatory language of this bill for communities which have identified the infants needing the program and have requested this assistance to serve them. The FY 81 and 82 increases reflect 3 additional communities per year. FY 83 and beyond will most likely be maintenance funding as this program will be serving approximately 250 infants statewide. The federal funding available for this program is a per capita allotment based on the number of students served the previous year.

This expansion of Infant Learning Programs will require employment of an individual with special education expertise for preschool age children and with administrative skills sufficient to manage this grant program under general direction. The Education Specialist I (Range 19) class specification would offer these capabilities and is budgeted from FY 79 onward. (Continued on attached sheet)

IV. DATE March 29, 1978 PREPARED BY David A. Spence, M.D.
 AGENCY Department of Health & Social Services
 Original: Legislative Finance PHONE 465-3100
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

III. ANALYSIS (Continued)

B. Program Summary:

1. Personal Services:

Education Specialist I, Range 19A	
12 months @ \$2,236 .	\$ 26,916
Benefits @ 25.5%	<u>6,864</u>
Total Personal Services	\$ 33,780

2. Travel: Statewide travel to each grantee at least once annually to provide administrative and technical assistance to participating groups. Travel to Juneau to confer with central office personnel in the Departments of Education and Health & Social Services. \$ 3,200

3. Grants: Provide funding for teachers salaries, benefits and travel for an estimated 11 teacher units in FY 79. \$288,000

January 19, 1978

Early intervention is the key to effective treatment of handicapped children. It is essential that treatment begin as soon as possible when a disability is suspected. More normal gross and fine motor patterns can be established when treatment begins early, before inappropriate movement has had time to develop. It has been shown many times that it is much more efficient to teach appropriate motor development from the beginning than to wait until a child is older and must change existing behaviors.

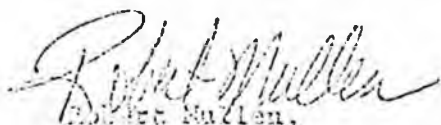
Early intervention increases the likelihood of optimum development throughout life and therefore of greater contributions to society by handicapped persons.

Most learning in children under the age of two comes through sensory and motor activities. If a child's motor responses are abnormal or delayed, his intellectual growth, as well as his physical growth, will be affected. Adequate patterns of movement must be developed before a child can proceed to higher levels of learning.

Those providing services for infants and very young children must consider the needs of both the child and the family. The early years are a time of shock and adjustment and may demand the services of a variety of professionals. Doctors, nurses, occupational therapists, speech therapists, social workers, and teachers can all contribute, but each will be of primary importance to different children.

Agencies must offer alternatives in services to meet the variety of needs of exceptional children. It is the opinion of many therapists and teachers that the school is not always the best agency to provide services to infants and very young children. Medical or therapy centers may be more appropriate sponsors for such programs, particularly when the infants have physical or health disabilities. In the 0-3 age range, the therapies need to be the primary services, with education being secondary.

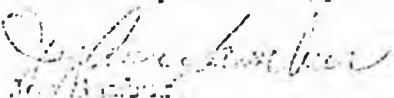
It is recommended that funds be provided for early intervention, but that services be available through a variety of agencies. These services should be coordinated through an agency other than the schools. The Department of Health and Social Services is one apparent solution. It could develop a system in which an interdisciplinary team (doctor, physical therapist, occupational therapist, communication specialist, psychologist) would evaluate a child and determine his primary needs. An agency could then be chosen which would be best suited to meet those needs and funds allocated to that agency for its services.



Robert Mullen,
Speech and Language Pathologist



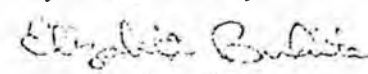
Pat Jensen,
Teacher of the Severely and
Profoundly Handicapped



J. J. [unclear],
Occupational Therapist

Nancy Sullivan,
Pediatric Occupational Therapist

Patty McCabe,
Physical Therapist



Elizabeth Bahise,
Pediatric Physical Therapist



Donna Niskakoski,
Pediatric Physical Therapist

Wm. J. Parr
Mrs. Rudd

March 30, 1978

Patricia McCabe, R.P.T., Secretary
Alaska Legislative Coalition of
Health Care Professionals
5710 E. 29th Avenue
Anchorage, Alaska 99504

Charles Parr, Representative
Chairman House H.E.S.S. Committee
Pouch V
Juneau, Alaska 99811

RE: CS for House Bill #548

Dear Representative Parr:

On behalf of the 500 members of the Alaska Legislative Coalition of Health Care Professionals, I want to express our support for the Committee Substitute for HB 548 and address one area of concern.

Early treatment of children whose development has been impaired due to mental retardation, physical, neurological or emotional handicaps, will greatly increase their likelihood of optimum development. As health care providers, we have seen this occur time and time again in the population we serve. We strongly feel CS for HB 548 meets Lisa Rudd's original intent to provide a program for early treatment for the 0-3 population (with the above mentioned developmental handicaps) by making available infant stimulation programs to all children in the State of Alaska.

This committee substitute addresses the concerns I voiced for HB 548 at the hearing on March 9th by:

1. Having the program administered by the Department of Health and Social Services.
2. Providing the professional guidance of medical as well as educational specialists.
3. Placing the emphasize on home based treatment and on parent involvement; an essential element for success.
4. Allowing for service 12 months of the year.

However, after careful study of CS for HB 548 we feel there are potential problems with the wording in line 11 "free and appropriate public education". Because in Federal law 94-141 the definition of "free and appropriate public education" includes the provision of "related services": physical and occupational therapies, etc. We are certain it was not the intent of CS HB 548 to require the state to provide such extensive related services, nor to prohibit payment of these services from other sources.

Therefore, in order to assure that continued financial assistance from existing private and state sources for individual therapy treatments for the children in infant stimulation programs is not prohibited, we suggest you either delete from line 11 "free and appropriate public education and"

Page 2
March 30, 1978
Representative Parr

Page 2 of 2

or define it under Section 5 as:

(9) "free and appropriate public education includes infant stimulation activities or special education with the consultative services of medical, education, and other specialists.

We are very pleased with CS for HB 548 and with your assurance it will not prohibit payment by private or state agencies of therapy treatments for the individuals enrolled in the infant stimulation program, the Alaska Legislative Coalition of Health Care Professionals will have no reservations in strongly urging you to support this bill.

Thank you for your consideration in addressing our concern.

Sincerely,

C. Patricia McCabe R.P.T.

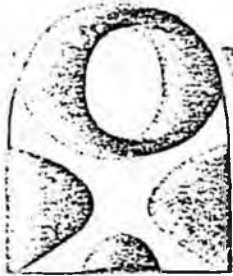
C. Patricia McCabe, R.P.T., Secretary
Alaska Legislative Coalition of
Health Care Professionals

Supported by: Alaska Chapter American Physical Therapy Association
Alaska Chapter American Occupational Therapy Association
Persons Engaged In Expanded Roles - Nurse Practitioner Association
Alaska Dental Hygiene Association
Alaska Optical Dispensing Association
Alaska Nurses Association
Michael James, M.D.

cc: Representative Lisa Ridd

CFM/psg

JAY S. HAMMOND, GOVERNOR
STATE OF ALASKA



GOVERNOR'S COUNCIL FOR THE HANDICAPPED AND GIFTED

UNIVERSITY PLAZA OFFICES WEST • SUITE C • 600 UNIVERSITY AVENUE • FAIRBANKS, ALASKA 99701
PHONE (907) 479-6507

May 8, 1978.

Honorable Liza Rudd
Pouch V
Juneau, Alaska 99811

Dear Ms. Rudd:

The Governor's Council for the Handicapped and Gifted would like to urge you to vote for passage of HB 543, an act relating to the education of exceptional children below the age of three.

This bill would strengthen the Department of Health and Social Service's statutory authority to fund home-based education programs for handicapped children below the age of three. Under this program teachers have been hired by local parents groups in seven Alaskan communities to go into the homes of handicapped children to provide them with developmental training and to teach their parents how to work with their special child.

These home-based programs have been a great asset to both parents and children. The children benefit because they are given training during a crucial period in their development and the parents benefit because they are given on-going assistance in meeting their child's special needs.

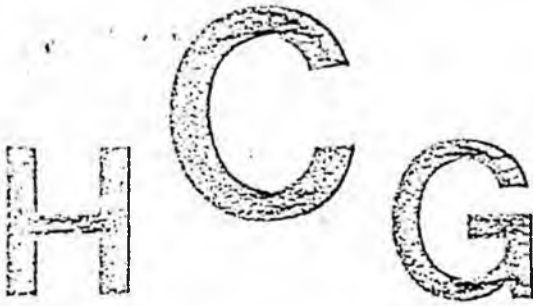
We feel that the proposed legislation will allow education programs for handicapped children below the age of three to be made available throughout the state and will allow existing programs to be expanded and improved.

We hope that you will support this needed legislation.

Sincerely,

Thomas R. Bacon
Chairman

TRE/lsl



JAY S. HAMMOND, Governor
State of Alaska

COUNCIL FOR THE HANDICAPPED & GIFTED
University Plaza Offices West
Suite C
600 University Avenue
Fairbanks, Alaska 99701
Phone (907) 479-6507

February 14, 1978

M E M O R A N D U M

To: House HESS Committee Members

From: The Governor's Council for the Handicapped & Gifted
University Plaza Offices West
600 University Avenue - Suite C
Fairbanks, Alaska 99701

Re: Committee Substitute for HB 548

The Governor's Council for the Handicapped and Gifted has reviewed the committee substitute to HB 548 and supports it with the following recommended changes:

1. that the term "high risk children" in line 17 be replaced with the term "developmentally delayed children".
2. that line 23 be amended to read "by therapists or certified teachers".
3. that (C) be replaced with a definition of developmentally delayed.

The Council understands the intent of including the term "high risk children" in the bill, however, they feel that the term "developmentally delayed" is more appropriate. The term "high risk" infant, as used by medical professionals, means children born prematurely. Approximately 5% of all children born are considered premature (below 5 lbs. 8 oz.) and at least half of these children will be considered to be at a high risk of becoming exceptional.

These low birth weight infants need regular close medical supervision. This surveillance should include frequent developmental assessment in each of five functional areas - language, fine motor-adaptive, gross motor, personal-social and cognitive skills.

Many low-weight infants will catch up and develop normally. Others will start to show signs of significant developmental delays. It is this latter group who could benefit from early educational services.

The Council feels that the term "developmentally delayed" more accurately reflects the population in need of special educational services. This term is also

flexible enough to allow children to be served who do not fall into any of the other categories specified in the bill. Children with autism or children who show abnormal developmental patterns of unknown etiology do not fall under any of these other categories.

Changing the wording in line 23 to read "by therapists or certified teachers" gives this section a more positive tone and allows greater flexibility in implementation. In the future, as this educational specialty develops further, teachers will probably be utilized in most 0-3 education programs. While qualified therapists can be utilized, the Council is concerned that this section of the bill not be used as an excuse to hire unqualified persons. The term "therapist" might be more clearly defined since there are many different types of therapists, some who know little about early education programs for handicapped children.

Since the effective date of HB 548 has been moved back to July 1, 1979, the Council is concerned that the Division of Public Health be given adequate funding to continue already authorized infant stimulation programs through this next year. This will allow children to be served until school districts have had time to develop their own programs. The level of funding given the Division of Public Health should be expanded over last year's levels since more children are currently being served under these programs.

*A possible definition of developmental delay might be:

"significant delay in normal development as determined by standardized developmental tests."

3011 Lexington Ave.
Anchorage, Ak 99502
Jan. 17, 1978

Rep. Lisa Rudd.
Pouch V
Juneau, Ak. 99811

Dear Lisa,

On behalf of the Council for Exceptional Children & the Alaska School Psychologists' Assn., I would like to express support for HB 548 designed to provide services to all exceptional children. I feel this bill demonstrates considerable foresight since it would insure services to these children in advance of the timeline established in P.L. 94-142. Furthermore, we can now provide documented cases here in Anchorage which clearly reveal the benefits realized from early intervention programs. Typical is Melonie the Downs Syndrome daughter of Roy & Karen Flowers, 7000 Cranberry, Anchorage 99502, who is successfully enrolled in a regularly Kindergarten classroom in her neighborhood school.

Thank you for sponsoring this important legislation & please know that we will do whatever possible to insure its passage.

Yours truly,
Roger Clyne
Pres. C.E.C.

cc: Charles Parr, Chairman, HESS