

LEG. FINANCE - BILLS 1977 - 1978 841

HB 904 cont., thru HB 908

lands into private ownership. An alternative method must be provided which creates a land policy that is reasonable, consistent, useable and stable.

I am introducing two bills into the Legislature today to provide that alternative. The bills accomplish the following:

Land Credit Bill

1. Make a minimum 50,000 acres of land available to the public in the first year, in addition to that already being conveyed. Thereafter the amount made available each year is determined by the Legislature, but more land might be opened each year.
2. Establish a Land Credit of \$1,000 for each year of residency. These credits may be used for up to 90% of the purchase or rental price of public land.
3. Land credits may be applied to all means of land disposal: Open to Entry, direct sales, lease sale of agricultural rights, and homesite programs.

Land Policy Bill

1. Establish a land and resource inventory program for analyzing the value and use potential of state land.
2. Establish a clear legislative statement of land disposal policy.
3. Establish a means for balancing private and public land uses and allocating lands for each purpose.
4. Establish a logical system to ensure useable and safe land is conveyed to the public.

These bills, I believe, meet the legitimate needs of the people of Alaska for land, but do so in a responsible manner. The bills accept the basic concept of the land disposal from the Beirne initiative but take it several logical steps further. I feel these bills are wider in application and more far-sighted in that they provide for a continuation of desirable public uses on public lands

while making land available to the citizens of Alaska for their needs.

Sincerely,

S/JSH

Jay S. Hammond
Governor

ALASKA STATE LEGISLATURE

TENTH.. Legislature SECOND. Session

HOUSE BILL NO. 904

By THE RULES COMMITTEE BY.....
REQUEST OF THE GOVERNOR

"An Act relating to Alaska land policy; and providing for an effective date."

Alaska land policy

Introduced in the House 3-22-78

HISTORY IN THE HOUSE

19 78

Mar. 22

Read first time and referred to Committee on Resources and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by 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

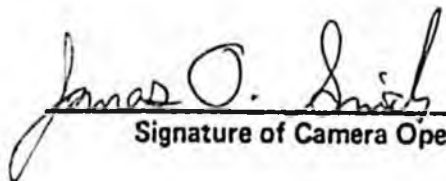
Chapter No.

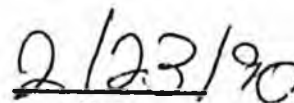


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Signature of Camera Operator


Date

COMMITTEE REPORT

HOUSE

FURTHER: _____

3/22/78

Date: _____

Mr. Speaker:

The Committee on FINANCE has had 906 ~~HB 906~~
"Act making a special appropriation to the power project revolving fund; eff. date."

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 HB 906 (FINANCE)

and to pass 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:

Rhode

Buchheit

Chairman

Rosenstein 5

Original sponsor: Finance Committee

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IN THE HOUSE

BY THE FINANCE COMMITTEE

CS FOR HOUSE BILL NO. 906

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the power project revolving fund; and providing for an effective date."

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

* Section 1. The sum of \$5,000,000 is appropriated from the general fund to the power project revolving fund (AS 44.56.170) to be used for loans for reconnaissance studies, design, modification, expansion and preconstruction engineering for water supply and hydroelectric projects.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.070(c).

#

MEMORANDUM

State of Alaska

TO:

DEPT. _____
DIV. _____
SEC. _____

Legislative Affairs

DATE : May 8, 1978

FROM: Vicki Wilson
House Finance Committee
Rm 411 - Phone 3795/3796

SUBJECT: HB 906

Please prepare Finance Committee Substitute for HB 906
as per attached, and return to me as soon as possible.

Thank you.

Introduced: 3/22/78
Referred; Finance

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 HOUSE BILL NO. 906

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the power
7 project revolving fund; and providing for an effective
8 date."

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

10 * Section 1. The sum of \$5,000,000 is appropriated from the general fund
11 to the power project revolving fund (AS 44.56.110) for ^{design, modification, expansion} feasibility and pre-
12 construction engineering ^{for water supply and hydroelectric projects.} and ~~design loans.~~

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

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Suggested change in Section 1 of HB 906

Change Section 1 to read as follows:

Section 1. The sum of \$5,000,000 is appropriated from the general fund to the Power Project Revolving Fund (AS 44.56.170) for feasibility, design, modification, expansion and preconstruction engineering for water supply and hydroelectric projects.

Introduced: 3/22/78
Referred; Finance

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 HOUSE BILL NO. 906

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the power
7 project revolving fund; and providing for an effective
8 date."

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

10 * Section 1. The sum of \$5,000,000 is appropriated from the general fund
11 to the power project revolving fund (AS 44.56.170) for feasibility and pre-
12 construction engineering and design loans.

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

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RECORDS CERTIFICATION



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

James O. Irish
Signature of Camera Operator

2/23/90
Date

was read the the first time and referred to the Committees on State Affairs and Finance.

SB
434
am

REPORTS OF STANDING COMMITTEES

The Judiciary Committee has had COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 488 (compensation for criminal injuries) under consideration and a majority of the committee recommends it be replaced with HOUSE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 488 (same title) and that it do pass. Concurring: Gardiner (Chairman), Miles, Brown and Rudd. Not concurring: Eliason has no recommendation.

CSSB
488

CSSB 488 was referred to the Rules Committee for placement on the calendar.

The Finance Committee has had HOUSE JOINT RESOLUTION NO. 76 (requesting financial assistance from the federal government to restore state highway damage occasioned by the construction of the trans-Alaska pipeline) under consideration and a majority of the committee recommends it do pass. Concurring: Freeman (Vice Chairman), Duncan, Meekins, Rhode, Guy, Swanson and Buchholdt.

HJR
76

HJR 76 was referred to the Rules Committee for placement on the calendar.

The Finance Committee has had HOUSE JOINT RESOLUTION NO. 77 (authorizing the Alaska Power Authority to participate in the construction of a coal-fired electric generating project near Healy by incurring indebtedness for that project) under consideration and a majority of the committee recommends it do pass. Concurring: Cowper (Chairman), Freeman, Rhode, Haugen, Guy, Swanson, Meekins, Duncan and Gruening.

HJR
77

HJR 77 was referred to the Rules Committee for placement on the calendar.

The Finance Committee has had 2d COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 54 (administration of state land; effective date) with pending amendment No. 1 (page 538, 1978 journal) under consideration and a majority of the committee recommends it be replaced with 3d COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 54 (same title) and that it do pass. Concurring: Cowper (Chairman), Freeman, Rhode, Haugen, Swanson, Buchholdt and Duncan.

2d CS
HB
54

2d CS HB 54 was referred to the Rules Committee for placement on the calendar.

HB 249 The State Affairs Committee has had HOUSE BILL NO. 249 (special appropriation to the Department of Public Works for airport construction; effective date) under consideration and the committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 249:

"An Act making a special appropriation to the Department of Transportation and Public Facilities for airport construction; and providing for an effective date."

and that it be reported back with individual recommendations. Bradley (Chairman) and Nakak recommend do pass; Kelly and Dankworth have no recommendation.

HB 249 was referred to the Finance Committee.

HB 692 The Rules Committee has had HOUSE BILL NO. 692 (requiring the election pamphlet to contain fiscal information for ballot propositions) under consideration and a majority of the committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 692 (Rules):

"An Act requiring the election pamphlet to contain fiscal information for ballot propositions; and providing for an effective date."

and that it do pass. Concurring: Cotten (Chairman), Nakak, Miller and Buchholz.

HB 692 appears on today's calendar.

HB 827 The Commerce Committee has had HOUSE BILL NO. 827 (Small Business Surety Guaranty Corporation of Alaska) under consideration and three members of the committee recommend it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 827:

"An Act relating to bond requirements for public works contracts."

and that it do pass. McKinnon (Chairman), Chatterton and Bradley recommend do pass; Hayes recommends do not pass unless amended and Brown has no recommendation.

HB 827 was referred to the Finance Committee.

HB 908 The Finance Committee has had HOUSE BILL NO. 908 (special appropriation to the Office of the Governor, office of telecommunications, for statewide satellite television service; effective date) under consideration and a majority of the committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 908 (Finance):

"An Act making miscellaneous appropriations for television and telecommunication services; and providing for an effective date."

and that it do pass with the following amendment:

HF
90J

Amendment No. 1 by the Finance Committee:

Page 1, line 27: Add new section 6 to read:

The sum appropriated by this Act shall not lapse until July 1, 1979.

Add new section 7 to read:

This Act takes effect immediately in accordance with AS 01.10.070 (c).

Concurring: Cowper (Chairman), Freeman, Haugen, Guy, Meekins, Gruening, Buchholdt and Duncan. Not concurring: Swanson has no recommendation.

HB 908 appears on today's calendar.

A letter of intent on HB 908 appears as follows:

HOUSE FINANCE COMMITTEE
Steve Cowper, Chairman

May 16, 1978

LETTER OF INTENT
TO ACCOMPANY FINANCE CS FOR CSIB 908

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

Dear Mr. Speaker:

During Finance Committee consideration of HB 908, it became clear that appropriate figures for the provision of the level of service intended by the legislation can change significantly, depending upon the vendor providing service and the method used. Also, variations have been noted between figures submitted by vendors in December (in response to a request for proposals by the Governor's Office of Telecommunications) and the current time.

It is conceivable (and may even be likely) that costs and methods of providing the service intended by the legislation could change with technological and economic conditions even in the short period following passage of legislation and before implementation.

For that reason, the House Finance Committee has chosen to combine Sections 1, 2 and 3 of the bill into a single appropriation to provide the services that would have been intended by those sections. Also, newer figures have been obtained and that information has been taken into account in determining the new figure for Section 1 of the Finance Committee Substitute.

HB
908

This amount is to be appropriated to the Office of Telecommunications, who will in turn negotiate with prospective vendors of service, to obtain the most cost-efficient method of providing the widest possible service within the guidelines set forth in this letter of intent and in the prior letter of intent submitted by the House Select Committee on Telecommunications.

Scope of service. To the extent possible under the level of funding under Section 1, the committee anticipates that the legislation should provide a wide range of service for Alaska's communities, and the Governor's Office of Telecommunications is directed to include in its negotiations and deliberations the following requirements:

1. Provision of approximately one hundred five hours per week of so-called "time-value" programming (news, sports, and other programming which can become dated) to on-the-air commercial television stations in Alaska during the first fiscal year, with planning to anticipate an increase of this level of service to full network interconnect within three to five years, including appropriate tape delay capability for Alaska's westward time zones. This would be part of the interstate service.
 2. Provision of four satellite-provided programming feeds from distant transmission points of interstate programming which can be legally and technically used by Alaska's cable or non-cable subscription television operators, and which meets their programming needs. It is specifically noted that the current television demonstration project does not include line charges for terrestrial transmission of television programs in southeastern Alaska beyond Juneau and Sitka. It is the intention of the Finance Committee that line charges for communities along the microwave link within southeastern Alaska be included in the state funding, or, alternatively, that the state provide funding for program delivery to those locations (Petersburg, Wrangell and Ketchikan) through whatever appropriate means may be available, including the prospective use of satellite earth stations at those locations (no such earth stations presently exist).
 3. Provision of educational and entertainment television programming, at least one channel, to all communities not included in service provided under (1) and (2) above, which have a population of at least twenty-five or more under the communications specification already determined by the state of Alaska and RCA Alaska Communications during proceedings before the Federal Communications Commission. Such service would be provided on an intrastate basis from a center or centers in Alaska, similar to (but expanding upon) the methods now used in transmitting programming to the twenty-three demonstration villages involved in the television demonstration project.
4. In all communities to be served under this program, those which do not have commercial broadcasters, translators or cablecasters and do not have presently installed mini-TV transmitters are to obtain mini-TV transmitters with funds under Section 1, including the costs of installation, licensing, and other related costs.

5. First of the above service should be scheduled for installation and operation before the end of Fiscal Year 1979, but in no event should any service be scheduled for full operation later than December 31, 1980.

HB
908

Programming choices. Under no circumstances shall the Governor's Office of Telecommunications or any state agency dictate noneducational programming choices for any of these services. Rather, the services provided to the commercial broadcasters should be based on their own orders for programming time within the available satellite time. The same is true for the cable and subscription television operators. The small rural communities with mini-TV stations should have their non-educational programming choices determined by a committee either organized under the Alaska Mini-TV Association or by the existing Rural Telecommunications Committee which has been advising the Governor's Office of Telecommunications on programming choices under the current television demonstration project. The goal is to have the user determine his own programming.

Assessment of costs. There is currently pending other legislation which would provide a formal framework on a permanent basis for assessing costs of users of satellite services. Whether or not such legislation passes, the Governor's Office of Telecommunications is directed to assess users of the service under this program reasonable amounts for such services, taking into account the commercial realities of private businesses and the ability to pay. Where possible, the first year of assessment of commercial broadcasters should be at least equal to the amount which they save by not buying, transporting, and using videotape for the programming segments which shall be received by satellite, less actual costs relating to satellite transmission. If Alaskan public television stations participate in the program, they shall be assessed similarly (although they now have their own satellite capability). Cable and subscription TV operators and the Mini-TV Association shall be assessed on ability to pay and size and scope of the service provided (in most cases, measured by the actual number of viewers in a community). All such funds assessed shall not be expended for other purposes relating to this program without specific authorization from the legislative Budget and Audit Committee. Any such funds not authorized for other uses within this program by legislative Budget and Audit shall lapse into the General Fund, unless transferred to a user's cooperative under the following paragraph

Effect of passage of HB 545. In the event that HB 545 or similar legislation passes, and establishes a public, non-profit buyers' cooperative of users of satellite TV services, the Governor's Office of Telecommunications shall, on December 31, 1978 or after the first meeting of such an organization, whichever is later, transmit all remaining funds available to accomplish the intention of such legislation from Section 1 of this bill, after any expenditures already made, to the board of directors or other governing body of the user's association or cooperative. Similarly, the Office of Telecommunications shall assign interests in whatever contracts for services may have been negotiated by that time, except for any purchases of hardware which appear necessary. Any hardware purchased under Section 1 may be transferred to the board of directors or governing entity as may be agreed upon by such entity and the Governor's Office of Telecommunications, to further the intentions of this legislation and legislation creating such a user's association or cooperative. Transfer of funds shall include transfer of any monies assessed from users of the service under the previous paragraph, and funds so transferred shall become the property of the cooperative or user's association, notwithstanding the provisions of that paragraph.

HB
908

Capital expenditures and duplication of services. In negotiating the best contract or contracts which can provide the widest range of services under the guidelines set forth in this letter of intent, the Governor's Office of Telecommunications shall not contract for services or the purchase of hardware or other capital expenditures which duplicate existing services and existing hardware, unless such action appears necessary to provide the best service at the lowest cost to the state and any satellite user's cooperative, taking into account the cost of the service over a six-year period.

Elimination of state subsidy. All contracts for services and equipment to further the purposes of this legislation shall be based upon a plan for the elimination of any direct state subsidy of television services to private businesses within six years of the commencement of service under this program. If possible, the same goal should be attained with regard to the provision of services to the small rural communities, by obtaining assessments of those communities through the Alaska Mini-TV Association. For the purposes of this paragraph "direct state subsidy" means direct appropriations or loans to the Governor's Office of Telecommunications or to any prospective satellite user's association or cooperative for the provision and continuation of these services, and does not include amounts expended by the state for obtaining services for its own use in education, health or other purposes.

Continuity of service. In the event that any delay in the negotiation of appropriate contracts or purchases to further the intentions of this legislation occurs past June 30, 1978, the Governor's Office of Telecommunications is authorized to use funds under Section 1 of this legislation to extend present service under the satellite television demonstration project for no more than ninety days during periods of such negotiation. It is anticipated that the Governor's Office of Telecommunications will solicit bids for service from the leading vendors. It is not believed that all state procurement law applies to this legislation, but a doctrine of fairness should be observed in obtaining bid information and firm contract offers from various vendors.

Section 2 and Section 3 of the bill provide for the continuation of educational and public television services that have been provided to the twenty-three demonstration villages during the period of the television demonstration project. Section 2 allows the Department of Education to continue their present service for one year (approximately one school year), and Section 3 allows the Alaska Public Broadcasting Commission to begin a grant program for the preparation of television and radio programs for educational and public purposes, some of which would be the provision of programming to the smaller communities and villages under the intrastate service anticipated by this legislation.

Section 4 of the bill provides for teleconferencing of legislative meetings during 1979, and Section 5 provides some funds for the Executive Branch to begin uses of teleconferencing for the purposes of public hearings of state agencies and executive boards.

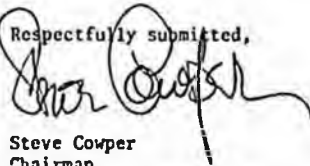
One important consideration for TV capability is the reliability of local power in a small community. While this legislation anticipates the purchase of equipment for every community in Alaska with more than twenty-five persons, many of those communities still do not have power which is reliable or adequate for both the satellite TV receiver and the mini-TV transmitter as well as for several television sets within the community. If the Governor's Office of Telecommunications finds that a village or town is so situated, and it was otherwise scheduled to obtain the mini-TV transmitter and associated equipment, the hardware for that community should be purchased but stored either in a central location or in the community until such time as the community demonstrates that it has adequate power capability for the earth station TV receiver, the mini-TV transmitter, and the number of television sets expected to be used within the community. Many villages are now attempting to solve these problems through various programs which include other state funds, federal funds, rural cooperatives, the AVEC program, and so forth.

HB
500

Excess funds. In the event that contracts for the provision of services and hardware under this legislation are less than the funds provided for such services and hardware, all remaining funds shall lapse into the General Fund by July 1, 1979. Considering the volatility of the market for services, and the fast-changing nature of the technology and economics of communications, the amount lapsed could be very small, or could even be several millions of dollars.

This letter of intent reflects the policy of the House Finance Committee and the information available to that committee in May of 1978. To the extent that it is not inconsistent with the statements in this letter of intent, the House Finance Committee also approves and hereby incorporates by reference the policies expressed by the letter of intent submitted by the House Select Committee on Telecommunications on this same legislation.

Respectfully submitted,



Steve Cowper
Chairman
House Finance Committee

CITATIONS

Legislative Citation In Memoriam Aldo Moro, by Representative Bradley, was read and referred to the Rules Committee for placement on the calendar.

INTRODUCTION, FIRST READING AND REFERENCE OF HOUSE BILLS

HOUSE BILL NO. 971 by the Finance Committee, entitled:

"An Act relating to the filing of certain claims against the state for payment of medical services."

HB
971

HB 971 was introduced, read the first time and referred to the Committees on Health, Education and Social Services and Finance.

HB 972 HOUSE BILL NO. 972 by the Finance Committee, entitled:

"An Act relating to the disclosure of vital statistics information under regulations of the Department of Health and Social Services."

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

HB 973 HOUSE BILL NO. 973 by the Health, Education and Social Services Committee, entitled:

"An Act creating a state program for basic literacy instruction."

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

HB 974 HOUSE BILL NO. 974 by the Rules Committee by request of the Governor, entitled:

"An Act making FY 78 appropriation adjustments for the Department of Law, Criminal Division; and providing for an effective date."

was introduced, read the first time and referred to the Finance Committee.

The Governor's transmittal letter appears following:

"May 16, 1978

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

Dear Mr. Speaker:

Under authority of art. III, sec. 1B of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill making Fiscal Year 1978 appropriation adjustments for the Department of Law, Criminal Division.

COMMITTEE REPORT

4/10/78

HOUSE

FURTHER: _____

Date: 5-11-78

Mr. Speaker:

The Committee on FINANCE has had HB 908

"An Act making a special appropriation to the Office of the Governor, Office of telecommunications, for statewide satellite television service; e.d."

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 HB 908 (Finance)

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:

[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

OTHER RECOMMENDATIONS:

[Signature]

[Signature]
Chairman

A M E N D M E N T

OFFERED IN THE HOUSE:
FINANCE COMMITTEE

BY: HOUSE FINANCE

TO: SUBSTITUTE

HOUSE BILL No. 908

SENATE BILL No. _____

PAGE: 1

LINE: 17

Add new section 6 to read:

The sum appropriated by this Act shall not lapse until
July 1, 1979.

Add new section 7 to read:

This Act takes effect immediately in accordance with
RS 91:10-070(c).

Original sponsor: State Affairs Committee

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 908 (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 making miscellaneous appropriations for tele-
7 vision and telecommunication services; and providing
8 for an effective date."

9

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

10

* Section 1. The sum of \$10,222,000 is appropriated from the general fund
11 to the Office of the Governor, office of telecommunications to provide inter-
12 state and intrastate satellite television service to Alaskan communities.

13

* Sec. 2. The sum of \$80,000 is appropriated from the general fund to the
14 Department of Education to continue and expand the present public and educa-
15 tional television services to Alaskan rural communities through fiscal year
16 1979.

17

* Sec. 3. The sum of \$400,000 is appropriated from the general fund to
18 the Alaska Public Broadcasting Commission to fund grants for the production
19 of television and radio programs for educational and public purposes.

20

* Sec. 4. The sum of \$171,232 is appropriated from the general fund to
21 the Legislative Affairs Agency for legislative teleconferencing for fiscal
22 year 1979.

23

* Sec. 5. The sum of \$50,000 is appropriated from the general fund to the
24 Department of Administration for purchasing time and providing services for
25 teleconferencing meetings of state agencies and executive boards and commis-
26 sions.

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* Sec. 6. This Act takes effect July 1, 1978.

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May 15, 1978

MEMORANDUM

TO: Rep. Jim Duncan, Chairman
House Finance Subcommittee on HB 908

FROM: Rep. Fred Brown, Chairman
House Select Committee on Telecommunications

At your behest, following our meeting of May 14, I have prepared a suggested Letter of Intent for the House Finance Committee based upon the deliberations of the Finance Subcommittee on HB 908.

It is my understanding that you will recommend a specific figure to the Finance Committee based on the most recent information from the Governor's Office of Telecommunications and RCA Alascom, for the purposes of combining Sections 1, 2 and 3 of the committee substitute prepared by my committee.

The following suggested letter of intent takes that into account, and also mentions the other matters discussed by members of the subcommittee.

LETTER OF INTENT
TO ACCOMPANY FINANCE CS FOR CSHB 908

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

Dear Mr. Speaker:

During Finance Committee consideration of HB 908, it became clear that appropriate figures for the provision of the level of service intended by the legislation can change significantly, depending upon the vendor providing service and the method used. Also, variations have been noted between figures submitted by vendors in December (in response to a request for proposals by the Governor's Office of Telecommunications) and the current time.

May 15, 1978

It is conceivable (and may even be likely) that costs and methods of providing the service intended by the legislation could change with technological and economic conditions even in the short period following passage of legislation and before implementation.

For that reason, the House Finance Committee has chosen to combine Sections 1, 2 and 3 of the bill into a single appropriation to provide the services that would have been intended by those sections. Also, newer figures have been obtained and that information has been taken into account in determining the new figure for Section 1 of the Finance Committee Substitute.

This amount is to be appropriated to the Office of Telecommunications, who will in turn negotiate with prospective vendors of service, to obtain the most cost-efficient method of providing the widest possible service within the guidelines set forth in this letter of intent and in the prior letter of intent submitted by the House Select Committee on Telecommunications.

Wilton the Carol of family under Section, to the extent possible,
Scope of service. The committee anticipates that the legislation should provide a wide range of service for Alaska's communities, and the Governor's Office of Telecommunications is directed to include in its negotiations and deliberations the following requirements:

1. Provision of approximately one hundred five hours per week of so-called "time-value" programming (news, sports, and other programming which can become dated) to on-the-air commercial television stations in Alaska during the first fiscal year with planning to anticipate an increase of this level of service to full network interconnect within three to five years, including appropriate tape delay capability for Alaska's westward time zones. This would be part of the interstate service.
2. Provision of between two and four satellite-provided programming feeds from distant transmission points of interstate programming which can be legally and technically used by Alaska's cable television operators, and which meets their programming needs. It is specifically noted that the current television demonstration project does not include line charges for terrestrial transmission of television programs in southeastern Alaska beyond Juneau and Sitka. It is the intention of the Finance Committee that line charges for communities along the microwave link within southeastern Alaska be included in the state funding, or,

alternatively, that the state provide funding for program delivery to those locations (Petersburg, Wrangell and Ketchikan) through whatever appropriate means may be available, including the prospective use of satellite earth stations at those locations (no such earth stations presently exist).

3. Provision of educational and entertainment television programming, at least one channel, to all communities not included in service provided under (1) and (2) above, which have a population of at least twenty-five or more under the communications specification already determined by the state of Alaska and RCA Alaska Communications during proceedings before the Federal Communications Commission. Such service would be provided on an intrastate basis from a center or centers in Alaska, similar to (but expanding upon) the methods now used in transmitting programming to the twenty-three demonstration villages involved in the television demonstration project.

4. In all communities to be served under this program, those which do not have commercial broadcasters, translators or cablecasters and do not have presently installed mini-TV transmitters are to obtain mini-TV transmitters with funds under Section 1, including the costs of installation, licensing, and other related costs.

5. Most of the above service should be scheduled for installation and operation before the end of Fiscal Year 1979, but in no event should any service be scheduled for full operation later than December 31, 1980.

Programming choices. Under no circumstances shall the Governor's Office of Telecommunications or any state agency dictate noneducational programming choices for any of these services. Rather, the services provided to the commercial broadcasters should be based on their own orders for programming time within the available satellite time. The same is true for the cable television operators. The small rural communities with mini-TV stations should have their noneducational programming choices determined by a committee either organized under the Alaska Mini-TV Association or by the existing Rural Telecommunications Committee which has been advising the Governor's Office of Telecommunications on programming choices under the current television demonstration project. The goal is to have the user determine his own programming.

Assessment of costs. There is currently pending other legislation which would provide a formal framework on a permanent basis for assessing costs of users of satellite services. Whether or not such legislation passes, the Governor's Office of Telecommunications is directed to assess users of the service under this program reasonable amounts for

such services, taking into account the commercial realities of private businesses and the ability to pay. Where possible, the first year of assessment of commercial broadcasters should be at least equal to the amount which they save by not buying, transporting, and using videotape for the programming segments which shall be received by satellite, less actual costs relating to satellite transmission. If Alaskan public television stations participate in the program, they shall be assessed similarly (although they now have their own satellite capability). Cablecasters and the Mini-TV Association shall be assessed on ability to pay and size and scope of the service provided (in most cases, measured by the actual number of viewers in a community). All such funds assessed shall not be expended for other purposes relating to this program without specific authorization from the legislative Budget and Audit Committee. Any such funds not authorized for other uses within this program by legislative Budget and Audit shall lapse into the General Fund, unless transferred to a user's cooperative under the following paragraph.

Effect of passage of HB 545. In the event that HB 545 or similar legislation passes, and establishes a public, non-profit buyers' cooperative of users of satellite TV services, the Governor's Office of Telecommunications shall, ^{by 5/31/1978 or} after the first meeting of such an organization, transmit all remaining funds available to accomplish the intention of such legislation from Section 1 of this bill, after any expenditures already made, to the board of directors or other governing body of the user's association or cooperative. Similarly, the Office of Telecommunications shall assign interests in whatever contracts for services may have been negotiated by that time, except for any purchases of hardware which appear necessary. Any hardware purchased under Section 1 may be transferred to the board of directors or governing entity as may be agreed upon by such entity and the Governor's Office of Telecommunications, to further the intentions of this legislation and legislation creating such a user's association or cooperative. Transfer of funds shall include transfer of any monies assessed from users of the service under the previous paragraph, and funds so transferred shall become the property of the cooperative or user's association, notwithstanding the provisions of that paragraph.

Capital expenditures and duplication of services. In negotiating the best contract or contracts which can provide the widest range of services under the guidelines set forth in this letter of intent, the Governor's Office of Telecommunications shall not contract for services or the purchase of hardware or other capital expenditures which duplicate existing services and existing hardware, unless such action appears necessary to provide the best service at the lowest cost to the state and any satellite user's cooperative, taking into account the cost of the service over a five-year period.

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Elimination of state subsidy. All contracts for services and equipment to further the purposes of this legislation shall be based upon a plan for the elimination of any direct state subsidy of television services to private businesses within five years of the commencement of service under this program. If possible, the same goal should be attained with regard to the provision of services to the small rural communities, by obtaining assessments of those communities through the Alaska Mini-TV Association. For the purposes of this paragraph "direct state subsidy" means direct appropriations or loans to the Governor's Office of Telecommunications or to any prospective satellite user's association or cooperative for the provision and continuation of these services, and does not include amounts expended by the state for obtaining services for its own use in education, health or other purposes.

Continuity of service. In the event that any delay in the negotiation of appropriate contracts or purchases to further the intentions of this legislation occurs past June 30, 1978, the Governor's Office of Telecommunications is authorized to use funds under Section 1 of this legislation to extend present service under the satellite television demonstration project for no more than ninety days during periods of such negotiation. It is anticipated that the Governor's Office of Telecommunications will solicit bids for service from the leading vendors. It is not believed that all state procurement law applies to this legislation, but a doctrine of fairness should be observed in obtaining bid information and firm contract offers from various vendors.

Section 2 and Section 3 of the bill provide for the continuation of educational and public television services that have been provided to the twenty-three demonstration villages during the period of the television demonstration project. Section 2 allows the Department of Education to continue their present service for one year (approximately one school year), and Section 3 allows the Alaska Public Broadcasting Commission to begin a grant program for the preparation of television and radio programs for educational and public purposes, some of which would be the provision of programming to the smaller communities and villages under the intrastate service anticipated by this legislation.

Section 4 of the bill provides for teleconferencing of legislative meetings during 1979, and Section 5 provides some funds for the Executive Branch to begin uses of teleconferencing for the purposes of public hearings of state agencies and executive boards.

One important consideration for TV capability is the reliability of local power in a small community. While this legislation anticipates the purchase of equipment for every community in Alaska with more than twenty-five persons, many of those communities still do not have power which is reliable or adequate for both the satellite TV receiver and the mini-TV transmitter, as well as for several television sets within the community.

May 15, 1978

If the Governor's Office of Telecommunications finds that a village or town is so situated, and it was otherwise scheduled to obtain the mini-TV transmitter and attendant equipment, the hardware for that community should be purchased but stored either in a central location or in the community until such time as the community demonstrates that it has adequate power capability for the earth station TV receiver, the mini-TV transmitter, and the number of television sets expected to be used within the community. Many villages are now attempting to solve these problems through various programs which include other state funds, federal funds, rural cooperatives, the AVEC program, and so forth.

Excess funds. In the event that contracts for the provision of services and hardware under this legislation are less than the funds provided for such services and hardware, all remaining funds shall lapse into the General Fund by July 1, 1979. Considering the volatility of the market for services, and the fast-changing nature of the technology and economics of communications, the amount lapsed could be very small, or could even be several millions of dollars.

This letter of intent reflects the policy of the House Finance Committee and the information available to that committee in May of 1978. To the extent that it is not inconsistent with the statements in this letter of intent, the House Finance Committee also approves and hereby incorporates by reference the policies expressed by the letter of intent submitted by the House Select Committee on Telecommunications on this same legislation.

Respectfully submitted,

Steve Cowper
Chairman
House Finance Committee

Jim: The above should be satisfactory according to our discussion.

FB:kfm

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HOUSE FINANCE COMMITTEE
Steve Cowper, Chairman

May 16, 1978

LETTER OF INTENT TO ACCOMPANY FINANCE CS FOR CSHB 908

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

Dear Mr. Speaker:

During Finance Committee consideration of HB 908, it became clear that appropriate figures for the provision of the level of service intended by the legislation can change significantly, depending upon the vendor providing service and the method used. Also, variations have been noted between figures submitted by vendors in December (in response to a request for proposals by the Governor's Office of Telecommunications) and the current time.

It is conceivable (and may even be likely) that costs and methods of providing the service intended by the legislation could change with technological and economic conditions even in the short period following passage of legislation and before implementation.

For that reason, the House Finance Committee has chosen to combine Sections 1, 2 and 3 of the bill into a single appropriation to provide the services that would have been intended by those sections. Also, newer figures have been obtained and that information has been taken into account in determining the new figure for Section 1 of the Finance Committee Substitute.

This amount is to be appropriated to the Office of Telecommunications, who will in turn negotiate with prospective vendors of service, to obtain the most cost-efficient method of providing the widest possible service within the guidelines set forth in this letter of intent and in the prior letter of intent submitted by the House Select Committee on Telecommunications.

Scope of service. To the extent possible under the level of funding under Section 1, the committee anticipates that the legislation should provide a wide range of service for Alaska's communities, and the Governor's Office of Telecommunications is directed to include in its negotiations and deliberations the following requirements:

1. Provision of approximately one hundred five hours per week of so-called "time-value" programming (news, sports, and other programming which can become dated) to on-the-air commercial television stations in Alaska during the first fiscal year, with planning to anticipate an increase of this level of service to full network interconnect within three to five years, including appropriate tape delay capability for Alaska's westward time zones. This would be part of the interstate service.

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2. Provision of four satellite-provided programming feeds from distant transmission points of interstate programming which can be legally and technically used by Alaska's cable or non-cable subscription television operators, and which meets their programming needs. It is specifically noted that the current television demonstration project does not include line charges for terrestrial transmission of television programs in southeastern Alaska beyond Juneau and Sitka. It is the intention of the Finance Committee that line charges for communities along the microwave link within southeastern Alaska be included in the state funding, or, alternatively, that the state provide funding for program delivery to those locations (Petersburg, Wrangell and Ketchikan) through whatever appropriate means may be available, including the prospective use of satellite earth stations at those locations (no such earth stations presently exist).

3. Provision of educational and entertainment television programming, at least one channel, to all communities not included in service provided under (1) and (2) above, which have a population of at least twenty-five or more under the communications specification already determined by the state of Alaska and RCA Alaska Communications during proceedings before the Federal Communications Commission. Such service would be provided on an intrastate basis from a center or centers in Alaska, similar to (but expanding upon) the methods now used in transmitting programming to the twenty-three demonstration villages involved in the television demonstration project.

4. In all communities to be served under this program, those which do not have commercial broadcasters, translators or cablecasters and do not have presently installed mini-TV transmitters are to obtain mini-TV transmitters with funds under Section 1, including the costs of installation, licensing, and other related costs.

5. Most of the above service should be scheduled for installation and operation before the end of Fiscal Year 1979, but in no event should any service be scheduled for full operation later than December 31, 1980.

Programming choices. Under no circumstances shall the Governor's Office of Telecommunications or any state agency dictate noneducational programming choices for any of these services. Rather, the services provided to the commercial broadcasters should be based on their own orders for programming time within the available satellite time. The same is true for the cable and subscription television operators. The small rural communities with mini-TV stations should have their non-educational programming choices determined by a committee either organized under the Alaska Mini-TV Association or by the existing Rural Telecommunications Committee which has been advising the Governor's Office of Telecommunications on programming choices under the current television demonstration project. The goal is to have the user determine his own programming.

Assessment of costs. There is currently pending other legislation which would provide a formal framework on a permanent basis for assessing costs of users of satellite services. Whether or not such legislation passes, the Governor's Office of Telecommunications is directed to assess users of the service under this program reasonable amounts for such services, taking into account the commercial realities of private businesses and the ability to pay. Where possible, the first year of assessment of commercial broadcasters should be at least equal to the amount which they save by not buying, transporting, and using videotape for the programming segments which shall be received by satellite, less actual costs relating to satellite transmission. If Alaskan public television stations participate in the program, they shall be assessed similarly (although they now have their own satellite capability). Cable and subscription TV operators and the Mini-TV Association shall be assessed on ability to pay and size and scope of the service provided (in most cases, measured by the actual number of viewers in a community). All such funds assessed shall not be expended for other purposes relating to this program without specific authorization from the legislative Budget and Audit Committee. Any such funds not authorized for other uses within this program by legislative Budget and Audit shall lapse into the General Fund, unless transferred to a user's cooperative under the following paragraph.

Effect of passage of HB 545. In the event that HB 545 or similar legislation passes, and establishes a public, non-profit buyers' cooperative of users of satellite TV services, the Governor's Office of Telecommunications shall, on December 31, 1978 or after the first meeting of such an organization, whichever is later, transmit all remaining funds available to accomplish the intention of such legislation from Section 1 of this bill, after any expenditures already made, to the board of directors or other governing body of the user's association or cooperative. Similarly, the Office of Telecommunications shall assign interests in whatever contracts for services may have been negotiated by that time, except for any purchases of hardware which appear necessary. Any hardware purchased under Section 1 may be transferred to the board of directors or governing entity as may be agreed upon by such entity and the Governor's Office of Telecommunications, to further the intentions of this legislation and legislation creating such a user's association or cooperative. Transfer of funds shall include transfer of any monies assessed from users of the service under the previous paragraph, and funds so transferred shall become the property of the cooperative or user's association, notwithstanding the provisions of that paragraph.

Capital expenditures and duplication of services. In negotiating the best contract or contracts which can provide the widest range of services under the guidelines set forth in this letter of intent, the Governor's Office of Telecommunications shall not contract for services or the purchase of hardware or other capital expenditures which duplicate existing services and existing hardware, unless such action appears necessary to provide the best service at the lowest cost to the state and any satellite user's cooperative, taking into account the cost of the service over a six-year period.

Elimination of state subsidy. All contracts for services and equipment to further the purposes of this legislation shall be based upon a plan for the elimination of any direct state subsidy of television services to private businesses within six years of the commencement of service under this program. If possible, the same goal should be attained with regard to the provision of services to the small rural communities, by obtaining assessments of those communities through the Alaska Mini-TV Association. For the purposes of this paragraph "direct state subsidy" means direct appropriations or loans to the Governor's Office of Telecommunications or to any prospective satellite user's association or cooperative for the provision and continuation of these services, and does not include amounts expended by the state for obtaining services for its own use in education, health or other purposes.

Continuity of service. In the event that any delay in the negotiation of appropriate contracts or purchases to further the intentions of this legislation occurs past June 30, 1978, the Governor's Office of Telecommunications is authorized to use funds under Section 1 of this legislation to extend present service under the satellite television demonstration project for no more than ninety days during periods of such negotiation. It is anticipated that the Governor's Office of Telecommunications will solicit bids for service from the leading vendors. It is not believed that all state procurement law applies to this legislation, but a doctrine of fairness should be observed in obtaining bid information and firm contract offers from various vendors.

Section 2 and Section 3 of the bill provide for the continuation of educational and public television services that have been provided to the twenty-three demonstration villages during the period of the television demonstration project. Section 2 allows the Department of Education to continue their present service for one year (approximately one school year), and Section 3 allows the Alaska Public Broadcasting Commission to begin a grant program for the preparation of television and radio programs for educational and public purposes, some of which would be the provision of programming to the smaller communities and villages under the intrastate service anticipated by this legislation.

Section 4 of the bill provides for teleconferencing of legislative meetings during 1979, and Section 5 provides some funds for the Executive Branch to begin uses of teleconferencing for the purposes of public hearings of state agencies and executive boards.

One important consideration for TV capability is the reliability of local power in a small community. While this legislation anticipates the purchase of equipment for every community in Alaska with more than twenty-five persons, many of those communities still do not have power which is reliable or adequate for both the satellite TV receiver and the mini-TV transmitter as well as for several television sets within the community. If the Governor's Office of Telecommunications finds that a village or town is so situated, and it was otherwise scheduled to obtain the mini-TV transmitter and attendant equipment, the hardware for that community should be purchased but stored either in a central location or in the community until such time as the community demonstrates that it has adequate power capability for the earth station TV receiver, the mini-TV transmitter, and the number of television sets expected to be used within the community. Many villages are now attempting to solve these problems through various programs which include other state funds, federal funds, rural cooperatives, the AVIC program, and so forth.

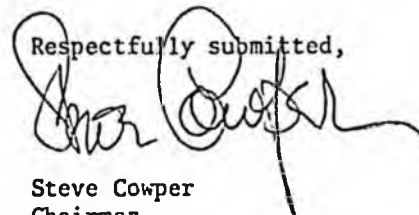
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Excess funds. In the event that contracts for the provision of services and hardware under this legislation are less than the funds provided for such services and hardware, all remaining funds shall lapse into the General Fund by July 1, 1979. Considering the volatility of the market for services, and the fast-changing nature of the technology and economics of communications, the amount lapsed could be very small, or could even be several millions of dollars.

This letter of intent reflects the policy of the House Finance Committee and the information available to that committee in May of 1978. To the extent that it is not inconsistent with the statements in this letter of intent, the House Finance Committee also approves and hereby incorporates by reference the policies expressed by the letter of intent submitted by the House Select Committee on Telecommunications on this same legislation.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Steve Cowper", written over the typed name below.

Steve Cowper
Chairman
House Finance Committee

A M E N D M E N T

OFFERED IN THE HOUSE:
FINANCE COMMITTEE

By: HOUSE FINANCE

To: SUBSTITUTE

HOUSE BILL No. 908

SENATE BILL No. _____

PAGE: 1

LINE: 27

Add new section 6 to read:

The sum appropriated by this Act shall not lapse until
July 1, 1979.

Add new section 7 to read:

This Act takes effect immediately in accordance with
AS 01.10.070(c).

SES I - Small Earth Station, Phase I
SES II - Small Earth Station, Phase II
SES III - Small Earth Station, Phase III
M.R. - Mid-Route Station
AFRTS - Armed Forces Radio and Television Service
TRANS - Translator
TVRO - Television Receive-Only Earth Stations
R - Television Receivers
MT - Mini-Transmitters
APBC - Alaska Public Broadcasting Commission

Electrical Power - All communities which have telephone and/or television service can be considered as having electrical power. Duration and reliability vary. Determination of suitable electric power in communities with no known services should be ascertained by individual site surveys.

<u>COMMUNITY</u>	<u>POPULATION</u>	<u>TELEPHONE</u>	<u>PRESENT TV SERVICE</u>	<u>ADDITIONAL TV FACILITIES UNDER CSHB 950</u>
Akhiok	115	SES II	None	R & MT
Akiachuk	371	RCA-VHF Telephone	KYUK	-
Akiak	186	RCA-VHF Telephone	KYUK	-
Akutan	100	SES I	None	R & MT
Alakanuk	524	SES III	Trans-KYUK	R & MT
Aleknagik	128	RCA-VHF Telephone	AFTV	TVRO & MT
Allakaket	175	SES II	None	R & MT
Ambler	217	SES I	Sat. Mini-TV Ch. 7	-
Anaktuvuk Pass	100	SES I	APBC Mini-TV Ch. 7	R
Anchorage	200,000	Local Dial Exchange	3 Comm., 1 Public	-
Anchor Point	102	Local Dial Exchange	Trans-KENI, KTVA	-
Anderson	470	Local Dial Exchange	Trans-KTVF, KFAR, KUAC	-
Angoon	437	Local Dial Exchange	None	TVRO & MT
Aniak	323	Local Dial Exchange	None	TVRO & MT
Anvik	100	SES III	None	R & MT
Arctic Village	85	SES II	None	R & MT
Atka	88	SES I	None	R & MT
Atkasuk	50	SES II	None	R & MT
Barrow	2,500	M.R.	APBC Mini-TV, Cable TV	MR or TVRO
Beaver	100	SES II	None	R & MT
Bethel	3,004	M.R.	KYUK	-
Bettles	60	Local Dial Exchange	None	TVRO & MT
Birch Creek	40	None	None	TVRO & MT
Brevig Mission	114	HF Radio	None	TVRO & MT
Buckland	172	SES III	None	R & MT
Butte	448	Local Dial Exchange	Trans-KENI	-
Campbell	40	None	None	TVRO & MT
Cantwell	62	Local Dial Exchange	None	TVRO & MT
Cape Pole	125	SES II	Sat. Mini-TV Ch. 9	-
Central	45	SES III	None	R & MT
Chalkyitsik	130	SES II	None	R & MT
Chefornak	182	SES I	Trans-KYUK	R & MT
Chevak	447	RCA-VHF Telephone	Trans-KYUK	TVRO & MT
Chignik Lagoon	70	SES II	None	R & MT
Chignik Lake	115	SES II	None	R & MT
Chiniak	?	Unknown	None	Receive from KOTV

<u>COMMUNITY</u>	<u>POPULATION</u>	<u>TELEPHONE</u>	<u>PRESENT TV SERVICE</u>	<u>ADDITIONAL TV FACILITIES UNDER CSHB 950</u>
Chistochina	33	None	None	TVRO & MT
Chitina	40	SES II	Sat. Mini-TV Ch. 9	-
Chuathbaluk	100	RCA-VHF Telephone	Trans-KYUK	-
Circle	55	SES II	None	R & MT
Clam Gulch	47	Local Dial Exchange	Trans-KENI, KTVA	-
Clarks Point	95	RCA-VHF Telephone	AFTV	TVRO & MT
Coffman Cove	100	None	None	TVRO & MT
Cold Bay	256	M.R. Local Dial Exchange	None	MR or TVRO
Copper Center	433	Local Dial Exchange	Trans-KFAR	-
Cordova	2,406	M.R. Local Dial Exchange	Cable TV	MR or TVRO
Council	25	SES III	None	R & MT
Craig	467	Local Dial Exchange	Cable TV	TVRO & MT
Crooked Creek	107	SES III	Trans-KYUK	R & MT
Deering	100	SES III	None	R & MT
Delta Junction	892	Local Dial Exchange	Trans-KTVF, KFAR, KUAC	-
Dillingham	1,176	M.R.	AFTV	MR or TVRO
Diomedes	125	RCA-VHF Telephone	Mini-TV	-
Dot Lake	83	Local Dial Exchange	Trans-KTVF, KUAC	-
Eagle Village	100	SES II	None	R & MT
Edna Bay	112	None	None	TVRO & MT
Eek	195	RCA-VHF Telephone	KYUK	-
Egegik	90	RCA-VHF Telephone	AFTV	-
Ekuk	51	RCA-VHF Telephone	AFTV	TVRO & MT
Ekwok	103	SES III	AFTV	R & MT
Elfin Cove	30	RCA-VHF Telephone	None	TVRO & MT
Elim	225	SES III	None	R & MT
Emanak	450	SES II	Sat. Mini-TV Ch. 7	-
English Bay	60	RCA-VHF Telephone	None	TVRO & MT
Fairbanks	60,227	Local Dial Exchange	2 Comm., 1 Public	-
False Pass	50	SES II	None	R & MT
Fort Yukon	637	M.R. Local Dial Exchange	APBC Mini-TV	MR or TVRO
Galena	631	M.R. Local Dial Exchange	AFRTS	MR or TVRO
Gambell	375	SES I	Sat. Mini-TV Ch. 7	-
Girdwood	280	Local Dial Exchange	Trans-KENI	-
Glenallen	1,070	Local Dial Exchange	Trans-KFAR	-
Gokana	88	Local Dial Exchange	Trans-KFAR	-

<u>COMMUNITY</u>	<u>POPULATION</u>	<u>TELEPHONE</u>	<u>PRESENT TV SERVICE</u>	<u>ADDITIONAL TV FACILITIES UNDER CSHB 950</u>
Golovin	130	SES III	None	R & MT
Goodnews Bay	248	RCA-VHF Telephone	None	TVRO & MT
Grayling	167	SES III	None	R & MT
Gulkana	75	Local Dial Exchange	Trans-KFAR	-
Gustavus	70	Local Dial Exchange	None	TVRO & MT
Haines	1,980	Local Dial Exchange	Cable TV	TVRO & MT
Halibut Cove	45	RCA-VHF Telephone	None	TVRO & MT
Healy	100	Local Dial Exchange	Trans-KTVF, KFAR, KUAC	-
Holy Cross	212	SES II	Sat. Mini-TV Ch. 9	-
Homer	1,538	Local Dial Exchange	Trans-KENI, KTVA	-
Hoonah	848	Local Dial Exchange	Cable TV	TVRO & MT
Hooper Bay	500	SES II	Trans-KYUK	R & MT
Hope	51	Local Dial Exchange	Trans-KAKM	-
Houston	375	Local Dial Exchange	Trans-KENI	-
Hughes	85	SES II	None	R & MT
Huslia	160	SES II	None	R & MT
Hydaburg	384	Local Dial Exchange	None	TVRO & MT
Hyder	79	Local Dial Exchange	None	TVRO & MT
Igiugig	40	SES III	None	R & MT
Iliamna	60	M.R.	None	MR or TVRO
Ivanof Bay	46	SES II	None	R & MT
Juneau	19,193	M.R.	1 Comm./Cable	-
Kachemak	151	Local Dial Exchange	Trans-KENI, KTVA	-
Kake	679	Local Dial Exchange	APBC Mini-TV	TVRO & MT
Kaktovik	137	None	APBC Mini-TV	TVRO & MT
Kalskag	126	RCA-VHF Telephone	Trans-KYUK	TVRO & MT
Kaltag	200	SES III	None	R & MT
Karluk	75	SES II	None	R & MT
Kasaan	38	SES III	None	R & MT
Kasigluk	225	RCA-VHF Telephone	KYUK	-
Kenai	5,364	Local Dial Exchange	Trans-KENI	-
Ketchikan	11,262	Dial Exchange	Local Sta./Cable TV	TVRO or Microwave Link
Kiana	314	SES I	APBC Mini-TV	R
King Cove	380	SES I	APBC Mini-TV	R
King Salmon	202	M.R.	AFTV	MR or TVRO
Kipnuk	325	SES I	Sat. Mini-TV Ch. 7	-

<u>COMMUNITY</u>	<u>POPULATION</u>	<u>TELEPHONE</u>	<u>PRESENT TV SERVICE</u>	<u>ADDITIONAL TV FACILITIES UNDER CSHB 950</u>
Kivalina	208	SES I	APBC Mini-TV	R
Klawock	281	Local Dial Exchange	APBC Mini-TV	TVRO
Klukwan	150	Local Dial Exchange	None	TVRO & MT
Kobuk	60	SES II	None	R & MT
Kodiak	7,901	M.R. Local Dial Exchange	Cable TV	MR or TVRO
Kokhanok	90	None	None	TVRO & MT
Koliganek	150	SES III	AFTV	R & MT
Kongiganak	260	SES II	Trans-KYUK	R & MT
Kotlik	284	SES III	Trans-KYUK	R & MT
Kotzebue	2,431	M.R.	Cable TV	MR or TVRO
Koyuk	160	SES III	None	R & MT
Koyukuk	125	SES II	None	R & MT
Kwethluk	415	RCA-VHF Telephone	KYUK	-
Kwigillingok	150	SES II	KYUK	R & MT
Larsen Bay	50	SES II	Sat. Mini-TV Ch. 7	-
Levelock	95	RCA-VHF Telephone	AFTV	TVRO & MT
Lime Village	65	None	None	TVRO & MT
Manakotak	225	RCA-VHF Radio	AFTV	TVRO & MT
Manley Hot Springs	60	SES II	None	R & MT
Marshall	226	SES III	Trans-KYUK	R & MT
Mekoryuk	250	SES I	Sat. Mini-TV Ch. 9	-
Mentasta	68	VHF Radio	None	TVRO & MT
Meshek	66	SES II	None	R & MT
Metlakatla	1,051	Local Dial Exchange	Cable TV	TVRO & MT
Minto	190	SES II	None	R & MT
Mountain Village	420	SES III	Trans-KYUK	R & MT
Myers Chuck	40	H.F. Radio	None	TVRO & MT
McGrath	296	M.R. Local Dial Exchange	None	MR or TVRO
Naknek	300	Local Dial Exchange	AFTV	-
Napakiak	260	RCA-VHF Telephone	KYUK	-
Napaskiak	210	RCA-VHF Telephone	KYUK	-
Nelson Lagoon	40	SES II	None	R & MT
Nenana	493	Local Dial Exchange	Trans-KFAR, KTVF, KUAC	-
New Stuyahok	230	SES III	AFTV	R & MT
Newhalen	89	RCA-VHF Telephone	None	TVRO & MT
Newtok	115	SES II	None	R & MT

<u>COMMUNITY</u>	<u>POPULATION</u>	<u>TELEPHONE</u>	<u>PRESENT TV SERVICE</u>	<u>ADDITIONAL TV FACILITIES UNDER CSHB 950</u>
Nightmute	125	SES II	Trans-KYUK	R & MT
Nikolaevsk	100	None	None	TVRO & MT
Nikolai	120	RCA-VHF Telephone	None	TVRO & MT
Nikolski	55	SES II	None	R & MT
Ninilchik	134	Local Dial Exchange	Trans-KENI, KTVA	-
Noatak	293	SES I	Sat. Mini-TV Ch. 9	-
Nome	2,380	M.R.	Cable TV	MR or TVRO
Nondalton	226	RCA-VHF Telephone	None	TVRO & MT
Noorvik	527	SES I	APBC Mini-TV	R
Northway	198	Local Dial Exchange	Trans-KTVF, KUAC	-
Nuiqsut	150	SES II	APBC Mini-TV	R
Nulato	300	SES II	Sat. Mini-TV Ch. 4	-
Nunapitchuk	296	RCA-VHF Telephone	KYUK	-
Old Harbor	50	SES II	Sat. Mini-TV Ch. 9	-
Oscarville	60	RCA-VHF Telephone	KYUK	-
Ouzinkie	160	None	None	TVRO & MT
Palmer	1,643	Local Dial Exchange	Trans-KENI	-
Pedro Bay	50	SES III	None	R & MT
Pelican	169	Local Dial Exchange	None	TVRO & MT
Perryville	130	SES II	Sat. Mini-TV Ch. 9	-
Petersburg	2,126	Local Dial Exchange	Cable TV	TVRO & MT
Pilot Point	70	SES II	Sat. Mini-TV Ch. 9	-
Pilot Station	290	SES III	Trans-KYUK	R & MT
Point Baker	50	SES II	None	R & MT
Point Hope	350	SES II	APBC Mini-TV Ch. 9	R
Point Lay	40	SES II	APBC Mini-TV	R
Port Alexander	51	SES II	None	R & MT
Port Alsworth	75	SES III	None	R & MT
Port Graham	125	SES III	None	R & MT
Port Lions	227	Local Dial Exchange	Cable TV	-
Portage Creek	75	RCA-VHF Telephone	AFTV	TVRO & MT
Quinhagak	395	RCA-VHF Telephone	Trans-KYUK	TVRO & MT
Rampart	53	SES II	None	R & MT
Red Devil	81	SES III	Trans-KYUK	R & MT
Ruby	140	SES II	None	R & MT
Russian Mission	150	SES III	Trans-KYUK	R & MT

<u>COMMUNITY</u>	<u>POPULATION</u>	<u>TELEPHONE</u>	<u>PRESENT TV SERVICE</u>	<u>ADDITIONAL TV FACILITIES UNDER CSHB 950</u>
Sand Point	528	M.R.	APBC Mini-TV	MR or TVRO
Savoonga	415	SES I	Sat. Mini-TV Ch. 9	-
Saxman	272	Local Dial Exchange	None	-
Scammon Bay	215	RCA-VHF Telephone	Trans-KYUK	TVRO & MT
Selawik	521	SES III	None	R & MT
Seldovia	612	Local Dial Exchange	Trans-KTVA	-
Seward	1,823	Local Dial Exchange	Trans-KENI	-
Shageluk	200	SES II	Sat. Mini-TV Ch. 10	-
Shaktoolik	160	SES III	None	R & MT
Shishmaref	306	RCA-VHF Dial Exchange	None	TVRO & MT
Shungnak	200	SES I	Sat. Mini-TV Ch. 9	-
Sitka	7,100	Local Dial Exchange	Cable	-
Skagway	858	Local Dial Exchange	Cable TV	TVRO & MT
Sleetmute	100	SES II	Trans-KYUK	R & MT
Soldotna	1,800	Local Dial Exchange	Trans-KENI, KTVA	-
St. George	165	SES I	APBC Mini-TV	R
St. Marys	500	SES II	Trans-KYUK	R & MT
St. Michael	220	SES III	None	R & MT
St. Paul	456	SES I	Sat. Mini-TV Ch. 4	R
Sterling	130	Local Dial Exchange	Trans-KTVA	-
Stevens Village	75	SES II	None	R & MT
Stoney River	100	SES III	Trans-KYUK	R & MT
Sutton	80	Local Dial Exchange	Trans-KENI, KIMO, KTVA	-
Takotna	48	RCA-VHF Telephone	AFRTS	TVRO & MT
Talkeetna	182	Local Dial Exchange	Trans-KTVA	-
Tanacross	85	Local Dial Exchange	Trans-KTVF, KUAC	-
Tanana	500	M.R.	APBC Mini-TV	MR or TVRO
Tanunak	200	None	None	TVRO & MT
Tatitlek	111	SES II	Sat. Mini-TV Ch. 9	-
Telida	35	SES III	None	R & MT
Teller	211	None	None	TVRO & MT
Tenakee Springs	109	SES I	Sat. Mini-TV Ch. 9	-
Tetlin	114	Local Dial Exchange	Trans-KTVF, KUAC	-
Thorne Bay	450	HF Radio	None	TVRO & MT
Togiak	419	SES III	None	R & MT
Tok	850	Local Dial Exchange	Trans-KTVF, KUAC	-

<u>COMMUNITY</u>	<u>POPULATION</u>	<u>TELEPHONE</u>	<u>PRESENT TV SERVICE</u>	<u>ADDITIONAL TV FACILITIES UNDER CSHB 950</u>
Toksook Bay	257	SES I	Trans-KYUK	R & MT
Tuluksak	202	RCA-VHF Telephone	KYUK	-
Tuntutuliak	223	RCA-VHF Telephone	KYUK	-
Tununak		SES I	Trans-KYUK	R & MT
Tyonek	235	Local Dial Exchange	KENI, KTVA, KIMO	-
Unalakleet	601	M.R.	None	MR or TVRO
Unalaska	510	M.R.	APBC Mini-TV	TVRO or M.R.
Valdez	8,253	M.R.	Cable TV	MR or TVRO
Venetie	151	SES II	None	R & MT
Wainwright	357	None	APBC Mini-TV	TVRO & MT
Wales	117	VHF	None	TVRO & MT
Wasilla	1,566	Local Dial Exchange	Trans-KTVA	-
Whittier	292	Local Dial Exchange	APBC Mini-TV, Trans-KENI	TVRO & MT
Willow	38	Local Dial Exchange	Trans-KTVA	-
Woody Island	41	Local Dial Exchange	None	Receive from KOTV
Wrangell	3,152	Local Dial Exchange	Cable TV	TVRO & MT
Yakutat	442	M.R.	APBC Mini-TV	MR or TVRO

ALASKA CABLE TELEVISION ASSOCIATION

REPRESENTING 100% OF ALASKAS CABLE SYSTEMS.

Ketchikan, Alaska 99901
P.O. Box 8500
April 10, 1978

Governors Office of Telecommunications
Pouch AC
State Office Building
Juneau, Alaska

Attention: George Shaginaw

Dear George:

The following briefly sets forth the position of the operators of the Alaska Cable Television Association as closely as I can determine in talking with as many members as possible.

The ACTA supports the concept of obtaining the most television programming for the most people at the lowest possible cost. We agree that in some areas this can best be done with broadcast stations and translators. In other areas by mini-transmitters and in still other locations by cable. In rare cases it may take a mixture of transmission methods to accomplish the desired goals.

The importance of real time programming has clearly been shown this past year by the Alaska Satellite Demonstration Project and continuance and expansion of this concept should be encouraged. As we believe that entertainment is not properly a government function this phase of any television program should be financed by the end users.

To this end the members of the ACTA agree that as users of the satellite transmitted entertainment programs we are willing to contribute to the program a sum of money equal to the real cost of carrying these same programs by video tape. This real cost to include the cost of recording, transportation, machine wear and tear and replacement, manpower required to play the tapes and any other costs associated with programming by video tape that are directly eliminated by use of the satellite. Preliminary projections of costs based on today's customer counts at the various cable systems indicate that at the end of a five year period if all video tape origination could be eliminated that the combined Alaska cable systems could contribute approximately \$237,000 per year towards satellite costs.

In the case of educational material the cable systems are willing to make spectrum space available on the cable for distribution to all schools, day care centers or individuals at a rate to be approved by the Alaska Public Utilities Commission. It would be possible to contract for this service on an exchange basis for satellite service.

At present cable systems are not being compensated for carriage of educational programming. There is a definite cost to providing this service and at present this cost is being borne by the State of Alaska for the "bush". Also in Anchorage and Fairbanks the State is picking up the costs. It is felt that as long as cable can provide an equal and usually superior distribution of these programs they should be compensated. As mentioned previously this could be done on a trade for time basis on the satellite or in the case of smaller systems it might be more advantageous to obtain partial state funding for TVRO equipment.

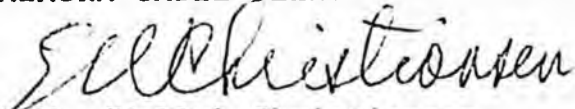
It is the opinion of the ACTA that any allocation of satellite costs be on a population served basis.

It is estimated that 30,200 people are presently being served by satellite programming in Juneau, Sitka and Ketchikan in whole or in part by cable. For a comparatively small investment an additional 12,064 people could be added to this service in Wrangell, Petersburg, Cordova, Valdez and Nome. There are a total of 16 cable systems presently operational in the State. We estimate that they serve 21 per cent of the population either partially or completely.

I wish to again affirm that the ACTA will work with your office to the end of giving the people of Alaska the most television service for the lowest possible cost.

Very truly yours,

ALASKA CABLE TELEVISION ASSOCIATION


E.W. (Wally) Christiansen

ACTA President

ALASKA MINI-TV ASSOCIATION

P.O. BOX 10-616 ANCHORAGE, ALASKA 99511

April 10, 1978

Honorable Steve Cowper
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Cowper:

At the regular meeting of the Alaska Mini-TV Association, Inc., April 6-7, 1978, the Board of Directors reviewed pending legislation relative to Mini-TV and by formal resolution stated:

- 1) THAT CSHB 908 BE PASSED. The Alaska Mini-TV Association, Inc. endorses this outstanding piece of legislation. The AMTVA does recommend that CSHB 908 carry within its letter of intent the priority under which villages will receive satellite television interconnect. The AMTVA recommends that all existing Mini-TV stations be brought "on-line" via satellite interconnection as first priority. Placing existing Mini-TV stations "on-line" is the least expensive and easiest manner in which to serve the public interest. The Alaska Mini-TV Association lists the following communities with Mini-TV stations as first priority in receiving satellite interconnections (listed in alphabetical order):

Barrow	Ft. Yukon	Kake	Kaktovik
Kiana	Kivalina	McGrath	Noorvik
Nuiqsut	Point Lay	St. George	Sand Point
Unalaska	Wainwright	Whittier	Yakutat

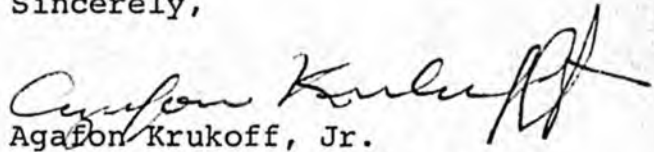
- 2) THAT CSHB 545 BE AMENDED. The Alaska Mini-TV Association recognizes the merit of aggregating users' requirements but voices disagreement over the formation of the Users Association as presented in CSHB 545 as the fashioning of a needless new bureaucracy. Instead of the proposed Users Association, AMTVA recommends amending CSHB 545, substituting the formation of a Satellite Users Advisory Group, which would become

April 10, 1978
Page Two

an advisory committee to an existing entity. The Alaska Mini-TV Association recommends that the Satellite Users Advisory Group be an incorporated function of the Alaska Public Broadcasting Commission.

I will be most happy to provide you with additional information regarding our views, either informally or through formal testimony. I urge your consideration and action; I look forward to hearing from you on CSHB 908 and CSHB 545.

Sincerely,


Agafon Krukoff, Jr.
Chairman, Alaska
Mini-TV Association

cc: AMTVA Members
Alaska Public Broadcasting Commission
Governor's Office of Telecommunications

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 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

-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,

Fred Brown, Chairman
House Select Committee on
Telecommunications

FB:kfm

Introduced: 3/24/78
Referred: The Select Committee on
Telecommunications, State Affairs
and Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 HOUSE BILL NO. 908

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Office of
7 the Governor, office of telecommunications, for state-
8 wide satellite television service; and providing for an
9 effective date."

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

11 * Section 1. It is the intent of the legislature to recognize the bene-
12 fits demonstrated through the satellite television demonstration project in
13 providing time value television programming, and entertainment and educa-
14 tional programming to the people of the state, and to provide for the continua-
15 tion and expansion of the benefits of satellite television service to urban
16 and rural Alaska.

17 * Sec. 2. The sum of \$9,921,328 is appropriated from the general fund to
18 the Office of the Governor, office of telecommunications for the cost of
19 continuation and expansion of the television service provided to Alaska under
20 the satellite television demonstration project. The amount appropriated by
21 this section is to be allocated substantially as follows:

22 (1) Capital costs of facilities to provide television service
23 to 176 communities \$6,827,500

24 (2) Operation and maintenance cost of television facilities
25 for 176 communities 1,950,972

26 (3) Interstate time value programming 1,142,856

27 * Sec. 3. If a satellite television users' association is organized for
28 the purpose of user management of the statewide satellite television service,
29 the unexpended portions of the sums described in sec. 2(2) and (3) of this

1 Act may, with the approval of the governor's office of telecommunications, be
2 transferred to that users' association.

3 * Sec. 4. That portion of the appropriation described in sec. 2(1) of
4 this Act is for a capital project and is subject to AS 37.25.020.

5 * Sec. 5. This Act takes effect July 1, 1978.
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THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS HB 908

Title An Act making miscellaneous appropriations for television and telecommunication services

Requested by House Finance

Date 4-24-78

- Office of Telecommunications, Alaska Public Broadcast Commission,
II. FISCAL DETAIL Department of Education, Division of Communications, Legislative Affairs
Agency Affected Agency, Department of Administration.
Program Category Affected 09 General Governor
Budget Request Unit(s) Affected Telecommunications

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES		620.0	682.0	750.2		
200 TRAVEL		491.5	122.6	134.8		
300 CONTRACTUAL		5419.104	2450.6	2581.2		
400 COMMODITIES		258.6	17.1	18.8		
500 EQUIPMENT		3833.0	66.5	73.1		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		10,622.4	3338.8	3558.1		

FUNDING (Thousands of Dollars)

GENERAL FUND		10,622.4	3338.8	3558.1		
FEDERAL FUNDS	to be determined					
OTHER (Specify)	to be determined					

POSITIONS

FULL TIME		6				
PART TIME		176				
TEMPORARY						

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

These estimates are based on the following factors:

1. Includes total cost of service, participant contributions still to be determined.
2. TV receive capabilities can be added to jointly owned State/RCA Earth Stations by the State, either by DOT/PF personnel or on a subcontract basis.
3. Costs quoted in Robert Wold proposal for time value programming and based on contract period of three years.
4. RCA Alascom quotes for transponder service for intrastate delivery continue to apply.
5. Includes interstate service to four Alaska communities.
6. Includes intrastate service to 176 Alaska communities.
7. Inflation costs have been considered.

IV. DATE April 26, 1978

PREPARED BY George Shaginaw

AGENCY Office of Telecommunications

PHONE 465-3550

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CSHB 545
 Title "An act 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	109	119	120	135	143	160
200 TRAVEL	15	15	15	17	19	20
300 CONTRACTUAL	20	15	12	13	15	15
400 COMMODITIES	5	5	5	6	7	8
500 EQUIPMENT	10	2	2	2	3	5
600 LAND & STRUCTURES	6	6	7	7	8	9
700 GRANTS, CLAIMS, ETC.						
TOTAL	156	153	161	180	198	217

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND	156	123	97	72	60	0
FEDERAL FUNDS						
OTHER (Specify) User fees		30	64	102	158	217

POSITIONS

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
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-ups have been considered. Declining General Fund obligation reflect shift of funding to users' association at 20 percent per year.

HB 908

ALASKA BROADCASTERS ASSOCIATION

April 21, 1978

Mr. George Shaginaw, Deputy Director
Office of Telecommunications
Office of the Governor
State of Alaska
Pouch AC
Juneau, AK 99811

Dear Mr. Shaginaw:

To respond to your letter of March 31st to several TV Broadcasters who have been involved in the State of Alaska TV Demonstration Project, it was decided at the April 4th Alaska Broadcasters Meeting to ask a special Sub-Committee to study the situation on behalf of Alaska's TV Broadcasting Industry. This letter is based on their views.

Your letter addressed the subject of per-hour payment for live TV programming after the end of the TVDP June 30, 1978. This is a difficult subject to address due to the great quantity of unknown factors which face Alaskan Broadcasters at this time. We appreciate the dilemma in which the State Administration and Legislature finds itself on this subject. Recall the period from December 15, 1975 until January 15, 1977 when the TVDP began. TV Broadcasters unanimously cautioned the State that once they start a project like this it is difficult to stop or reduce the services. We were concerned then, as we are now, that there will be an extremely negative public reaction against the Broadcasters if some sort of live service does not continue, even though it was the State, not the Broadcasters, who insisted on the demonstration. Broadcasters realize that great public benefits have accrued because of the live TV programming which could never have been paid for if not totally subsidized. Being forced to pay for even a small portion of a continuing live TV project is a burden we did not ask for initially nor are we enthusiastic about doing so now for many reasons detailed below.

Here are some of the costs, direct and indirect, which the TVDP has imposed on Alaskan TV Broadcasters:

1. Recording programming on State-Owned 3/4" tape equipment for distribution via satellite to village Mini-TV stations. This costs us \$10.00 per hour.
2. Programming Director coordination with the State and other TV stations regarding scheduling, avoiding conflicts, etc., up to 25% of salary.
3. Engineering coordination, dealing with RCA to get the right video and audio signal, resolve technical prob-

lems with RCA, up to 5% of salary.

4. Cost of telephone calls and telex messages dealing with the Networks on coordination required for live versus tape delay programming is considerable.
5. Cost of helping to arrange for this TVDP in dealing with the Networks, Legal Counsel, has been substantial. One Broadcaster has made two trips to Washington, D.C. and New York exclusively on behalf of the TVDP with you personally at his own expense. The other two TV Broadcasters have spent considerable time and effort while in the East on other business coordinating with their Networks specifically on behalf of the project at their own expense.
6. A serious legal problem overshadows Alaskan TV Broadcasters during the upcoming year. The Petition to Deny licenses of all Anchorage, Fairbanks, and Juneau TV stations, and the radio counterparts of these TV Stations, by "Alaskans for Better Media" places a back-breaking financial burden on their management which seriously jeopardizes their ability to incur increased programming expenses at this time. One broadcasting group ownership has petitioned the FCC to sell its facilities. It is difficult and unfair to encumber the buyer with a programming cost commitment at this time. No one knows what the total legal cost fighting the ABM Petition will be. A good estimate is \$100,000 to \$250,000 per company in 1978, depending on the number of stations each licensee must defend, and considerably more if the FCC decides to hold formal Hearings on the license renewals or transfer of ownership applications pending at this time.

Mr. Shaginaw, in addition to the direct and indirect costs TV broadcasters now contribute or bear as parties to the present TVDP, there are other factors that are extremely uncertain and unsettling at this time such as:

1. The RCA Alascom versus Robert Wold price quotations. They have raised serious questions as to what Interstate delivery costs really should be.
2. RCA bases its reduced claims on the unknown future assumption they "may be allowed" to purchase transponders from RCA Americom, and give a reduced price to Alaskan customers by using back-up Transponders. It is uncertain whether FCC will allow that transaction, and if they do, if they will allow the beneficial tariff on back-up transponders RCA intimates they will offer.

3. Within a relatively short time AT&A has the potential of providing Alaskan service. They have indicated an interest in working with Alaskan TV and Radio Broadcasters. The Robert Wold Company has also exhibited a keen interest in delivery of Radio and TV programming not only to Anchorage and Fairbanks, but also Juneau and Sitka, with earth station investment proposed by a subsidiary of the Robert Wold Company. This is an attractive concept, because it affords economies to both State of Alaska and State of Hawaii Broadcasters.
4. Alaskan TV and Radio Broadcasters have also investigated the feasibility of licensing and operating their own earth stations.
5. There are numerous "state of the art" improvements and economies predicted in the near future, such as less expensive earth stations due to new generations of satellites which will deliver a more powerful signal to much smaller dishes.
6. To summarize, there are so many uncertainties not only in financial limitations, but also in proposed tariffs, in new technical developments and pending Political decisions, no Alaskan TV Broadcaster feels comfortable or secure in making any substantial or long-range commitment to the State of Alaska at this time.
7. The Alaska Broadcasters Association has a serious reservation as to the fairness of the TV demonstration as stated many months ago. Radio network affiliates in Alaska, as well as subscribers to the AP news service have been paying very high rates for full-time satellite service to bring radio news and sports to their Alaskan listeners. These rates are what the RCA tariff calls for, and are discriminatory to Alaskan radio broadcasters because they are much higher than comparable satellite circuit rates within the South 48 States. If the State of Alaska can help the plight of the TV Broadcasters in terms of mitigating high satellite costs, there should be some equalizing benefits also to the radio broadcasters who have been paying full satellite rates since 1974. We feel a great concern that there has been no attention given to provide suitable relief to radio broadcasters on behalf of the large public segment they serve.

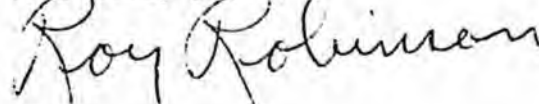
There is another element that is not a direct financial contribution, but is the key to the success of the present TVDP, and an essential ingredient of an ongoing program, and that has to do with the ability of Alaskan network affiliates to deliver network programming that can be made available legally to remote communities. There are legal and copyright restraints which, as you know, are quite restrictive. Network and affiliate cooperation with the State and village communities is essential for the success of TV delivery to all of

Alaska. This is an intangible contribution to the concept the State has developed and proposes to continue, but it cannot be overlooked because it is totally essential. The networks and their Alaskan affiliates have cooperated fully and we believe they will continue to do so. The networks do not like the "off-the-air" delivery system which is required by the present Interstate satellite system, but we believe they will be willing to live with it. The networks have been extremely reluctant to support this concept by providing funds to offset cost of tape recording for Alaskan affiliates, where applicable, and this is due in part to the different policies the three commercial networks have in regard to compensation and providing services to their Alaskan affiliates, and in part to the same great uncertainties that are clearly evident in the immediate future as detailed above. They are bothered by the same knotty problems and lack of knowledge of what to expect in the future as are their Alaskan affiliated stations.

We feel an obligation, in good faith, to contribute a sum of money per hour for continued live TV programming of news and selected sporting events for the benefit of our viewers. In view of the considerable investment we have in contributed services, and related costs, and because we have no assurance at this time that any financial support will come from the three commercial networks, the television stations in Anchorage, Fairbanks, and Juneau are willing to contribute a total of \$17.00 per hour broken down to \$12.00 for Anchorage, \$4.00 for Fairbanks and \$1.00 for Juneau. This commitment will be for one year only, from July 1, 1978 until June 30, 1979.

We trust you will convey this letter with its rationale and our reservations and our concern over uncertainties of the future to your Administration and to appropriate Legislative Committees who should have full knowledge of the Broadcasters' problems and point of view.

Very truly yours,



Roy Robinson
President
Alaska Broadcasters Association

cc: Representative Fred Brown, Chairman, Telecommunications Sub-committee
Mr. Wally Christianse, President, Alaska Cablecasters Association
Mr. Alvin O. Bramstedt, President, Midnight Sun Broadcasters
Mr. A.G. Hiebert, President, Northern Television, Incorporated
Mr. Roy Paschal, President, KIFW-TV/Sitka

ALASKA CABLE TELEVISION ASSOCIATION

REPRESENTING 100% OF ALASKAS CABLE SYSTEMS.

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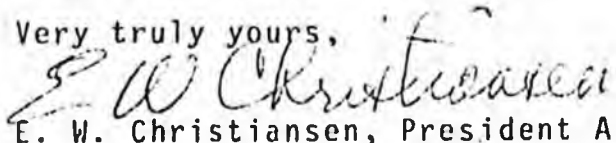
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It appears that your recommendations to the Alaska Legislature for continuance and expansion of the service are contained in CS for House bill 908. Although it is not spelled out in this bill it would appear from the figures used that the Robert Wold proposal for service is to be purchased. Unless some radical changes that we have not been advised about are made this proposal is completely unsatisfactory to several of the present users of the satellite service. The primary proposal of a hard wire interconnect to the networks completely precludes any cable system from using the primary signals. As you explained verbally the possibility of cable systems using the delayed programming going to the bush that would kill all the value of the program in Southeastern Alaska because of the time difference. This directly affects Juneau, Sitka and Ketchikan and Wrangell and Petersburg in any future plans.

On several occasions you have requested an indication from both broadcasters and cable operators as to the amount of money they would contribute to an on going satellite program. At this time you have some rough figures from each of the users groups. That is \$17 per hour from the broadcasters and if I understood you correctly \$3.00 per hour from each of the villages. The cable systems have agreed to pay an amount equal to the cost of video taping that the satellite would replace. This is estimated to be approximately \$237,000 per year. If the cable systems are eliminated from the program as proposed it is obvious that a large portion of the potential income will be missing. More important a large segment of the Alaska population will be denied the service.

In conversations with top level management of Midnight Sun Broadcasters, owners of three of the seven broadcast stations involved, they indicate they are in no position at this time, principally due to the possible sale of the stations, to enter into any long term agreement with the State or anyone else for satellite service. They voice the opinion that it would be much preferred to extend the present program for one more year to allow time to better plan a long range program. The present cable system operators using the satellite service support this position.

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Honolulu Star-Bulletin

Published by Gamett Pacific Corporation

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Published at 605 Kapiolani Boulevard / Honolulu, Hawaii, 96813

A-8

Saturday, April 29, 1978

✓ Live Mainland TV Broadcasts to Expand

Price-cutting offers the surest evidence yet that space communication has come of age.

This week Satellink Inc., a California corporation, applied to the Federal Communications Commission to okay service that should reduce the cost of live TV broadcasts to Hawaii from the Mainland by more than two-thirds.

Three years ago the transmission rate for such live TV was \$3,600 an hour. Now it's \$1,000. The Satellink plan will drop it to \$300 and maybe even lower, local TV managers say.

The "lower" could come in one or both of these ways: First, if Alaskan stations join the system and share the cost of beaming Mainland programs up to the satellites; second, if the three local stations committed to Satellink, KHON, KITV and KGMB, buy more than the 1,000 hours of live transmission a year they have now tentatively agreed to buy. More live TV programming from the Mainland is the obvious likely result. Channel 4 already was planning live college football for the first time. Even more may now be expected.

An equally great advantage of the new plan from the local viewer standpoint is that it will be possible to feed all three TV stations with different live Mainland programs at the same time. Now, sports fans are aware, there are never more than two live Mainland TV events at once.

The present limit is because Hawaiian Telephone now takes single TV satellite feeds only, one from San Francisco, one from New York.

Robert N. Wold, president of Satellink, says the planned Hawaii receiver, expected to be in operation by late August, will be able to receive four TV programs simultaneously. Also, Satellink will supply feeds directly from eight cities initially — New York, Atlanta, Chicago, Houston, Los Angeles, San Francisco, Seattle and one other, not named. Local TV managers understand an expansion to 18 is possible. The benefit of this to the local stations is lower phone relay costs if they are taking an event from outside New York and San Francisco, the two present transmitting points up to the satellite.

The local stations have agreed to spend \$100,000 for a microwave system to send signals to their studios from a Kahe Point ground-station. Satellink will lease satellite time from Western Union Telegraph Co. (Westar I and II) and from RCA Americom (Satcom I and II).

Hawaiian Telephone is also filing for lower rates, but local TV managers say it will require a much higher usage than Satellink for the same rates.

The cheaper transmission and increased program capacity promise more live TV programming here, and perhaps more live radio programming from the Mainland, too.

Invisibly but significantly the proposed new service and rates will the Hawaii still closer to the Mainland.



Lower-cost satellite TV proposed

A satellite communications company has applied to the Federal Communications Commission to operate a 10-meter satellite receiving antenna at Kahe Point, which would lower the cost of TV reception, the company said yesterday.

If the FCC approves two applications on licenses, Satellink Inc. hopes to make the TV program transmission service available to Hawaii's broadcasters and cable-system operators by late August.

Company president Robert N. Wold said the cost of transmission between the Mainland and Hawaii will be "far below what the Honolulu TV stations currently pay." Presently, broadcasters lease Mainland-to-Hawaii video transmission through

Hawaiian Telephone Company at \$1,000 per hour plus local connection and delivery charges.

Satellink will use Western Union and RCA satellites to give Hawaiian users direct access to seven Mainland cities — New York, Atlanta, Chicago, Houston, Los Angeles, San Francisco and Seattle.

In contrast, broadcasters now have access to Mainland programs along only two video paths, one each from San Francisco and New York, according to Wold.

Satellink "should enable Hawaiian TV stations and cable operators to increase their exhibition of same-time or same-day programs because of reduced costs," Wold said.

If approved, Hawaii will be the

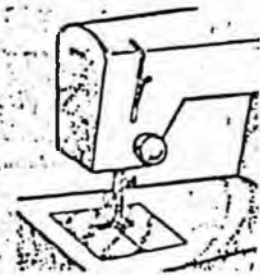
first location for a Satellink antenna which will be equipped to receive as many as four TV programs simultaneously.

The Los Angeles-based company was the first in the United States to use a domestic satellite for commercial TV program delivery. The event was a baseball game played in Milwaukee and seen on TV in Dallas-

Fort Worth on August 9, 1975.

Wold coordinates Mainland transmission facilities for some 200 clients. They include TV networks ABC and PBS, special networks and numerous syndicated networks such as the Nixon Interviews with David Frost, TVS soccer and the National Hockey League Game of the Week.

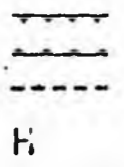
How do you reach cash buyers?



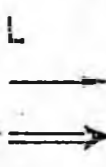
DIAL CLASSIFIED WANT ADS 521-9111



cold front
warm front
frontal remnant
high pressure center



low pressure center
surface wind
jet stream, upper level wind



the weather

the surf

Honolulu weather at a glance:
partly cloudy with night and

North Shore: Less than 3 feet.

Fiscal

ALL Inventory Must Go!

HB 908

HFC

NORTH SLOPE BOROUGH SCHOOL DISTRICT

P. O. Box 169
Barrow, Alaska 99723



May 2, 1978

Mr. Steve Cowper, Chairman
Finance Committee
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Mr. Cowper:

The North Slope Borough School District has operated a network of mini-TV transmitters in each of its villages for the past two years. Two of our eight villages have received satellite programming as part of the state's pilot telecommunications project this year.

House Bill 545 is enabling legislation which would expand telecommunications to all rural, isolated Alaskan villages. An appropriations bill, HB 908, is soon to be considered by the House Finance Committee. The NSBSD would like to encourage your committee's support for HB 908 since we believe that the benefits to small, isolated villages, such as those we serve in the Arctic, are substantial.

We are especially interested in two aspects of HB 908. First, \$400,000.00 is earmarked for grant funds which would allow original programming to be produced for educational purposes. Second, \$80,000.00 would be used by the State Department of Education in order to insure that quality programming would be aired. We realize that a bill which authorizes in excess of \$10,000,000.00 is likely to be reduced in scope, but we urge that the reductions not come in the two areas which we have identified.

Sincerely,

Handwritten signature of Don Renfroe.

Don Renfroe, Superintendent

Copy: L. E. (Red) Swanson
Leo Schaeffer, Jr.
Gov. Jay Hammond
Marshall Lind

HB 908

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REPRESENTING 100% OF ALASKAS CABLE SYSTEMS.

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In conversations with top level management of Midnight Sun Broadcasters, owners of three of the seven broadcast stations involved, they indicate they are in no position at this time, principally due to the possible sale of the stations, to enter into any long term agreement with the State or anyone else for satellite service. They voice the opinion that it would be much preferred to extend the present program for one more year to allow time to better plan a long range program. The present cable system operators using the satellite service support this position.

Very truly yours,


E. W. Christiansen, President ACTA

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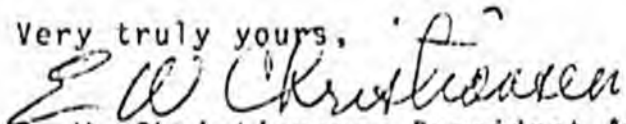
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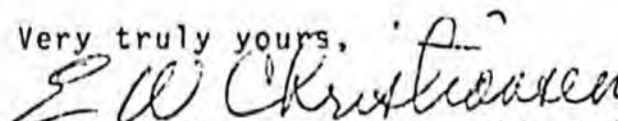
This is a follow up letter to ours of April 12 regarding the Alaska Cable systems further participation in the satellite television distribution program.

It appears that your recommendations to the Alaska Legislature for continuance and expansion of the service are contained in CS for House bill 908. Although it is not spelled out in this bill it would appear from the figures used that the Robert Wold proposal for service is to be purchased. Unless some radical changes that we have not been advised about are made this proposal is completely unsatisfactory to several of the present users of the satellite service. The primary proposal of a hard wire interconnect to the networks completely precludes any cable system from using the primary signals. As you explained verbally the possibility of cable systems using the delayed programming going to the bush that would kill all the value of the program in Southeastern Alaska because of the time difference. This directly affects Juneau, Sitka and Ketchikan and Wrangell and Petersburg in any future plans.

On several occasions you have requested an indication from both broadcasters and cable operators as to the amount of money they would contribute to an on going satellite program. At this time you have some rough figures from each of the users groups. That is \$17 per hour from the broadcasters and if I understood you correctly \$3.00 per hour from each of the villages. The cable systems have agreed to pay an amount equal to the cost of video taping that the satellite would replace. This is estimated to be approximately \$237,000 per year. If the cable systems are eliminated from the program as proposed it is obvious that a large portion of the potential income will be missing. More important a large segment of the Alaska population will be denied the service.

In conversations with top level management of Midnight Sun Broadcasters, owners of three of the seven broadcast stations involved, they indicate they are in no position at this time, principally due to the possible sale of the stations, to enter into any long term agreement with the State or anyone else for satellite service. They voice the opinion that it would be much preferred to extend the present program for one more year to allow time to better plan a long range program. The present cable system operators using the satellite service support this position.

Very truly yours,


E. W. Christiansen, President ACTA

HOUSE SELECT COMMITTEE ON TELECOMMUNICATIONS
Fred Brown, Chairman

April 5, 1978

LETTER OF INTENT
TO ACCOMPANY CS FOR HB 908

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

Dear Mr. Speaker:

House Bill 908 was extended in scope to cover other appropriations besides hardware and satellite-lease costs.

Of course, the bulk of this appropriations bill provides funds for capital expenditures for TV-receive equipment for the existing small earth stations, purchase and installation of small TV-receive-only earth stations for communities which do not have and are not project to have any earth station, or which are projected only to have earth stations which would not be compatible with the anticipated system costs and design; and purchase and installation of additional mini-TV transmitters for communities not now having such facilities and not now having other methods of obtaining television services.

The next largest portion of this appropriations bill relates to the lease of satellite transponder time and, if appropriate, accompanying terrestrial line service charges to provide time-value programming to urban and rural areas of Alaska through interstate satellite communications facilities, and funds to provide such services on an intrastate basis, mostly for services to Alaska's rural communities.

The balance of the bill involves funds added by the committee in preparing the CS for the Department of Education to continue and expand the present level of public and educational television services provided to Alaskan rural communities for approximately the past year; for the Alaska Public Broadcasting Commission to begin a grant program for the production of television and radio programs for educational and public purposes, anticipating that such programs would be used in a continuation of the program now being provided by the Department of Education; for the Legislative Affairs Agency to continue legislative teleconferencing for fiscal year 1979; and for the Department of Administration to begin a teleconferencing program for State agencies and commissions to hold public hearings.

The amounts that are used in our CS for HB 908 relating to the purchase of terrestrial equipment and satellite time are derived largely from the report of the Governor's Office of Telecommunications to the legislature on the Alaska Television Demonstration Project, dated February 1, 1978. The figures anticipate expanding television services to nearly every community in Alaska that has on a regular basis, a population of more than 25 persons. While we are reporting this bill on to the further committees of referral, the staff of the House Select Committee on Telecommunications is continuing to develop a full list or catalog of all of these communities, describing their various differences of service needs and how those needs will be addressed under this bill. We hope that this information will be forwarded to the next committee as soon as possible.

The figures that relate to purchase of satellite time and other related line charges are based upon the assumption that the transmission of programs on an intrastate basis, mostly to the rural communities, will not be on a sharing basis with transmission of interstate time-value programming. That is, that more than one satellite transponder may be leased in part or in toto, so that both the rural and urban communities will have a greater amount of flexibility in obtaining services.

Presently, such flexibility is not available. If a major time-value program is desired by an urban broadcaster under the current television demonstration project, and it is transmitted in any time zone in the lower 48 only after the dinner hour Alaska Standard Time, the urban broadcaster cannot get such a program unless it is also desired by the rural communities through the decisions of the Telecommunications Committee which advises the Governor's Office of Telecommunications or the Mini-TV Association. This last football season, the rural communities did desire Monday Night Football, so the urban communities were able to obtain that programming through the TV demonstration project while it was also being simultaneously sent to the rural communities. However, such will not always be the case.

The figures that relate to interstate satellite transmission are based on the assumption that Alaskan broadcasters will, as they have testified before our committee, desire only the so-called "time-value" programs in the immediate future. They are not currently interested in bringing up solely entertainment programs by satellite transmission unless such entertainment programs have some time-value (for instance, NBC's "Tonight Show").

The figure used in the interstate line-item relates to the most responsible "low bid" for services submitted to the Governor's Office of Telecommunications, in this case, by the Robert Wold organization of California. The intrastate figure was taken from the figure submitted by RCA Alascom (and RCA Americom). However, it is not the intention of the committee to bind the Governor's Office of Telecommunications to any provider of services. The difficulties in attempting to address the broadest range of Alaska's users (which is the most important factor in this legislation), and the changing technology and market,

April 5, 1978

are such that it would seem irresponsible for the legislature to dictate a particular vendor of services in any of these applications. It could well be that after the legislation were passed in any form and the session adjourned, Robert Wold, RCA, Hughes-Paramount, or another vendor would demonstrate a new technical capability or a lower-cost capability, or both

Therefore, it is the intention of the committee that the Governor's Office of Telecommunications use the funds provided for both intrastate and interstate transmission and obtain the best and broadest service available under the circumstances that would provide services to on-the-air urban broadcasters, cablecasters, and rural communities with mini-TV stations. Such decisions should take into account the peculiar legal problems of cablecasters (in most cases they require an off-the-air pickup), the desire of urban broadcasters for the best quality services (where possible, they should be provided a "hard wire" hookup to their affiliated networks if it can be done in a manner that consistently provides broad services to other users) and the need for flexibility in the rural communities demonstrated by the current experience under the television demonstration project.

Parenthetically, it will be noted that while RCA Alascom did make a new proposal orally to the Select Committee on Telecommunications and to the Alaska Cablecasters Association, that has never been supported by any documentation, and is apparently based upon combining certain techniques that have never been used together in any transmission facility. It may well be that the assumptions on which the bid was based were valid: however, the committee has no such information. It is thought that the amounts set forth in the bill, while based on the respective Wold and RCA bids, are flexible enough to address any change in service availability.

However, the Governor's Office of Telecommunications is directed not to obtain services from a long lines carrier in such a way to require an implied subsidy of these services by other users. That is, the Office should satisfy itself that any bid from the RCA companies is based upon the true cost of providing the service without Alaskan long-distance telephone rate payers impliedly subsidizing the television service.

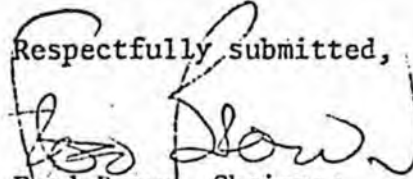
It is anticipated that the funds in this bill can be used in conjunction with another bill reported out of the committee if both pass. CS for HB 545 establishes a satellite user's association that would purchase time on satellites and accompanying terrestrial lines and provide it to members at a reduced cost per member because of economies of scale. In the event both CS for HB 908 and CS for HB 545 pass, it is anticipated that the Governor's Office of Telecommunications would expeditiously aid the establishment of the satellite user's association and, at an appropriate time, convey all appropriate funds necessary for its operation to further the intention of this legislation and CS for HB 545.

It is therefore conceivable, if both bills pass, that some of these funds may be recouped at least back to the satellite user's association for further purchases and finances of its operations.

April 5, 1978

If both bills pass, they provide, in the long term, a self-supporting method for providing services to all but Alaska's rural communities. However, it is intended that the Governor's Office of Telecommunications should seek methods under which a reasonable and fair assessment of individual users can be done in the manner of assessment of members of the association in CS for HB 545. The committee heard recommendations about immediate assessments of individual users down to the smallest village. However, the committee is not convinced that a structure is now easily available for accomplishing such assessments. It may be that such a method of assessment can be developed so that a statewide television distribution system can pay for itself, through the auspices of the Alaska Mini-TV Association and, if passed, CS for HB 545.

Respectfully submitted,



Fred Brown, Chairman
House Select Committee on
Telecommunications

FB:kfm

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS HB 908

Title An Act making miscellaneous appropriations for television and telecommunication service

Requested by House Finance

Date 4-24-78

Office of Telecommunications, Alaska Public Broadcast Commission,
II. FISCAL DETAIL Department of Education, Division of Communications, Legislative Affairs
Agency Affected Agency, Department of Administration.
Program Category Affected 09 General Governor
Budget Request Unit(s) Affected Telecommunications

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES		620.0	682.0	750.2		
200 TRAVEL		491.5	122.6	134.8		
300 CONTRACTUAL		5419.104	2450.6	2581.2		
400 COMMODITIES		258.6	17.1	18.8		
500 EQUIPMENT		3833.0	66.5	73.1		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		10,622.4	3338.8	3558.1		

FUNDING (Thousands of Dollars)

GENERAL FUND		10,622.4	3338.8	3558.1		
FEDERAL FUNDS	to be determined					
OTHER (Specify)	to be determined					

POSITIONS

FULL TIME		6				
PART TIME		176				
TEMPORARY						

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

These estimates are based on the following factors:

1. Includes total cost of service, participant contributions still to be determined.
2. TV receive capabilities can be added to jointly owned State/RCA Earth Stations by the State, either by DOT/PF personnel or on a subcontract basis.
3. Costs quoted in Robert Wold proposal for time value programming and based on contract period of three years.
4. RCA Alascom quotes for transponder service for intrastate delivery continue to apply.
5. Includes interstate service to four Alaska communities.
6. Includes intrastate service to 176 Alaska communities.
7. Inflation costs have been considered.

IV. DATE April 26, 1978

PREPARED BY George Shaginaw

AGENCY Office of Telecommunications

PHONE 465-3550

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

TELEGRAM

BCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

check HB
908

Pete Kelly
4981

04030 NL TDA DILLINGHAM AK 04-17 255P AST

70 APR 17 PM 5 49

PMS REP STEVE COWPER

JUN

THE VILLAGE OF EGEKIK WOULD GREATLY APPRECIATE BEING ON THE LIST AS ONE OF THE EARTH STATION RECIPIENTS. WE HAVE KNOWLEDGE THAT THERE IS POSSIBILITY OF MORE EARTH STATIONS ALLOCATED FOR RURAL ALASKA. THE JUSTIFICATION FOR THE EARTH STATION LOCATED IN EGEKIK IS THAT IT WOULD SOLVE A LOT OF SOCIOLOGICAL PROBLEMS AND WOULD GREATLY BENEFIT THE EDUCATIONAL LEVEL OF THE PEOPLE.

PHIL KELLY PRESIDENT EGEKIK VILLAGE COUNCIL

808
+ HB 908

POUCH V
JUNEAU, ALASKA 99811
TELEPHONE (907) 485-3706

Alaska State Legislature



REPRESENTATIVE
Steve Cowper
CHAIRMAN
FINANCE COMMITTEE

House of Representatives

April 26, 1978

Mr. Phil Kelly
President
Egigik Village Council
Egigik, Alaska

Dear Mr. Kelly:

I am in receipt of your telegram of April 17, 1978, regarding HB 908 which provides for a special appropriation to the Governor's Office, Office of Telecommunications.

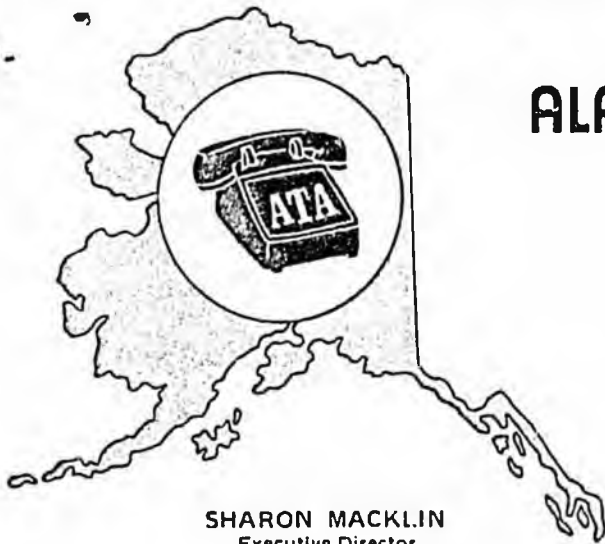
A firm list of recipients of the earth stations has not yet been established. I have been informed by George Shaginaw, Deputy Director, that a formal request should be submitted to Robert Walp, Director of the Office of Telecommunications, 338 Denali Street, Anchorage. I will keep your request in mind when the bill comes before the House Finance Committee.

Thank you for communicating your concerns; I'm hopeful that all of rural Alaska will benefit by this program.

Very truly yours,

Steve Cowper

SCC/b11



ALASKA TELEPHONE ASSOCIATION

P. O. Box 1325 • Anchorage, Alaska 99501
(907) 279-3923

May 1, 1978

SHARON MACKLIN
Executive Director

Representative Steve Cowper
Alaska State Legislature
Pouch V
Juneau, Ak. 99801

Dear Representative Cowper:

This is in reference to CSHB 908, making miscellaneous appropriations for television and telecommunications services.

The Alaska Telephone Association is extremely concerned with this bill, particularly the involvement of the state in the ownership, expansion and maintenance of the small earth station program.

At the present time, the state has not clearly defined their role in providing communication services to Alaskans. The Governor, in his message to the House, on February 2, 1978, addressed his position with regard to the development of policy in relation to communications. He stated that he felt these decisions should reside in the Governor's Office. We are not in disagreement with this, however, we feel very strongly that the state's involvement should be limited to policy and planning. Further more, we feel that the state is not the appropriate entity for expanding the small earth station program, be it t.v. or telephone service.

With the possibility of passage of SCR 83, which asks the state to withdraw their application for providing telecommunication services to rural Alaska, and the passage of CSHB 908, which appropriates more funds for additional earth stations, we feel there tends to be a strong conflict

Page 2
Rep. Steve Cowper
May 1, 1978

in the states position which must be clarified before passage of this bill.

Another consideration prior to expanding the small earth station program in rural Alaska, is the power capabilities of villages. Many of the sources of power are unreliable and are very costly to upgrade to provide t.v.. Have these costs been built into this bill?

At the present time the A.P.U.C. has a docket open, U-77-37, which deals with the separation and settlement procedures to be applied to exchanges interconnecting with small earth stations. Although at present this bill speaks only to providing t.v. services, telephone service must also be addressed and the result of this docket will affect the state dramatically. Because the cost of providing telephone service is borne by all subscribers on the network, this docket will give us an in-depth look at the true costs and the feasibility of providing this service in rural Alaska.

The A.T.A. feels it is time for the state to take a look at the total picture of communications and prepare a state-wide plan for growth and expansion, as well as investigate costs. We urge you to do this prior to passage of this legislation.

I would appreciate it if you would contact me when this bill is scheduled for hearings in the House Finance Committee.

Sincerely


Sharon Macklin

cc: Max Clements

ALASKA BROADCASTERS ASSOCIATION

April 21, 1978

Mr. George Shaginaw, Deputy Director
Office of Telecommunications
Office of the Governor
State of Alaska
Pouch AC
Juneau, AK 99811

Dear Mr. Shaginaw:

To respond to your letter of March 31st to several TV Broadcasters who have been involved in the State of Alaska TV Demonstration Project, it was decided at the April 4th Alaska Broadcasters Meeting to ask a special Sub-Committee to study the situation on behalf of Alaska's TV Broadcasting Industry. This letter is based on their views.

Your letter addressed the subject of per-hour payment for live TV programming after the end of the TVDP June 30, 1978. This is a difficult subject to address due to the great quantity of unknown factors which face Alaskan Broadcasters at this time. We appreciate the dilemma in which the State Administration and Legislature finds itself on this subject. Recall the period from December 15, 1975 until January 15, 1977 when the TVDP began. TV Broadcasters unanimously cautioned the State that once they start a project like this it is difficult to stop or reduce the services. We were concerned then, as we are now, that there will be an extremely negative public reaction against the Broadcasters if some sort of live service does not continue, even though it was the State, not the Broadcasters, who insisted on the demonstration. Broadcasters realize that great public benefits have accrued because of the live TV programming which could never have been paid for if not totally subsidized. Being forced to pay for even a small portion of a continuing live TV project is a burden we did not ask for initially nor are we enthusiastic about doing so now for many reasons detailed below.

Here are some of the costs, direct and indirect, which the TVDP has imposed on Alaskan TV Broadcasters:

1. Recording programming on State-Owned 3/4" tape equipment for distribution via satellite to village Mini-TV stations. This costs us \$10.00 per hour.
2. Programming Director coordination with the State and other TV stations regarding scheduling, avoiding conflicts, etc., up to 25% of salary.
3. Engineering coordination, dealing with RCA to get the right video and audio signal, resolve technical prob-

lems with RCA, up to 5% of salary.

4. Cost of telephone calls and telex messages dealing with the Networks on coordination required for live versus tape delay programming is considerable.
5. Cost of helping to arrange for this TVDP in dealing with the Networks, Legal Counsel, has been substantial. One Broadcaster has made two trips to Washington, D.C. and New York exclusively on behalf of the TVDP with you personally at his own expense. The other two TV Broadcasters have spent considerable time and effort while in the East on other business coordinating with their Networks specifically on behalf of the project at their own expense.
6. A serious legal problem overshadows Alaskan TV Broadcasters during the upcoming year. The Petition to Deny licenses of all Anchorage, Fairbanks, and Juneau TV stations, and the radio counterparts of these TV Stations, by "Alaskans for Better Media" places a back-breaking financial burden on their management which seriously jeopardizes their ability to incur increased programming expenses at this time. One broadcasting group ownership has petitioned the FCC to sell its facilities. It is difficult and unfair to encumber the buyer with a programming cost commitment at this time. No one knows what the total legal cost fighting the ABM Petition will be. A good estimate is \$100,000 to \$250,000 per company in 1978, depending on the number of stations each licensee must defend, and considerably more if the FCC decides to hold formal Hearings on the license renewals or transfer of ownership applications pending at this time.

Mr. Shaginaw, in addition to the direct and indirect costs TV broadcasters now contribute or bear as parties to the present TVDP, there are other factors that are extremely uncertain and unsettling at this time such as:

1. The RCA Alascom versus Robert Wold price quotations. They have raised serious questions as to what Inter-State delivery costs really should be.
2. RCA bases its reduced claims on the unknown future assumption they "may be allowed" to purchase transponders from RCA Americom, and give a reduced price to Alaskan customers by using back-up Transponders. It is uncertain whether FCC will allow that transaction, and if they do, if they will allow the beneficial tariff on back-up transponders RCA intimates they will offer.

3. Within a relatively short time AT&A has the potential of providing Alaskan service. They have indicated an interest in working with Alaskan TV and Radio Broadcasters. The Robert Wold Company has also exhibited a keen interest in delivery of Radio and TV programming not only to Anchorage and Fairbanks, but also Juneau and Sitka, with earth station investment proposed by a subsidiary of the Robert Wold Company. This is an attractive concept, because it affords economies to both State of Alaska and State of Hawaii Broadcasters.
4. Alaskan TV and Radio Broadcasters have also investigated the feasibility of licensing and operating their own earth stations.
5. There are numerous "state of the art" improvements and economies predicted in the near future, such as less expensive earth stations due to new generations of satellites which will deliver a more powerful signal to much smaller dishes.
6. To summarize, there are so many uncertainties not only in financial limitations, but also in proposed tariffs, in new technical developments and pending Political decisions, no Alaskan TV Broadcaster feels comfortable or secure in making any substantial or long-range commitment to the State of Alaska at this time.
7. The Alaska Broadcasters Association has a serious reservation as to the fairness of the TV demonstration as stated many months ago. Radio network affiliates in Alaska, as well as subscribers to the AP news service have been paying very high rates for full-time satellite service to bring radio news and sports to their Alaskan listeners. These rates are what the RCA tariff calls for, and are discriminatory to Alaskan radio broadcasters because they are much higher than comparable satellite circuit rates within the South 48 States. If the State of Alaska can help the plight of the TV Broadcasters in terms of mitigating high satellite costs, there should be some equalizing benefits also to the radio broadcasters who have been paying full satellite rates since 1974. We feel a great concern that there has been no attention given to provide suitable relief to radio broadcasters on behalf of the large public segment they serve.

There is another element that is not a direct financial contribution, but is the key to the success of the present TVDP, and an essential ingredient of an ongoing program, and that has to do with the ability of Alaskan network affiliates to deliver network programming that can be made available legally to remote communities. There are legal and copyright restraints which, as you know, are quite restrictive. Network and affiliate cooperation with the State and village communities is essential for the success of TV delivery to all or

Alaska. This is an intangible contribution to the concept the State has developed and proposes to continue, but it cannot be overlooked because it is totally essential. The networks and their Alaskan affiliates have cooperated fully and we believe they will continue to do so. The networks do not like the "off-the-air" delivery system which is required by the present Inter-State satellite system, but we believe they will be willing to live with it. The networks have been extremely reluctant to support this concept by providing funds to offset cost of tape recording for Alaskan affiliates, where applicable, and this is due in part to the different policies the three commercial networks have in regard to compensation and providing services to their Alaskan affiliates, and in part to the same great uncertainties that are clearly evident in the immediate future as detailed above. They are bothered by the same knotty problems and lack of knowledge of what to expect in the future as are their Alaskan affiliated stations.

We feel an obligation, in good faith, to contribute a sum of money per hour for continued live TV programming of news and selected sporting events for the benefit of our viewers. In view of the considerable investment we have in contributed services, and related costs, and because we have no assurance at this time that any financial support will come from the three commercial networks, the television stations in Anchorage, Fairbanks, and Juneau are willing to contribute a total of \$17.00 per hour broken down to \$12.00 for Anchorage, \$4.00 for Fairbanks and \$1.00 for Juneau. This commitment will be for one year only, from July 1, 1978 until June 30, 1979.

We trust you will convey this letter with its rationale and our reservations and our concern over uncertainties of the future to your Administration and to appropriate Legislative Committees who should have full knowledge of the Broadcasters' problems and point of view.

Very truly yours,



Roy Robinson
President
Alaska Broadcasters Association

cc: Representative Fred Brown, Chairman, Telecommunications Sub-committee
Mr. Wally Christianse, President, Alaska Cablecasters Association
Mr. Alvin O. Bramstedt, President, Midnight Sun Broadcasters
Mr. A.G. Hiebert, President, Northern Television, Incorporated
Mr. Roy Paschal, President, KIFW-TV/Sitka
Mr. Duane Triplett, General Manager, KIMO TV
Governor Jay Hammond
All Legislators of the State of Alaska