

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 8672
1548 SCOMM 58: HOUSE SPEC. COMM. ON TELECOMMUNICATIONS, 1987-1988

345



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3/17/92
Date

SCOMM 58: HOUSE SPECIAL COMMITTEE ON TELECOMMUNICATIONS, 1987-88

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Contents: 1 box of 23 files. 31 meeting tapes are also available.

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Signature of Camera Operator

3/17/92
Date

Meeting

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HOUSE SPECIAL COMMITTEE ON
TELECOMMUNICATIONS
Rep. Boucher, Chair

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1-23-87

Meeting

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 22, 1987

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Grussendorf:

We have noted an error in Executive Order No. 66 concerning the telecommunications powers and duties of the Department of Administration. In sec. 5 of the Order, on line 28 of page 6, the cross reference to "f of this section" should be to "d of this section."

By copies of this letter, we are notifying the committees of first referral and asking the revisor of statutes to make this correction during the codification of this Executive Order, if it takes effect on March 20, 1987. This will ensure that there is no substantive change in the powers of the Department of Administration concerning telecommunications operations.

Sincerely,

A handwritten signature in cursive script, appearing to read "Steve Cowper".

Steve Cowper
Governor

cc: Hon. Mitch Abood, Chair
Senate State Affairs Committee

Hon. Red Boucher, Chair
Special Committee on Telecommunications

David Dierdorff, Revisor of Statutes
Legislative Affairs Agency

IN THE SENATE -- State Affairs and Finance
IN THE HOUSE -- House Telecommunications
and State Affairs

EXECUTIVE ORDER NO. 66

Under the authority of art. III, sec. 23, of the Alaska Constitution, and in accordance with AS 24.08.210, I order the following:

* Section 1. FINDINGS. As governor, I find that it would be in the best interests of efficient administration to eliminate the statutory requirements for two separate divisions and a deputy commissioner in the Department of Administration with telecommunications powers and duties. These powers and duties will be more efficiently exercised with greater flexibility given to the department.

* Sec. 2 AS 44.21.305 is amended to read:

Sec. 44.21.305. COMMISSIONER'S RESPONSIBILITY [DEPUTY COMMISSIONER]. [(a) THE TELECOMMUNICATIONS DIVISIONS SHALL BE ADMINISTERED BY A DEPUTY COMMISSIONER OF THE DEPARTMENT APPOINTED BY THE COMMISSIONER.

(b)] The [DEPUTY] commissioner shall

(1) provide executive direction for the activities of the department related to telecommunications [DIVISIONS]; and

(2) assure that department [DIVISION] activities in no way constitute an influence on the content or airing of programming, and report to the governor[, THE COMMISSIONER,] and the Alaska Public Broadcasting Commission any request or attempt by an employee of the state to influence the content or airing of program material.

* Sec. 3. AS 44.21.310 is amended to read:

Sec. 44.21.310. TELECOMMUNICATIONS POWERS AND DUTIES [OF THE TELECOMMUNICATIONS DIVISIONS]. (a) The department [TELECOMMUNICATIONS DIVISIONS, AS DIRECTED BY THE DEPUTY COMMISSIONER,] shall

(1) advise the governor on matters of policy and comprehensive state planning for telecommunications services;

(2) make an annual report to the governor and to the

1 legislature on the activities of the department [TELECOMMUNICATIONS
2 DIVISIONS];

3 (3) coordinate, manage, and supervise state programs in
4 telecommunications, including the management of those telecommunica-
5 tion services for the state obtained from common carriers and from the
6 communications industry;

7 (4) when requested, provide technical and consulting assis-
8 tance to the executive, judicial, and legislative branches of state
9 government, to the University of Alaska, and to private noncommercial
10 entities which request that assistance in facility procurement and
11 leasing and in identifying long-range goals and objectives for the
12 state and its political subdivisions in all aspects of telecommunica-
13 tions, including public, educational, and instructional telecommunica-
14 tions;

15 (5) prepare and maintain a state comprehensive telecommu-
16 nications development plan to further state telecommunications devel-
17 opment and to meet state telecommunications needs and prepare and
18 maintain a comprehensive inventory of all state communications facil-
19 ities;

20 (6) whenever feasible, procure services from private enter-
21 prise or certified and franchised utilities and contract for the
22 construction, management, operation and maintenance of telecommunica-
23 tions systems, and develop a procurement policy consistent with AS
24 36.30 (State Procurement Code); the procurement policy must seek to
25 achieve the maximum benefit to the public, and methods of procurement,
26 including lease, purchase, rental, or combinations of lease, purchase,
27 and rental, must be selected on the basis of factors such as the ratio
28 of long-range costs versus benefits, life cycle costing, and the costs
29 to the communications industry to the extent that these costs may

1 affect local and long distance basic telephone rates; procurement,
2 contracting, construction, and maintenance under this paragraph is
3 governed by AS 36.30;

4 (7) provide information and assistance to state agencies to
5 promote governmental coordination and unity in the preparation of
6 agency plans and programs involving the use of telecommunications;

7 (8) apply for and accept federal and private money, proper-
8 ty, or assistance, that may be appropriated, granted, or otherwise
9 made available to the department [TELECOMMUNICATIONS DIVISIONS] and
10 use and disburse money and property for purposes consistent with AS
11 44.21.300 -- 44.21.330 and AS 44.21.256 -- 44.21.290, subject to
12 reasonable limitations imposed by the grantor;

13 (9) participate with other governmental units in planning,
14 and assist local governments and governmental conferences and councils
15 in the state in planning and coordinating their activities relating to
16 telecommunications;

17 (10) provide for the orderly transition to new telecommu-
18 nications services and systems by state agencies;

19 (11) serve as a clearinghouse for information, data, and
20 other materials which may be necessary or helpful to federal, state,
21 or local governmental agencies in the development of telecommunication
22 systems;

23 (12) coordinate department [THEIR] services and activities
24 with those of other state departments and agencies to the fullest
25 extent possible to avoid unnecessary duplication; and

26 (13) provide that all activities of the department [TELE-
27 COMMUNICATIONS DIVISIONS] are responsive to state statutes and regu-
28 lations, and to the regulations and rulings of the Federal Communica-
29 tions Commission.

1 (b) The department [TELECOMMUNICATIONS DIVISIONS, AS DIRECTED BY
2 THE DEPUTY COMMISSIONER,] may

3 (1) coordinate its [THEIR] functions with local, regional,
4 state, and federal officials, private groups and individuals, and with
5 officials of other countries, provinces, and states;

6 (2) enter into contracts and subcontracts on behalf of the
7 state to carry out the provisions of AS 44.21.300 -- AS 44.21.330;

8 (3) act for the state in the initiation, investigation, and
9 evaluation of, or participation in, programs relate^d to the purposes
10 of the department [TELECOMMUNICATIONS DIVISIONS] which involve more
11 than one government or governmental unit;

12 (4) on behalf of the state, apply for, accept, and expend
13 gifts or grants made to the state if the gifts or grants are for the
14 purposes of furthering the objectives of the department [TELECOMMU-
15 NICATIONS DIVISIONS]; and

16 (5) hold public hearings to obtain information for the
17 purpose of carrying out the provisions of AS 44.21.300 -- 44.21.330.

18 (c) The department [TELECOMMUNICATIONS DIVISIONS] may not at-
19 tempt to influence or affect the content or airing of program materi-
20 al.

21 * Sec. 4. AS 44.21.315 is amended to read:

22 Sec. 44.21.315. [DIVISION OF] TELECOMMUNICATIONS SERVICES. (a)
23 [THE DIVISION OF TELECOMMUNICATIONS SERVICES SHALL BE ADMINISTERED BY
24 A DIRECTOR APPOINTED BY THE COMMISSIONER.

25 (b)] The department [DIVISION OF THE TELECOMMUNICATIONS SER-
26 VICES] shall provide

27 (1) technical consultation to educational and public tele-
28 communications users;

29 (2) coordination and support to telecommunications services

1 for instruction, including technical assistance and assistance in
2 preparation of applications for grants related to program development
3 as may be requested by

4 (A) public school districts and the Department of
5 Education;

6 (B) the University of Alaska; and

7 (C) other state agencies as approved by the [DEPUTY]
8 commissioner;

9 (3) coordination and support for health and safety-related
10 functions, including the administrative and client services provided
11 by state, federal, and private agencies;

12 (4) coordination and support to telecommunications services
13 for public participation in state-financed services, including the
14 public hearing process, as may be statutorily required or otherwise
15 appropriate;

16 (5) assistance, through design, development, and promotion,
17 to local school districts or other local and regional education
18 agencies for the regionalization of instructional telecommunications
19 services;

20 (6) establishment of operational policies for public tele-
21 communications services other than public broadcasting; and

22 (7) assistance to the Alaska Public Broadcasting Commission
23 and any commission-designated subcommittees, as necessary to perform
24 assigned department [DIVISION] functions; the department [DIVISION]
25 shall cooperate with the commission and subcommittees in order to
26 develop policies which are responsive to the user groups which are
27 represented on the commission.

28 (b) [(c)] Subject to available funding, the department [DIVISION
29 OF TELECOMMUNICATIONS SERVICES] may make grants to educational and

1 public telecommunication users except grants for public broadcasting
2 purposes.

3 (c) [(d)] The department [DIVISION OF TELECOMMUNICATIONS SER-
4 VICES] shall study, plan, and develop integrated instructional tele-
5 communications services for all residents of the state, and shall
6 annually report on current fiscal year instructional telecommunica-
7 tions activities and, after public hearings, submit to the governor
8 and the legislature an annually updated long-term development plan
9 prepared in consultation with the Department of Education, the Univer-
10 sity of Alaska, local school districts, and other local and regional
11 education areas.

12 (d) [(e)] The department [DIVISION OF TELECOMMUNICATIONS SER-
13 VICES] shall, after public hearings, submit to the governor an annual-
14 ly updated long- term development plan for teleconferencing facilities
15 and services, including facilities and services used both by state
16 agencies and groups other than state agencies.

17 (e) [(f)] The department [DIVISION OF TELECOMMUNICATIONS SER-
18 VICES] may not own, operate, or be the licensee of a public noncommer-
19 cial broadcast station or production center.

20 (f) [(g)] Nothing in this section implies department [DIVISION]
21 responsibility for programming content. Program design, production,
22 and use are the responsibility of the program-sponsoring agency or
23 other entity, not the department [DIVISION].

24 * Sec. 5. AS 44.21.320 is amended to read:

25 Sec. 44.21.320. [DIVISION OF] TELECOMMUNICATIONS OPERATIONS.

26 (a) [THE DIVISION OF TELECOMMUNICATIONS OPERATIONS SHALL BE ADMINIS-
27 TERED BY A DIRECTOR APPOINTED BY THE COMMISSIONER.

28 (b)] Except as provided in (f) [(e)] of this section, the de-
29 partment [DIVISION OF TELECOMMUNICATIONS OPERATIONS] may, consistent

1 with the provisions of AS 44.21.310(a)(6)

2 (1) plan, design, construct, manage, and operate all tele-
3 communications systems owned or leased by state agencies;

4 (2) manage centrex and other telephone-related services of
5 state agencies;

6 (3) be responsible generally for telecommunications systems
7 and design for state agencies; and

8 (4) coordinate with state agencies in performing their data
9 and word processing tasks.

10 (b) [(c)] Within the limits of available financing, the depart-
11 ment [DIVISION OF TELECOMMUNICATIONS OPERATIONS] shall administer and
12 operate the satellite television project, by

13 (1) coordinating with the satellite television user groups
14 and entities; and

15 (2) providing liaison, management support, and technical
16 assistance for the satellite television project.

17 (c) [(d)] Decisions and policies relating to programming under
18 the satellite television project, including scheduling and allocation
19 policies, may not be made by the [DIVISIONS OF TELECOMMUNICATIONS OR
20 THE] department, but may only be made by a network that is representa-
21 tive of participating rural television users, by commercial broadcast
22 users or by other affected participating user groups and entities
23 under procedures provided by statute or, if no statute applies, then
24 by agreement of the affected user networks or groups. The department
25 shall assist users in preparing agreements that may be required under
26 this subsection.

27 (d) [(e)] The [DIVISIONS OF TELECOMMUNICATIONS AND THE] depart-
28 ment may not engage in any activity which interferes with a contract
29 or program right relating to commercial television programming,

1 including but not limited to any right protected by copyright.

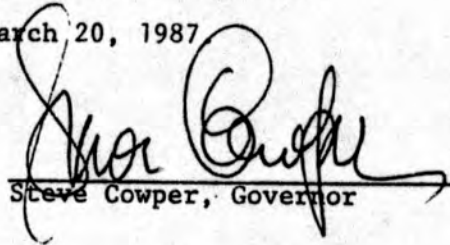
2 (e) [(f)] Nothing in AS 44.21.300 -- 44.21.330 prohibits a state
3 agency from developing telecommunications systems within its own
4 agency if the commissioner gives written authorization for the agency
5 to engage in its own design, development, management, or operation.
6 The commissioner may authorize independent development only upon a
7 showing of necessity. A description of all authorization under this
8 subsection must be included in the annual report required under AS
9 44.21.310(a)(2).

10 (f) [(g)] A state agency authorized to develop an internal
11 telecommunications system shall, whenever feasible, coordinate its
12 design development, management, and operation with the department
13 [DIVISION OF TELECOMMUNICATIONS OPERATIONS].

14 * Sec. 6. AS 44.21.300 and AS 44.21.330(3) are repealed.

15 * Sec. 7. This Order takes effect March 20, 1987

16 DATED: January 19, 1987

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29 Steve Cowper, Governor

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

SENATE
Bill Version: Executive Order
Publish Date: 1/19/87

REQUEST _____

Revision Date: _____
Title: F.O.#66
Sponsor: _____
Requestor: _____

Agency Affected: Department of Administration
BRU: Telecommunications Operations
and Telecommunications Services
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING	0	0	0	0	0	0
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: Attach a separate page if necessary

Two positions were deleted from the FY 88 Telecommunications Services budget prior to submittal; therefore Executive Order 68 has zero fiscal impact.

Prepared By: John J. Cameron Phone: 465-2041
Division: Telecommunications Services Date: January 12, 1987
Approved by Commissioner: Garrey Peske Date: 1/13/87
Agency: Department of Administration

Distribution (by preparer):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)
Senate Secretary

EXECUTIVE ORDER 66

The two divisions within the Dept. of Administration that will be affected by EO-66 are:

Division of Telecommunications Services
Division of Telecommunications Operations

These two divisions will be merged by EO-66 into the Telecommunications Division.

At present, Telecommunications Services is somewhat crippled due to prior budget and staff cuts. It would seem to make very little sense to keep it alive as such. In merging it with Telecommunications Operations, its functionality would be restored.

The goals of Telecommunications Services has been primarily to assist other state agencies with telecommunications planning and procurement. In its present state, the division is focused on its services to the detriment of planning.

The Division of Telecommunications Operations function is to design, install and maintain the State's telecommunications network. This division has remained fully functional.

DOA reports that because of the necessity for service and planning functions, it has already merged most of the functions of Telecommunications Services with Telecommunications Operations.

EO-66 would authorize a reorganization that has already taken place and which continues to provide a valuable service to the State.

The merger of these two divisions, providing that quality of service can be maintained, appears to be a sound solution.

1-27-87

Meeting

Managing Alaska's Information Resources

A Proposed Statewide Policy

Interim Joint Committee on Telecommunications
Senator Fred Zharoff & Representative H.A. 'Red' Boucher
Co-Chairs

House Special Committee on Telecommunications
Representative H.A. 'Red' Boucher, Chair
Representative David Thompson, Vice-Chair

January 19, 1987

MANAGING ALASKA'S INFORMATION RESOURCES
A PROPOSED STATEWIDE POLICY

This report was researched and written by Larry Pearson and Doug Barry of the University of Alaska-Anchorage Department of Journalism and Public Communications, and by Chris Herberger, staff for the House Special Committee on Telecommunications

HOUSE SPECIAL COMMITTEE ON TELECOMMUNICATIONS

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INTERIM JOINT COMMITTEE ON TELECOMMUNICATIONS
Senator Fred Zharoff and Representative H.A. "Red" Boucher
Co-chairs

Staff: Cynthia Halterman and Jeff Stepanovich

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within the Office of the Governor. This authority should have the responsibility to:

- (1) Determine what information the State has, where the information is located, and who needs the information;
- (2) Coordinate distribution systems and the sharing of information resources;
- (3) Assist and educate state agencies in the use of information technology and systems analysis;
- (4) Establish evaluation criteria for state-funded programs that use information technology;
- (5) Obtain economical information technology equipment and services by working with the private sector;
- (6) Administer information technology procurement and contracting services over the amount of \$25,000;
- (7) Coordinate the accessing of information by the public;
- (8) Address issues which affect the availability and affordability of the distribution systems;
- (9) Develop interactive telecommunications.

The Committees believe that this type of coordinating authority, with the active support of the Office of the Governor, would best serve the needs of Alaskans.

INTRODUCTION

Information is increasingly seen as a resource not unlike gas or oil or fish or minerals. Indeed, many of the most successful corporations in America see information as a strategic asset and they value and protect it accordingly. There is also recognition among some state governments that the delivery of social services, the protection of natural resources and much more depend on how information resources are managed.

Information is perhaps the state's most valuable strategic resource because it makes possible the identification, counting and management of all other resources.

Until recently, Alaska could count itself among a handful of states which not only identified the strategic importance of telecommunication systems, but invested huge sums of money to build public networks that were without equal. Now this distinction and the benefits derived from it are in serious jeopardy. Far from some maverick corporate raider or thief in the night taking control of its strategic information assets, Alaska may be in the process of unwittingly squandering them.

Here is a partial list of cuts made during the 1986 legislative session: Substantial cuts were suffered by the audioconferencing systems operated by the University and Department of Education, resulting in a reduction of the usage of those services (1); the Learn Alaska Instructional Television

Network was eliminated; funding was reduced for the State Film Library, making it much more difficult for teachers to acquire films and videos for classroom instruction; funds for certain kinds of computing were cut while others were spared or increased, but no rational pattern for these actions could be determined; the means to produce television programs about Alaska were substantially reduced; funds to train people to use information technologies were reduced.

The Department of Natural Resources's information management and analysis group -- the people who massage a vast sea of numbers and facts so they make sense to a decision maker -- has been cut during the last two years from a staff of 12 to 5.

These budget cuts and those threatened this coming year pose a clear and immediate danger to the operation of Alaska's state-supported information networks. These cuts are being made without full consideration of their consequences in the short or long run. This is happening because of the absence of a statewide telecommunication and information policy. In the absence of any guiding policy, it is difficult to contemplate an alternative to the present state of drift and dismemberment.

The purpose of creating such a policy for the State of Alaska is to provide for the management of the State's information and information technologies in a comprehensive and

coordinated manner. Such a policy will assist the State in making decisions and in serving the people. Furthermore, this policy will help plan for Alaska's future.

Before creating the policy, the following were ascertained as goals:

- (1) to determine information needs;
- (2) to have information available to decision-makers and coordinate the sharing of information within government;
- (3) to evaluate the State's information programs;
- (4) to manage information technology cost and use;
- (5) to facilitate the delivering of information to the public; and
- (6) to have the communications network accessible by and affordable to the public.

The creation of an IRM policy arose from the perception of the Committees that there was little accountability for the money spent on information technology and how that information technology was being used. The Committees also perceived that

opportunities existed for managing information to better enable state government to perform its duties and to increase accessibility of information in general.

Although the terminology used throughout this policy proposal might be familiar, the most important words are defined here to assure a common understanding:

-- Information technology: hardware and software supporting communications, data processing, and information analysis

-- Telecommunications: transmission of information via voice, data, and video through mechanical media

-- Data processing: automated generation, collection, storage, manipulation and retrieval of data

-- Information resource management: the use of information technology to deliver information in the desired manner to those who need it

In preparing this policy, the Committees contacted other states such as South Carolina, Delaware, New Jersey, Colorado and California that appear to be IRM forerunners. On-going liaison with IRM leaders in South Carolina and Delaware indicates the clear cut need for the State of Alaska to aggressively enter the area of information resource management. As a result of

implementing IRM programs, these states are experiencing reduced and controlled communication costs and better use of their information resources.

The following policy proposal addresses the need to manage and coordinate the use of the State's information resources and recommends the creation of an Alaska Telecommunications Information Agency within the Office of the Governor. It also addresses the accessing and delivering of information and the remaining need to resolve some critical regulatory issues.

HOW WE GOT WHERE WE ARE

The present need for a comprehensive State information policy is perhaps part of a pattern which has featured great peaks and valleys in the quantity and quality of government involvement in information issues. Generally speaking, progress, at least as defined by the creation of systems, has been greatest when interest and involvement from the governor and the legislature were highest. When interest and involvement were low, development of systems tended to mark time or regress.

State government involvement in the development of delivery systems can be divided roughly into three stages: the early or startup stage (1971-1975), the middle or operational stage (1976-1981) and the advanced stage or applications stage (1982-1986). It is this last and most critical stage when government attention has been weakest. Years of reduced attention coupled with the present budget crisis have put the systems at risk. User needs have been largely ignored. The state is in danger of slipping to a level of development better suited to the 1970's than the 1990's and beyond. The national and international trend is to build up, not tear down; to recognize and further exploit the value of technology, not ignore it. Indeed, as Alaska looks to the Pacific Rim in search of markets for its resources, the reliance on information systems is likely to be greater than ever.

As a result of government involvement, the state had in 1986 extensive voice, data, and video information delivery systems extending not only to state offices but to the entire state populace. These networks were built out of the need for the people of a state of great expanse and cultural diversity to communicate. Indications are, however, that in the process of constructing these various networks, network application and evaluation were not given sufficient resources. Furthermore, emphasis has been on the information technology, and not on information itself as a resource.

The State's information delivery systems include:

(1) One main computer network which is operated and maintained by DOA. Currently, all of the other departments', the University's and the legislature's computer networks connect to some extent with DOA's with the exception of Department of Labor's. (Labor is planning to connect with DOA by the end of 1986.) Viewing the State's main network as a three-lane highway, each agency uses at least one lane of that highway. Because of the interconnection, an employee in the Department of Fish and Game is able to access both legislative and university information. Each of these entities also has its own separate electronic mail system.

(2) A statewide television network which reaches approximately 240 rural communities, plus a television microwave system on the Kenai Peninsula. Four public television stations and fifteen radio stations also receive state funding.

(3) Two main audioconferencing systems -- the Legislative Teleconference Network which reaches about 70 sites, and the statewide Learn Alaska audioconferencing system. Of course, all State agencies are connected via the privately owned telephone system.

After instructional and public television, audioconferencing and computing appeared in force, legislative and executive branch interest in communications declined. By 1981, telecommunication planning responsibility had been moved out of the Office of the Governor to the Department of Administration. This change, brought about by Governor Hammond in Executive Order 50, has directly affected telecommunication policy and its implementation.

The powers and duties of the four DOA divisions responsible for the State's information delivery systems are broad and extensive. Two divisions, Telecommunication Services and Telecommunication Operations, are required to do everything from planning, designing, constructing, managing and operating all telecommunications systems owned by the State to developing a plan for "integrated instructional telecommunications services

for all residents of the state". (2) Two other divisions, Data Network Services and Data Resources Management, have the same planning, designing, constructing, managing and operating duties as they relate to data processing. These divisions basically manage the technology for conveying information.

The interests and needs of the public were better served when the responsibility for telecommunication policy was situated in the Office of the Governor. Of course, no policy regardless of its scope and wisdom will produce the desired results unless the governor and legislature are involved in its formation, implementation, and evaluation.

THE PRIVATE SECTOR AS A MODEL FOR INFORMATION NETWORKING

Treating information as a resource with value has become popular in the private sector because of its potential for increasing productivity, product support, and profitability. There are several reasons for this. First, many of the costs of doing business -- materials, labor, energy -- have increased dramatically over the past few decades. On the other hand, the cost of information storage and processing has decreased 10,000-fold since 1956. Use of information systems has made it possible for private industry to make better use of the more expensive resources. Private industry has been able, for example, to reduce inventories and at the same time improve services and increase profitability. Improved record keeping provides businesses with information about how rapidly stocks of different goods are being depleted and alerts them when it is necessary to reorder -- computers can even place the orders. Businesses such as national car rental companies are able to use computer simulations to decide how many cars should be placed in their lots in various cities at different times of year.

Second, business is discovering that an added benefit of advances in information technology is increased employee creativity. More hours are shifted from mundane tasks to problem solving, as powerful analytic tools are placed at workers'

fingertips. And, third, new information technologies can facilitate smarter, better communications. This in turn improves decision making.

The ultimate objective of all this is to improve performance. This is best accomplished by shifting from managing computers to managing information resources. When a system provides information to be used in the decision making process it is a true information system. A true information system is not aimed at processing data. That is only one of the functions. A true information system contains information, not data;(3) the content of what the system produces is not pages of facts and figures, but conveys a message to the decision maker. The paramount objective must be viewed in terms of the ability of information systems to support the improved performance of people in organizations.(4) This is why some experts have urged that information networks should be focused on the decision process.

The results of not having a true information system has become apparent in the Department of Transportation's current problems with its financial accounting records. The Department knows it has an accounting problem, but does not know how much money is involved and its current accounting system cannot tell them.

The key to improved information management and realization of tangible benefits is to develop a multi-level plan that is woven into the operating fabric of each department. Studies of the introduction of innovations to the workplace have shown that the necessary changes will not occur in the absence of full involvement by management. If the changes are not seen by staff as a priority, the strategy will most likely fail through active and passive resistance.(5) Recent studies of the development of information resource systems conducted at the Massachusetts Institute of Technology have shown that while the gains from such systems are impressive, they also generate fear and anxiety on the part of the organization's staff. Staff involvement in the planning process has been effective in overcoming resistance. However, the innovations may die later if support from top management is not clear and sustained.

These principles that are being used in the private sector can also be utilized within Alaska state government. The people involved in state telecommunication planning must involve the users whether they are individuals or departments. Furthermore, budget support for such planning must come from the Governor and the legislature and it must be developed among users through a sustained program aimed at gaining general support and involvement.

CREATING AN ALASKA TELECOMMUNICATIONS INFORMATION AGENCY

Consistently throughout the process of gathering information for this report telecommunication professionals and users have indicated the need for a policy for telecommunications and information in the state. Views on who should have that responsibility have differed. Give the Department of Administration more power, create a new agency, create an advisory body were some of the suggestions.

A Delphi survey of telecommunication professionals was conducted by the Journalism and Public Communications Department at the University of Alaska-Anchorage. After analyzing the survey results and the responses given to the Committees on their draft information resource management plan, the Committees recommend the following:

Create an Alaska Telecommunications Information Agency within the Office of the Governor whose responsibilities include but are not limited to the following:

- (1) Determine what information the State has, where the information is located, and who needs the information;
- (2) Coordinate distribution systems and the sharing of information resources;

- (3) Assist and educate state agencies in the use of information technology and systems analysis;
- (4) Establish evaluation criteria for state-funded programs that use information technology;
- (5) Obtain economical information technology equipment and services by working with the private sector;
- (6) Administer information technology procurement and contracting services over the amount of \$25,000;
- (7) Coordinate the accessing of information by the public;
- (8) Address issues which affect the availability and affordability of the distribution systems;
- (9) Develop interactive telecommunications.

Putting an agency within the Office of the Governor will give it a position of authority and the ability to enforce effective state policy. A legislative audit report on the Department of Administration Information Resource and Communications Management, Data Processing Management and General Controls at the Anchorage and Juneau Service Centers (02-1261-86-R) stated that while the Department of Administration

has the authority to operate and manage the communications and data processing activities of the state, it has no method to enforce the guidelines, procedures and standards. One department enforcing policy on other departments is nearly impossible, and refusing services is not practical.

A letter to Representative H.A. "Red" Boucher from DOA dated October 24, 1986, concurs with this statement. It is difficult for one department "to implement far reaching policies without being suspect of serving its own needs." While state agencies are cooperative, they "do have an understandable reluctance to subordinate their requirements to another department."

As a separate agency within the Office of the Governor, ATIA will be able to interact equally with all the other departments and organizations. It would assume responsibility for making policy decisions on the most general level and would work with these agencies in helping them to achieve their policy goals through the rationalization of their telecommunication systems. No longer would people responsible for the physical operation of the hardware also be required to make the policy decisions.

Of course this structure will not succeed without the active support of the Governor and the legislature. As shown before, Alaska has made the most progress in telecommunications when the government has taken an active interest in it. People's attitudes about networking and sharing of information will also

have to change.. Incentives and disincentives in connection with budgets will be needed to encourage departments to participate. The ATIA also will have to work cooperatively with the other agencies rather than become a dictator of how information is to be managed and distributed.

The work of the ATIA should be reviewed by the legislature two years after its creation and it should be open to reviews thereafter. This will ensure that the approach and the responsibilities of ATIA are meeting the needs of the users.

JOB DESCRIPTION OF ATIA MANAGER

One of the questions asked in the Delphi survey conducted by the Journalism Department of the University of Alaska-Anchorage was to describe the job of a telecommunications manager. According to survey respondents, the telecommunications manager would not be an engineer, but would have the ability to work with technicians. The manager would have majored in telecommunication planning, with a minor in electrical engineering, one Delphi participant said. "At least a master's degree in management or an appropriate social science is required as is fluency in at least Asian language," said another.

The manager should have experience in communications, technology, contracts, law, budgeting, quality control and personnel management, a participant said. "He would have administrative experience," said another. "Knowledge of networking . . . systems is especially relevant," said still another, who also insisted that the manager be able to perform "cost/benefit analysis of networking functions."

What would the manager do? Principally that person would be a coordinator. The person would coordinate the delivery systems plus activities between the public and private sector. The manager would be chairperson of a committee of telecommunication users representing various agencies.

The Delphi participants expect telecommunication to make government more efficient; they expect it to give the citizen a readier access to a variety of services and information sources. But this requires a manager to oversee the orderly transformation of the governmental communication system and the development of new communication utilities within the community at large.

The participants made surprisingly few references to specific technologies. Their view of the future appears to be based on assumptions that existing but not yet widely used communication technologies will become institutionalized in the future. The manager, as described, is a key figure in that institutionalization process.

From these responses, it is clear that an ATIA manager needs to be administratively oriented, possess an understanding of communication technologies and the ability to work with technicians, and also have a vision of how technologies can be used to meet the communication and information needs of Alaskans.

Furthermore, user groups already exist in Alaska state government for providing input into the ATIA and working with the telecommunications manager. The Information Systems Committee (ISC) is comprised of representatives from each of the departments plus the University and OMB. With some guidance and

incentives this group can be a positive contribution to the State's telecommunication/information policy making process.

COORDINATING A STATE INFORMATION NETWORK

Response to the UAA Delphi survey indicates that access to information through the use of communication technology is desired by users. The ability to dial into a state system for direct access to permanent fund and longevity bonus questions, to access central information, and to have forms, applications, and records available electronically were all listed as ways communications could serve both the public and state decision-makers.

A coordinated information delivery network was also supported by most people responding to a draft information resource management proposal written by the House Special Committee on Telecommunications. Indexes to information and linked electronic mail systems to ease communications within and among departments are just two suggestions for making information more accessible.

For state government to operate effectively, information in the appropriate form must be easily accessible by decision-makers. Principal obstacles in decision-making are not having the information, not knowing about available information, and not having it in a format that is readily usable. To help overcome these obstacles, the Committee recommends that the State begin to index and network its information.

First of all, an inventory of all the State's databases should be taken and unnecessary duplication eliminated. Then a central index listing the databases should be created. This index would not only list the databases but also identify the database's location, if the database is public, and in what form (floppy, tape, hard copy, etc.) it is available. The index should be in both electronic and paper form and be available to the public at appropriate locations such as libraries and legislative affairs offices throughout the state.

The concept of a central index is already being implemented by the Committee on Natural Resources Information Management (CONRIM). CONRIM, consisting of federal, state and local agencies involved in Alaskan natural resources, is building a Directory of Directories which lists collections and bibliographies of data. The State could benefit by coordinating its information activities with those of CONRIM. By doing so, the State would increase its access to expert personnel and to information.

The central index is a first step in making information more accessible by making it easier to find. The next step would be the networking of the various information delivery systems. For example, the electronic mail systems of the legislature, the university and the administration are not connected. Thus, the

three entities cannot communicate with each other through this efficient and economical medium. The technology to connect the three is present; the policy decision to do so is missing.

Networking the information systems such as the electronic mail systems would make information more accessible. A goal of information policy should be to make it possible for the public and for managers within government to easily gain access from their homes, offices, or public places to the great array of information that government generates. This information, while located in various places, should be accessible through a single, easy to use information retrieval system.

For example, a person wants to establish and develop a mining prospect. The first stop might be at the Division of Land and Water Management's Public Information Office on the 10th floor of the Frontier Building (in Anchorage) to get land ownership and status. Then a second stop at the 13th floor is needed to determine if state mining claims are currently active in the area. This now involves two divisions: Mining and Geology and Land and Water Management. Third, a trip to the Mining Information Office (in Fairbanks) to examine the mine files is prudent. The serious developer would then have to research the geology, water quality, and environmental conditions of that area. For this, many trips to libraries or other information centers such as the U.S. Geological Survey (USGS being back in Anchorage again) would be needed. Then several

land management agencies would have to be visited to find out which has special permit requirements and if any laws or special stipulations would apply.

This process could take several days, but if the information was networked and accessible from throughout the state, the time would be reduced considerably. A DNR employee used to take two days to do a land appraisal; using DNR's Land Administration System, the Department's online computer system, it took 30 minutes. This type of networking should be encouraged and implemented on a statewide level.

The creation of an index or the networking of information delivery systems does not require the centralization of hardware or the elimination of individual agency activities. The Committee recognizes the individual needs, expertise and creativity in each of the organizations and wishes to foster and coordinate that energy. While standards and policy need to be set, flexibility within those standards and policies is also required to provide for and integrate new technology and new applications.

MAINTAINING THE CONNECTIVITY OF THE NETWORKS

Now that the network hardware has been installed, one continual concern of the State, and a responsibility of the Telecommunications Information Agency, should be the affordability or "connectivity" of the information delivery systems. Due to the massive changes occurring in the nation-wide telephone industry, the following have been shown to be of greatest importance to the State:

- (1) Competition -- both interstate and in-state
- (2) Regulation of phone companies
- (3) Arbitrage and equal access
- (4) Rate integration
- (5) The need for a State position on lifeline rates and universal service

The resolution of these issues will affect the cost-effectiveness of the State's information delivery systems. Reduced service or increased rates will impact departments' budgets as allocations are increased to cover phone charges or are shifted towards travel and personnel as service is reduced.

The State needs to actively participate in regulatory proceedings at state and local levels that affect the viability of the networks. It is already doing so at the federal level. The future of the telephone industry in Alaska will affect not only the phone network but also the State's two audioconferencing systems and its computer system. Other telecommunication activities also will be affected to the extent that they use the telephone network.

Significant costs are associated with the telephone system. For instance, now that it is a competitor, AT&T no longer wants to support the high-costs of Alaska's phone system. In past years, this support has reached as much as \$158 million. If this support is reduced or eliminated as AT&T has requested, phone service in Alaska would be cut severely unless rates were raised or the State was willing to pay the tab.

The State itself also spends substantial amounts of money for voice and data lines. In FY85, the State spent over \$10 million in long distance charges, \$8.75 million of which was for intrastate service. For long-haul data circuits, the State spends approximately \$1.32 million per year. If the State operated its own voice and/or data network, the State could save substantial amounts of money, a potential \$2 million annually, according to some preliminary analysis done by the Division of Telecommunication Services.

However, since the State is such a large user of phone services, not using message toll service may be detrimental to the public network. The revenues Alascom receives from the State for intrastate services are 29% of Alascom's total operating intrastate message toll service revenues. (FY85 state costs for intrastate service = \$8.75 million; 1985 Alascom operating revenues for intrastate service = \$29,670,148.) If the State no longer pays the entire \$8.75 million into the public network, then the phone companies will have to recover their costs from a smaller ratebase. This will raise rates for those remaining on the network.

The savings realized by having a state-owned network must be balanced with the social cost to the public network. Furthermore, the savings accrued by the state-owned network would be somewhat offset by extra management activities such as maintenance, accounting, and billing.

In view of this and the remaining uncertainty as to the future structure of Alaska's communications market, it might be wise for the State to not build its own network at this time. A regulatory decision on the telephone market structure could significantly change the cost equation. The State should work with the private industry to reduce costs. Also the State should look towards bidding for competitive services while keeping in mind the social costs.

NEED FOR PROGRAM EVALUATION AND SYSTEMS ANALYSIS

One of the main activities of the ATIA needs to be an on-going assessment of information needs and how well the State's current programs and systems are meeting those needs. A common criticism of communication services in Alaska is a lack of needs assessment. Who wants and needs information and telecommunication services, and why? When put in place, do the services fill the intended need? Early demonstrations of State-provided telecommunication services were often demonstrations of technology rather than demonstrations of meeting a communication or information need.

A partial result of this lack is the reduction or even elimination of some key information delivery systems in the state. Of course budget cuts have played their part, but those cuts are often happening without the benefit of evaluating all the systems and their usefulness first.

For example, during the 1985 legislative session, the legislature and the governor approved the use of teleconferencing for conducting public hearings and meetings. Governor Sheffield in his transmittal letter to Speaker of the House Ben Grussendorf wrote, "The availability of new communications technology combined with our declining revenues make passage of this important measure [HB 140] a timely step towards economical

efficient expansion of public access to the administrative process." However, the FY86 legislative budget for line charges was reduced by \$200,000 (41%), and staff was cut 43%.

In FY87, the legislature eliminated the Learn Alaska instructional television network and Governor Cowper's transition team has recommended that the "Rural Alaska Television Network be eliminated" in FY88. The Learn Alaska decision was made based on the belief that rural citizens prefer entertainment television over instructional television. There was no information or consideration as to whether instructional television was fulfilling a vital communication/information need or had the potential to fulfill that need.

A survey conducted of rural school principals by the Interim Joint Committee on Telecommunications shows that instructional television is indeed needed and wanted by rural teachers. Seventy-three percent of the respondents felt that the reduction of instructional television has had an adverse affect on rural Alaskans. Principals of small schools, in particular, felt that their programs had been hurt by the loss. Only 47% of all respondents (but 60% of the small school principals) felt that Learn Alaska should be reinstated in its past form. Rather than direct daytime broadcasts, teachers would prefer tapefeeds so that programs can be used when appropriate in the school curriculum rather than shaping the curriculum around the time when the program was to be aired. (Again, principals of small

schools felt somewhat differently in that more wanted direct broadcast of programs.) Also numerous complaints from the communities have been voiced. If this data had been sought out and acted upon, the sudden reduction of instructional television in the bush might have never occurred.

Another survey conducted by the UAA Journalism Department indicates that there is widespread dissatisfaction among rural people with RATNET programming available. However, television is the preferred medium for receiving information about Alaska and state government. This again points to need for evaluation of information needs and what the best method is of meeting those needs. In some instances, telecommunications might not be the appropriate or most desired method for delivering information. More people chose newspaper as the preferred medium for receiving information on the Berger report. Feedback on a regular basis from the users is critical for determining this.

Also VCR's are becoming very prevalent in the bush and 94% of the survey respondents said VCR tapes could be rented in their village. Cable television services are also becoming increasingly available in rural areas. As the private sector begins to enter these markets, the State needs to re-evaluate its role in providing the same service.

CASE STUDY #1 -- DEPARTMENT OF EDUCATION

The Department of Education (DOE) with hundreds of employees, the largest budget in state government, and statewide responsibilities for educating young Alaskans has recently assigned a senior administrator to assess the need for an information resource management plan. The interest in developing a plan comes mostly from the belief that a systematic approach to managing information can make Department operations more efficient in the face of declining state revenues.

According to the results of an internal needs assessment, DOE's most critical information needs are: (6)

- (1) for information about program quality especially as it is affected by and relates to the revenue issue,
- (2) for improved accuracy and quality of information at a time when conflicting or erroneous data can be especially embarrassing and damaging to public education, and
- (3) for simulating the "what ifs" when alternative strategies for resource allocations are proposed both externally and internally.

DOE believes that the financial problems facing the educational system demand smart decision making. These decisions need to be based on the best possible information. At the moment, though, there is concern that the Department lacks the ability to obtain this kind of information.

According to the Department's data management administrator, the Department has a considerable investment in the hardware and software of information technology. However, few data bases are installed on the systems available. Many data reports -- even those related to major functions such as formula funding for schools -- are still laboriously hand calculated. Data bases remain disjointed and separate and cannot easily be integrated with one another. There is little capability to access or analyze data needed by one unit but collected by another unit. In fact, no one has a comprehensive picture of all the data collected by the Department. (7)

DOE is in the process of identifying the most valuable kinds of information and what to do with it. This is the key step in developing an information plan. One weakness is the lack of a statewide assessment program for judging the quality of educational services. No means exist to assess data collected by school districts through their own testing programs. External financial controls and the data to back them up are weak. Department data bases for students cannot at the moment be tied

together. As a result, no one knows whether DOE might be paying five times for the same special education student or whether money spent on bi-cultural education has had the desired affect.

Despite this perceived need for an information resource plan, DOE seems unsure whether to proceed with its development because of the uncertainty of policy and budget support.

CASE STUDY #2 -- DEPARTMENT OF NATURAL RESOURCES

The Department of Natural Resources began developing a long-range information resource plan in 1983. The plan is one of two approved by Governor Sheffield. This plan will assist in setting budget priorities for FY88, and will set directions for Department action through 1990.

The goals of the plan, as they relate to information management, include the following:

- improve the availability of information required by the public,
- collect and compile objective and reliable natural resource data,
- develop and implement capabilities to solve resource analysis issues,
- provide for public participation in natural resource planning and decision making, and
- make decisions through balanced and objective planning.(8)

The plan continues for some 300 pages, describing in detail the dozens of strategic objectives, budget impacts, status updates, needs and implementation action. It is a massive, thoughtful, forward-looking document. It has all the important endorsements of upper management. It translates the expansive spirit of Executive Order 50 and subsequent legislation directing state agencies to join the information age into a detailed road map plotting how DNR can get there and stay there. It does almost everything except implement itself. That, however, will require cooperation of several variables which are now very much in question: sustained funding and policy support from the governor and legislature.

DNR appears to be at an important crossroads in the development of its information management capabilities. Several issues loom large in the minds of the department's information planners. First, user demand for relevant, accurate, timely and comprehensible information is currently estimated to far exceed the capability to respond. Second, there is a need for divisions to acquire "information manager" positions to assist in feasibility studies, technical liaison and determining general information needs. Third, there is presently no accessible data base that provides an accurate, up-to-date inventory of the state's natural resources. Fourth, much data exists that has not been processed into a form that people can understand. And

fifth, there is a belief that the State has spent millions of dollars on information which is either not used or to which access is restricted due to lack of staff.

These stumbling blocks have occurred precisely at the time when the State needs to package its valuable information to take advantage of new opportunities. Take the area of trade and economic development as an example. State and local agencies, both public and private, have shown interest in promoting enterprise with foreign investors, but lack the necessary information to make investment decisions. Similarly, foreign investors are looking to explore the possibility of investing in Alaska, but lack critical resource information.

The Department of Natural Resources believes that with the collection of some new data, but mostly the packaging or perhaps repackaging of existing data, information needed to make these important resource and investment decision can be made available to the public and to state decision-makers. DNR proposes to network its data bases as well as those of other government agencies such as United States Geological Survey and Bureau of Land Management. Its plan claims that the expertise exists in-house, and the cost would be about \$250,000. The payback, DNR claims, would be in the form of better decisions by management and the legislature. Improved service to the public, whose

members would save time and money by accessing a system that for the first time would provide the equivalent of one-stop shopping, would also result.

The Department of Natural Resources, then, is at a crossroads. It has an extensive information resources management plan and the considerable expertise to put it into action. Its management structure is highly supportive and has insured that every division within the Department operates within established procedures. Training is a high priority. A desirable balance appears to exist between centralized computer system applications and decentralized, user-controlled applications. DNR seems to have an information system that exists not to process data, but to provide information to be used for making decisions.

SUMMARY

Resource management is really information management. Unfortunately, the management track record of Alaska's state agencies is mixed. Generally speaking, Alaska is well behind the private sector in the use of information networking techniques, and far from those front-running state governments who have already perceived the need for an information resources plan.

Alaska, though, has the expertise and the technology to use its information to benefit the governor, the legislature, departmental decision-makers and the general public. Models exist in this state and in the private sector which have proved that a comprehensive and coordinated information resource policy can lead to productivity gains and better decisions.

A Telecommunications Information Agency could also through its actions contribute to improvements in social services such as education.

Without the recognition that the State's communication and information management systems may be part of the solution instead of part of the problem, state government may continue to quietly dismantle these systems. The individual bursts of zeal by some departments will not create the future that many people think is within reach. Without policy and budget support,

elements of the system will continue to disappear, leaving behind only a tantalizing glimpse of what was possible.

CHARTS, GRAPHS AND TABLES

Should Learn Alaska Be Reinstated In Its Past Form?

	<u>SCHOOL SIZE</u>		
	SMALL	MEDIUM	LARGE
YES	60.00%	42.00%	39.00%
NO	23.00%	34.00%	33.00%
UNSURE	17.00%	25.00%	27.00%
# of schools	52	65	33

Response by School Size



All Schools



While a majority of the respondents felt that the reduction of ITV was adversely affecting Alaskans, only 47% overall (60% though of the small schools) wanted Learn Alaska reinstated in its past form. This indicates that the structure and/or content of Learn Alaska was not generally meeting its users' communication and information needs.

Has the Reduction of ITV Had an Adverse Affect on Rural Alaskans?

SCHOOL SIZE

	SMALL	MEDIUM	LARGE
YES	79.00%	67.00%	75.00%
NO	5.00%	18.00%	.00%
UNSURE	16.00%	15.00%	25.00%
# of schools	62	79	40

Response by School Size



All Schools



A clear majority of the respondents felt that the reduction of educational programs caused by the elimination of the ITV portion of Learn Alaska has had a adverse affect on rural Alaskans. Small schools in particular felt this way.

Should State Emphasize Telecommunications to Assist Schools?

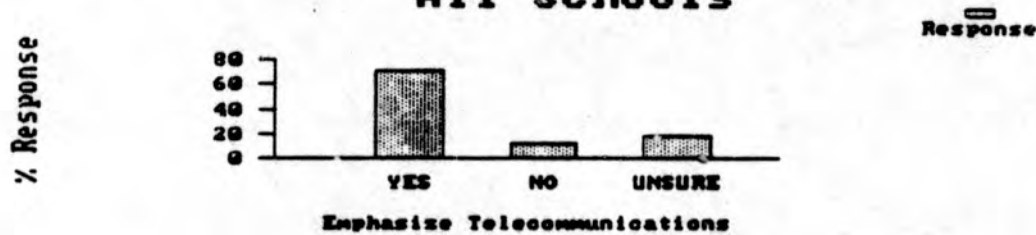
SCHOOL SIZE

	SMALL	MEDIUM	LARGE
YES	80.00%	67.00%	62.00%
NO	3.00%	15.00%	16.00%
UNSURE	16.00%	18.00%	22.00%
# of schools	61	79	37

Response by School Size



All Schools



A majority of the principals felt that given declining revenues which are resulting in fewer educational resources, the State should renew an emphasis on telecommunications as one means of assisting schools. This is especially true in the smaller schools. As with the other survey questions, most of the principals not responding yes were unsure rather than negative towards the idea.

Table I
**How Learned About Berger Commission Report
 by Medium**

	<u>Rural Alaskans</u>	<u>Anchorage residents</u>
Television	69%	44%
Radio	69	52
Newspaper	69	78
Magazine	26	15
Book	17	7
Friends	60	26
Number of respondents	35	27

One hundred rural residents and one hundred Anchorage residents were selected by a random sampling method and interviewed by phone in early November 1986. Thirty-five of the rural residents and 27 of the Anchorage residents had heard of the report. The above table indicates all the ways in which those respondents learned of the report.

Table II
How Would Prefer to Receive Such Information

	<u>Rural Alaskans</u>	<u>Anchorage residents</u>
Television	25%	32%
Radio	16	10
Newspaper	42	42
Magazine	3	5
Friends	2	3
Book	11	7
Number of respondents	91	99

Answers for rural Alaskans total less than 100 percent because of rounding error.

Table III

Preferred Medium for Information About State Government

	<u>Rural Alaskans</u>	<u>Anchorage residents</u>
Television	31%	28%
Radio	22	16
Newspaper	26	43
Mail	11	7
VCR	1	1
Friends	1	5
Number of respondents	<u>100</u>	<u>100</u>

Table IV

Preferred Medium for Programs About Alaska and Alaskans

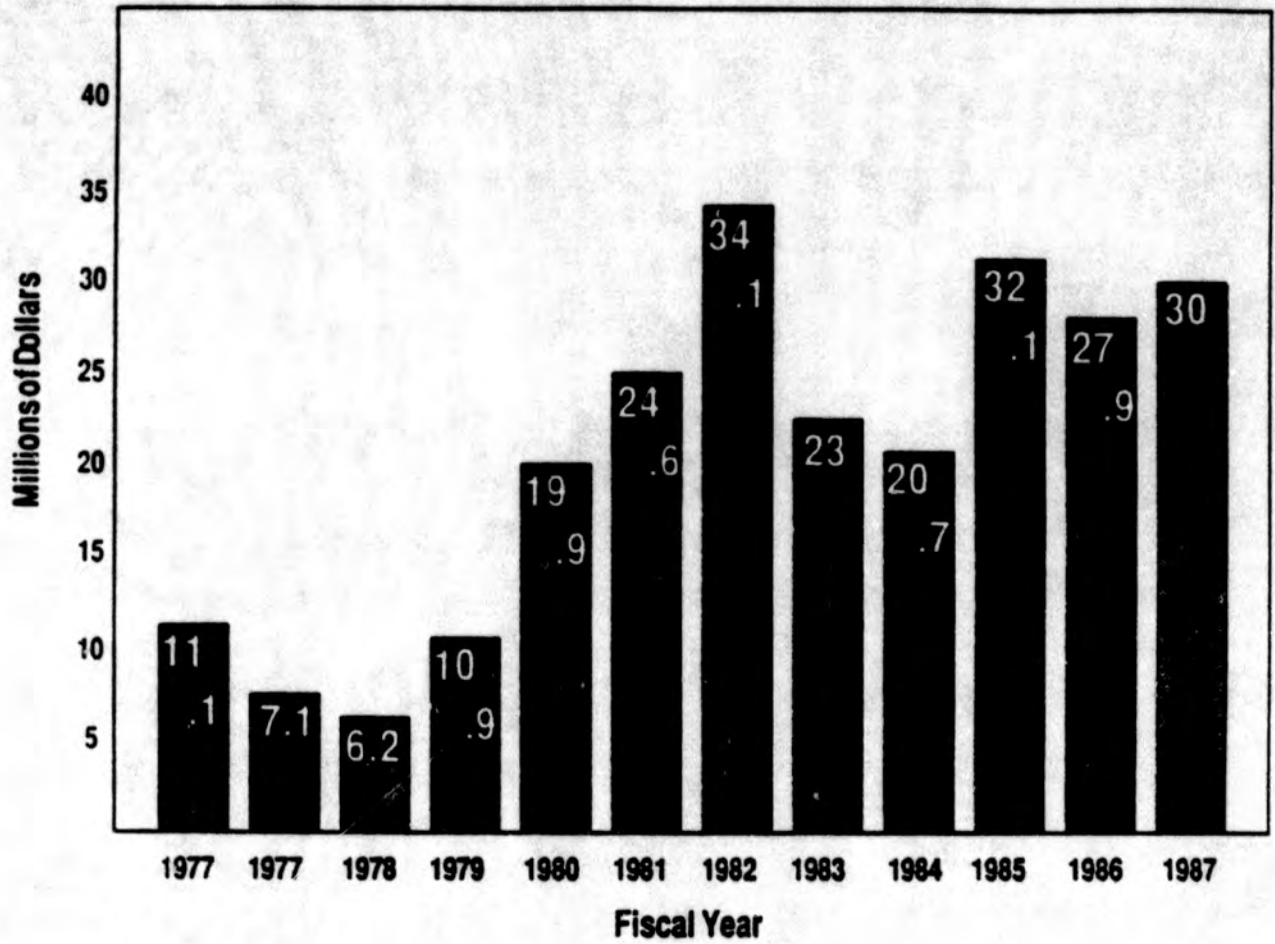
	<u>Rural Alaskans</u>	<u>Anchorage residents</u>
TV	74%	78%
VCR	9	7
Radio	17	15
Number of respondents	<u>99</u>	<u>100</u>

Alaskan Telecommunication History

1900	Congress appropriates money for Washington/Alaska military cable and telegraph system (WAMCATS).
1935	WAMCATS is renamed Alaska Communications System.
1962	First public radio station is established in Fairbanks (KUAC).
1969	Alaskans watch Neil Armstrong walk on the moon; it is the first live satellite TV broadcast.
1970	Alaska Educational Broadcasting Commission is established.
1971	Alascom buys White Alice System from the military; Governor Egan creates Office of Telecommunications Policy and places it within his office; experiments begin in delivering health and education services to rural Alaska via satellite.
1972	Telephone rate integration.
1973	Regular telephone and television services via satellite begin.
1974	New director of telecommunications appointed; dissatisfaction with Alascom service prompts state to consider the creation of a state-owned system of satellite earth stations.
1975	State buys 100 satellite earth stations; ATS-6 satellite continues the process of refining the delivery of health and education services to rural Alaska; following extensive negotiations, Alascom agrees to operate and maintain satellite earth stations; State House passes resolution expressing the importance of communications planning and policy for "the welfare of the state and its citizens."
1976	Alaska Public Broadcasting Commission is created.
1977	Rural Alaska Television project begins.

1978	Responsibility for telecommunication planning is moved out of the Governor's office; Legislative Teleconference Network is created to increase public participation in government; TV coverage of the Legislature begins.
1979	Governor's Office of Telecommunications Policy disbanded; Department of Transportation assumes telecommunication support function but lacks policy making responsibility.
1980	Department of Administration assumes telecommunication responsibilities; Learn Alaska Network begins statewide educational TV and audioconferencing service.
1981	Governor Hammond signs Executive Order 50, urging development of basic and advanced telecommunication services; telecommunication services are consolidated under the Department of Administration.
1982	GCI enters interstate market.
1984	Breakup of AT&T; a study commissioned by Senator Sackett recommends further study of telecommunication in Alaska; Deputy Commissioner for Telecommunication is fired by Governor Sheffield, and position is left unfilled.
1985	A study commissioned by Senator Sackett urges the creation of a multi-million dollar educational computer network; House Special Committee on Telecommunication submits its first report calling for a comprehensive overhaul of state telecommunication policy; end-user telephone access charges begin; AT&T files to end Alaska telephone subsidy; citing the availability of new communication technologies and the need to reduce government spending, Governor Sheffield declares his support for continued funding of the Legislative Teleconferencing Network; the FY '86 budget for the network is reduced by almost half.
1986	The price of oil falls to \$10 a barrel; Learn Alaska's educational TV service is eliminated; there is controversy over state subsidized entertainment TV but the rural TV channel survives; funding for many state telecommunication activities is reduced; GCI files for permission to enter intrastate market.
1987	

Telecommunications Appropriations 1975-1986



Does not include spending for computing by individual agencies. This statistic is not collected.

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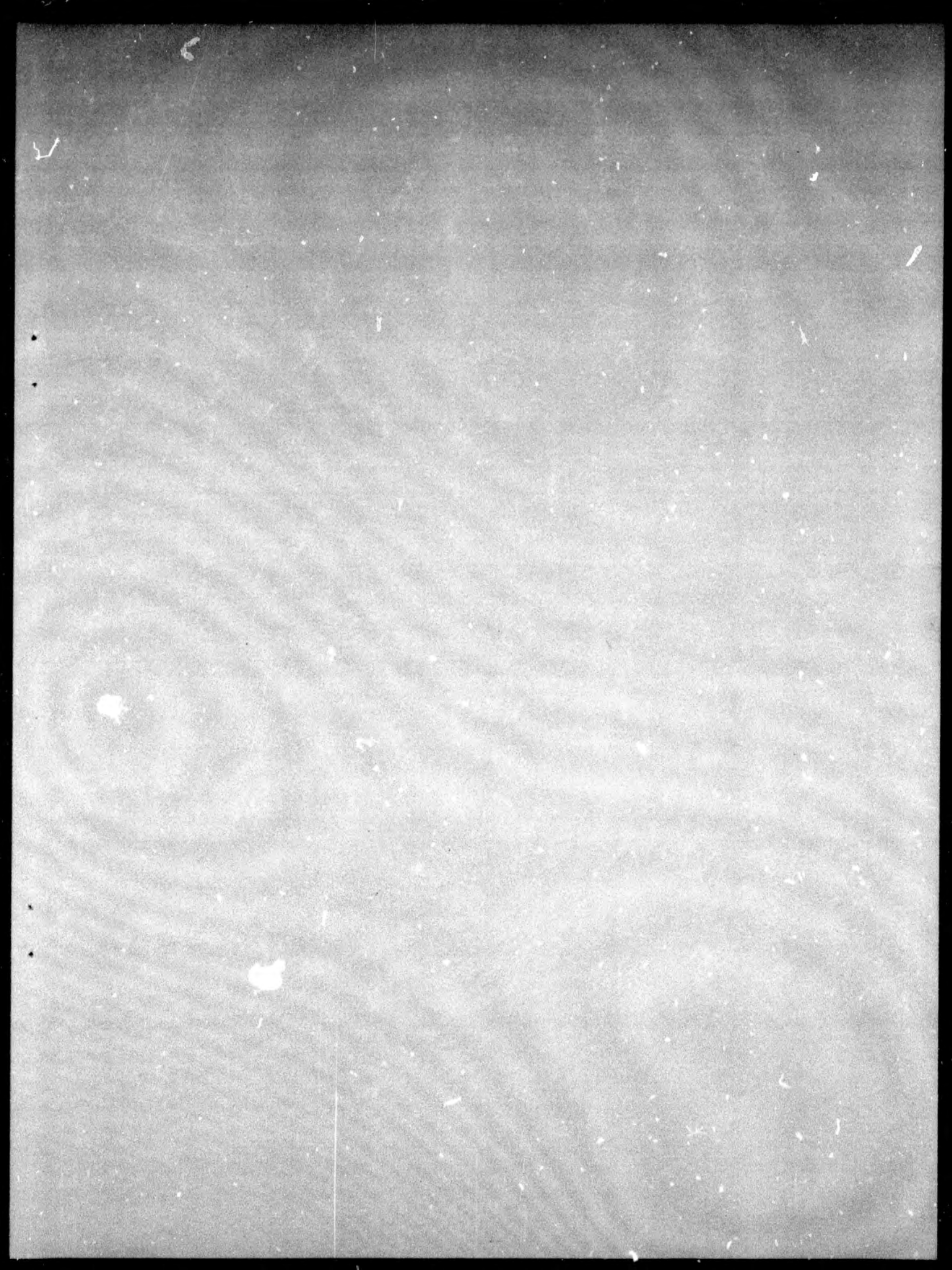
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Talking to Each Other, Talking to Machines

Alaska's Telecommunication Future

A report to
The Joint Committee on Telecommunications
of the
Alaska State Legislature

January 1987

Written by

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Prologue

Approximately five years from now high volumes of digitized information will begin traveling between the United States and the Orient at speeds approaching that of light over a submarine fiber optic cable which will follow the coastline of Alaska.

That cable illustrates one of the themes of the following report: telecommunication technology is highly volatile -- so volatile that policy makers can hardly hope to keep up with it, much less make policy decisions that anticipate the direction of its growth. It also demonstrates that Alaska is well positioned geographically to step into the Information Age, located as it is halfway between Silicon Valley and Japan, a nation that has chosen to build its 21st century economy on information.

This report has three additional themes. One is that Alaska has few outside referents as it attempts to set telecommunication policy. It is part of the United States and yet it is apart from the United States. In many respects -- its economics, its cultural diversity, even its size -- it resembles other countries more closely than it does other states. Yet its telecommunication policy makers must be mindful of First Amendment law, rulings of the Federal Communications Commission, and antitrust law. This limits the utility for Alaska of other nations' solutions to telecommunication problems.

The third theme is that the geographic isolation of many of the state's residents creates a major dilemma for policy makers in an era of deregulation and declining revenues. Not everyone in Alaska can be served by telecommunication unless the state takes an active role in the process. It was not economic for a village of 25 to pay the costs of the satellite dish linking it with the outside world. It is no more economic for that village to pay the production costs for the information exchanged between it and the outside world (this problem is very like that of Third World nations that can not afford to develop their own video production facilities and resent importing productions from Europe and the United States). Should the state provide more support? Less? Could it be more effective if it intervened in other ways?

The fourth and final theme is that information is a resource, susceptible to good or bad management just as are other resources. Information created within state government and used by state government should be subjected to resource management policies. Such policies have been developed within

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 8672
1549 SCOMM 58: HOUSE SPEC. COMM. ON TELECOMMUNICATIONS, 1987-1988/6

private industry and have been adopted in other state governments. Issues that have arisen with identification of information as a resource have tended to revolve around the question of the extent to which control of this resource should be centralized. This report takes a somewhat different tack, suggesting that what is important is that management of information be coordinated.

Although these themes are developed in the sections that follow, this is essentially a report about what Alaskans think. It is based on interviews gathered from throughout the state: from rural and Anchorage residents; from participants in the AFN convention in October; from University of Alaska, Anchorage, students; and from Native high school students. It also reports the judgments of telecommunication experts who were asked to visualize Alaska's telecommunication network as it may appear at the beginning of the next century.

We, the authors of this report, being human, have our own views of what might be best for Alaska. These views have undoubtedly influenced our interpretation of the facts we have gathered. But our intent has not been to put our own opinions forward. Our main objective in this report is a basic one in the Information Age: We simply want to throw more information as fuel into the policy debate in the hopes that the resulting telecommunication and information management policies will be better forged.

We are Larry Pearson and Douglas Barry, assistant professors, and Sylvia Broady, professor and chair, of the Department of Journalism and Public Communications at the University of Alaska, Anchorage. Others who have contributed to this project include Richard Taylor, assistant professor of journalism and public communications; Chris Herberger, legislative assistant to State Rep. H.A. "Red" Boucher; John A. Kruse, professor of public administration in the Institute for Social and Economic Research of the University of Alaska; and Ronald Langley, director of the University of Alaska, Anchorage, Office of Information Technology. This project was funded by the Joint Interim Committee on Telecommunications of the Alaska State Legislature.

-- Jan. 13, 1987

Alaskan Telecommunication History

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1970	Alaska Educational Broadcasting Commission is established.
1971	Alascom buys White Alice System from the military; Governor Egan creates Office of Telecommunications Policy and places it within his office; experiments begin in delivering health and education services to rural Alaska via satellite.
1972	interstate telephone rates are adjusted to bring costs of calls from Alaskan in line with rates for calls over similar distances in the lower 48.
1973	Regular telephone and television services via satellite begin.
1974	New director of telecommunications appointed; dissatisfaction with Alascom service prompts state to consider the creation of a state-owned system of satellite earth stations.
1975	State buys 100 satellite earth stations; ATS-6 satellite continues the process of refining the delivery of health and education services to rural Alaska; following extensive negotiations, Alascom agrees to operate and maintain satellite earth stations; State House passes resolution expressing the importance of communications planning and policy for "the welfare of the state and its citizens."
1976	Alaska Public Broadcasting Commission is created.
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1978	Responsibility for telecommunication planning is moved out of the Governor's office to the Department of Administration; Legislative Teleconference Network is created to increase public participation in government; TV coverage of the Legislature begins.
1979	Governor's Office of Telecommunications Policy disbanded; Department of Transportation assumes telecommunication support function but lacks policy making responsibility.
1980	Department of Administration assumes telecommunication responsibilities; Learn Alaska Network begins statewide educational TV and audioconferencing service.
1981	Governor Hammond signs Executive Order 50, urging development of basic and advanced telecommunication services; telecommunication services are consolidated under the Department of Administration.
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1987	

Chapter One

Telecommunication and Information Management: How Did We Get Here?

Where Are We Today?

In Kodiak, a fisherman picks up a phone to call a processor in Seattle for the latest price his product will fetch in a Tokyo fish market.

In Juneau, an administrator with the Department of Education uses a computer mail system to send time sensitive information to rural school superintendents.

In the village of Alukunuk, a health aide uses a special telephone line to consult Alaska Native Health Service doctors in Anchorage about the condition of a patient. The telephone link combined with good training has reduced the costs of medical care and helped save lives.

In Anchorage, a senior manager in the Department of Natural Resources uses computer databases to help officials of the Kenai Borough prepare to do business with an Asian company interested in Alaska's coal.

In Mentasta Lake, high school students watch a state-funded television series on Alaska's ecosystems, then talk directly to subject experts over the state's audioconferencing system.

Every day, in hundreds of ways, telecommunications meet human needs and stitch an enormous land mass together through networks composed of telephones, audio conferencing facilities, computers, and satellite radio and television links. The exact value of social and economic activity aided by telecommunication is unknown. It is hard to put a dollar figure on a decision assisted by computers, or an idea sparked by a telephone call or an instructional television program. But common sense and a considerable body of research¹ suggest the overall value of telecommunication is considerable.

Information is increasingly seen as a resource not unlike gas or oil or fish or minerals. Moreover, there is a generally accepted belief that information

and the technologies used to gather, store, retrieve and make use of it will play an even more vital role in the future.²

Indeed, many of the most successful corporations in America see information as a strategic asset and they value and protect it accordingly. There is also recognition among some state governments that the delivery of services, the protection of natural resources, the creation of telecommunication networks that assist the conduct of public and private business, and much more, all depend on how information resources are managed.

Until recently, Alaska could count itself among a handful of states which not only identified the strategic importance of telecommunication, but invested huge sums of money to build public networks that were without equal. Now this distinction and the benefits derived from it are in serious jeopardy. Alaska may be in the process of unwittingly squandering its strategic information assets.

Here is a partial list of cuts made during the 1986 legislative session:

The Legislative Teleconferencing Network was cut by almost half even after then-Governor Bill Sheffield asked state agencies to make greater use of the system to save travel costs;

Substantial cuts were suffered by the audioconferencing systems operated by the University and Department of Education, resulting in a reduction of the usage of those services³;

The Learn Alaska Instructional Television Network was eliminated;

Funding was reduced for the State Film Library, making it much more difficult for teachers to acquire films and videos for classroom instruction;

Funding for certain kinds of computing was cut while other kinds were spared or increased, but no rational pattern for these actions could be determined;

The means to produce television programs about Alaska were substantially reduced;

Funding for the training of people to use telecommunication technologies was reduced;

In some state departments workers who monitored the information fed into computer systems were lost.

These budget cuts and those threatened in the coming year pose a clear

and immediate danger to the operation of Alaska's state-supported telecommunication networks. These cuts are being made without full consideration of their consequences in the short or long run. This is happening because of the absence of a statewide telecommunication and information policy. In the absence of any comprehensive policy, it is difficult to contemplate an alternative to the present state of drift and dismemberment.

How We Got Where We Are

The present state of affairs is perhaps part of a pattern which has featured great peaks and valleys in the quantity and quality of government involvement in the development of telecommunication in Alaska. Generally speaking, progress, at least as defined by the creation of systems, has been greatest when interest and involvement from the governor and Legislature were highest. When interest and involvement were low, development of systems tended to mark time or regress.

State government involvement in the development of delivery systems can be divided roughly into three stages: the early or startup stage (1971-'75), the middle or operational stage (1976-'81), and the advanced or applications stage (1982-'86). It is this last stage when government attention has been weakest. Years of reduced attention coupled with the present budget crisis have put the systems at risk, largely ignored user needs, and threaten to return the state to a level of development better suited to the 1960s than the 1990s and beyond.

Meanwhile, the national and international trend is to build up, not tear down; to recognize and further exploit the value of telecommunication, not ignore it. Indeed, as Alaska looks to the Pacific Rim in search of markets, the reliance on telecommunication is likely to be greater than ever.

As of January 1987 the state's electronic information delivery systems include:

1. A statewide television network which reaches approximately 240 rural communities, plus a television microwave system on the Kenai Peninsula. A cable television channel in Anchorage, operated by the University of Alaska. Four public television stations and 15 radio stations also receive state funding.
2. Two main audioconferencing systems -- the Legislative Teleconference Network which reaches about 70 sites, and the statewide Learn Alaska audioconferencing system, which serves primarily school districts and university users. Of course, all state agencies and most businesses and private households are connected via the privately owned telephone system.

3. One main computer network which is operated and maintained by the Department of Administration (DOA). Currently, all of the other departments, the University's and the Legislature's computer networks connect with DOA's to some extent with the exception of the Department of Labor's. (Labor is planning to connect with DOA soon.) Many state agencies also have their own electronic mail systems.

The Startup Stage (1971-1975)

State government involvement in telecommunication can be traced from the early 1970s. The settlement of Alaska Native land claims, oil exploration and construction of the pipeline brought a rapid influx of people and money, requiring corresponding growth in business and government activities. These and other events stimulated a major increase in demand for improved telecommunication services, largely in the form of better telephone connections. Increased demand focused attention on the inadequacies of the military communication system which, after meeting military needs, had attempted to serve the needs of the civilian population since the 1930s.

The need for reliable, up-to-date telecommunication networks for the exchange of timely information became even more vital for responsive decision-making, for the efficient delivery of goods and services throughout Alaska, and for the effective operation of government. According to Professor William Melody, who directed The Alaska Communication Research Project in 1978:

The costs of inefficiency in the Alaska telecommunications system were compounded many times. The effects rippled throughout the state, limiting economic, political and social development. Telecommunication inefficiency provided a major barrier to the integration of Alaska into the United States.⁴

A larger problem was the integration of cities, towns and villages into Alaska. Aside from mail service and a network in the rural areas maintained by small aircraft, it was difficult for Alaskans to communicate among themselves. Major gaps in information and understanding existed between regions.

Recognition of these problems served to increase calls for major improvements in telecommunication services both within Alaska and to and from the lower 48 states. As personal and commercial communication requirements grew, the military system proved unable to meet the demands. The inferior quality of the service, the failure to extend the system to remote areas, the lack of sufficient capacity, and the high cost of the service provided major barriers to the development of telecommunication in Alaska.

Besides the need for improved telephone service, there was also a belief that a state that received its television programming often more than three weeks after the rest of the country, and where national and international television news could be frustrated if the videotapes missed their plane in Seattle, was not very well positioned to leap into the Information Age.

Rapid changes in the structure of Alaska telecommunications took place in the early 1970s. These changes were partly the result of market forces fueled by the construction of the oil pipeline. But not all telecommunication problems were solved by the interplay of market forces. Indeed, such forces, especially as they operate in areas that are economically underdeveloped, are often an inadequate stimulus for providing innovation or equity of access to telecommunication technology and services. State policy makers in 1971 understood what officials in other states are just beginning to comprehend: The public sector needs to be active and creative in fostering private sector initiatives in the development of telecommunication systems that serve important economic and social purposes.⁵

Historically, throughout most of the country, governments and businesses have relied on the local phone company to do telecommunication planning for them. Just as private firms have begun to do their own planning (indeed, the threat of private companies bypassing public networks has prodded phone companies into providing better services), states are realizing that they must take on this task as well. While it is true that states have built up considerable expertise in data processing and information systems, an equivalent organizational capacity has yet to be developed in the area of state telecommunication management.⁶

This was not the case in Alaska, at least with regard to the development of systems planning expertise. Paralleling the purchase of portions of the military's system by RCA Alascom was the extension of state regulation over intrastate telephone activities by the Alaska Public Utilities Commission. An office of telecommunication -- one of the few such entities in the nation at the time -- was created in the office of the governor to address long-range policy planning issues affecting the state. These ranged from extension of telecommunication services by satellite to remote areas, to the development of new technologies that would be adaptable to Alaska's harsh environment, to the advocacy of the state's interests in policy matters before the Federal Communications Commission and other federal agencies.

In addition, the Alaska Legislature took a special interest in telecommunication matters. But the primary emphasis of all this attention was on technical development and the creation and operation of systems based on hardware. Little effort, outside some attention paid to the delivery of health and education services in the early 1970s, was devoted to developing ways to apply the technologies.

Active governmental leadership at this time in planning the public telecommunication networks led to a number of important results. In 1974, the administration of Governor Jay Hammond took office and the director of the Alaska Educational Broadcasting Commission, who had been active in the early satellite experiments, became the new governor's director of telecommunications. A core group of government technicians with experience in the then-new satellite earth station technology now had access to the governor and the Legislature.⁷ This opportunity to place telecommunication high on the government agenda lasted several years, then went away.⁸

By the end of 1974 there was considerable dissatisfaction among many rural Alaskans about the rate at which Alascom was providing telephone service to the 142 locations required by the state in the agreement which allowed Alascom to be purchased from the military.⁹ Acting in accordance with the wishes of the Legislature, Governor Hammond appointed a task force to study the problem. The task force recommended the state develop its own system of small earth stations to serve these rural communities. The Legislature appropriated \$5 million to purchase 100 such stations. Following extensive negotiations, Alascom agreed to maintain them. Rural telecommunication had begun the shift to a largely satellite based system, and at least a portion of this vast area now had telephone service. It could be argued that the development of telecommunication in all its forms, particularly in rural Alaska, has played an important role in enabling Native people to participate more actively in the state's development. Indeed, research conducted in provinces of rural Canada indicates that the introduction of telephones helped create communities of interest wherein, for example, leaders can plan, discuss priorities and coordinate strategies.¹⁰ Other research has found that the introduction of a new communication technology has increased the amount of overall communication activity and created a demand for more communication technologies.¹¹

It should be noted that even when access to telecommunication is relatively widespread, communication alone will not necessarily create economic development; other factors must be present. According to Robert Hornik: "Communication technology works best as a complement -- to a commitment to social change, to changing resources, to good instructional design, to other channels of communication, and to detailed knowledge about its users."¹² Also needed as complements to communication are other infrastructures, including transportation, effective organizations, expertise, and delivery of social services.

The Operational Stage (1976-1981)

The operational stage involved the continued development of the state's telecommunication networks and direct involvement in policy and implementation by the governor and the Legislature. Among the important

events of this period were the rise of publically funded television networks and the consolidation of responsibility for many telecommunication activities under the Department of Administration.

In 1976 the Legislature appropriated funds for a satellite "demonstration" project, which used one of Alascom's satellite transponders for the distribution of mostly live commercial television to the state's urban areas. By appropriating an additional \$1.5 million for small earth stations, the Legislature extended the project to many rural areas of the state. This service, now in its 10th year, is known as the Rural Alaska Television Network (RATNET).

Within a very brief time, the government had organized and generously provided for the distribution of live television throughout the state. Two organizations were created: RATNET and the Alaska Public Broadcasting Commission (APBC). The role of APBC was to distribute funds appropriated by the Legislature to public television and radio stations in several Alaskan communities. RATNET distributed mostly entertainment programming provided by Anchorage affiliates of the major networks. Programs were selected by a board composed of rural residents.

While these additions to the public telecommunication system were generally applauded, it appears that little attention was paid at the time to a formal assessment of specific public needs regarding programming content. Legislative decision-making seemed to be guided by good will, perceived constituent enthusiasm, a desire to work towards a particular kind of information equity between urban and rural Alaska, and a wish to tap technology for the purpose of linking Alaska with the lower 48 states through the images of mostly commercial television.

As long as budgets were fat there was apparently little need to ask if these networks were providing what people needed or wanted, or whether they could cooperate more closely to provide better, more cost-effective service. Needs existed for regional and culturally relevant programming, especially in such areas as health care, business management, resource development, land planning, adult education, school and university curriculum support, and environmental protection, but few advocates emerged in favor of producing Alaska programming that had been identified as needed.¹³ This is ironic given the role that at least the concept of educational applications played in the very early days of the satellite television experiments.

Alaska was interested then in building systems. How these systems would proceed to identify and serve important human needs was discussed occasionally, but never came close to achieving the interest and support accorded the systems themselves. Alaska is not alone in this regard. All over the world people are grappling with problems created when technology, not user needs, is in the driver's seat.¹⁴

Meanwhile, frequent official statements about the value of telecommunication to social, economic and political development continued to be matched by government action. In 1977 the Legislative Teleconferencing Network was created. Legislators could now converse with their constituents and conduct hearings over long distances. It was hoped that public participation in government would increase while travel time and expense declined.

Eight years later, with state revenues in sharp decline, there was renewed hope that audioconferencing technology would help decrease the cost of government and increase public access to government. During the 1985 legislative session, the Legislature and the governor approved the use of teleconferencing for conducting public hearings and meetings. Governor Bill Sheffield in his transmittal letter to Speaker of the House Ben Grussendorf wrote, "The availability of new communications technology combined with our declining revenues make passage of this important measure [HB 140] a timely step towards economical, efficient expansion of public access to the administrative process." However, the FY '86 legislative budget for line charges was reduced by \$200,000 (41 percent), and staff was cut 43 percent.

These seemingly contradictory actions may appear inevitable if not understandable given the state's current gloomy economic situation. Yet what has occurred is also suggestive of a pattern whereby enthusiasm for hardware purchases exceeds enthusiasm for spending money to effectively operate the systems. To date there has been no evaluation of how well the audioconferencing system has worked. However, in the Department of Administration's view, the audioconferencing network has saved government departments substantial sums in travel expenses.¹⁵

The Legislature in 1979 requested that the Department of Education and the University assess the need for a statewide educational television system. The recommendation to the Legislature was for a single TV channel and an audioconferencing network to serve all schools, university campuses and many rural and urban communities. A second educational channel would be added if needed. The advanced stage of telecommunication in Alaska had begun.

The Advanced Stage (1982-1986)

During this stage the systems planned in the earlier stage came into existence. Instructional television, audioconferencing and computing established themselves. Legislative and executive branch interest peaked and then declined.

Adding instructional television and audioconferencing to the state's telecommunication crown was highlighted by an executive order from

Governor Hammond. The document comes as close as anything written before or after to a manifesto on the subject of telecommunication:

As governor, I find that adequate telecommunications facilities and services available at reasonable and affordable rates are essential to the conduct of government, commerce, and private life . . . the future development of the state's public and private sectors will depend greatly on the innovative use of new telecommunications services and techniques now becoming available. It is in the interest of all people for the state to facilitate the development of both basic and advanced telecommunications services and facilities to be available to all citizens for their individual and mutual benefit . . .

Two years before this was written, the Governor's Office of Telecommunications was abruptly eliminated. The reasons behind closing the office are unclear, though reports suggest that the office ran afoul of several prominent legislators who were pursuing a different telecommunications agenda.¹⁶ A key support agency in the formulation of public policy vanished without extensive public discourse.

In his 1978 report to the state, Professor Melody observed:

Policy making is an ongoing process involving continuing advocacy of different interests and negotiation among competitive interests. Alaska is unique among states in establishing a governor's office of telecommunications to act as a catalyst for policy planning and an advocate for the interest of the public of Alaska. But Alaska's telecommunication problems continue to be unique.¹⁷

There has been much speculation as to whether closing the office was wise given the accomplishments that occurred when telecommunication policy planning and advocacy were in close proximity to the governor. According to Professor Melody:

. . . GOT [Governor's Office of Telecommunications] has been involved as an advocate of the state's interests and has influenced the course of developments in significant and observable ways. Continuation of this public advocacy is essential if the multitude of continuing policy decisions and negotiations at the federal and state level on such matters as revenue settlements, satellite policy, rate integration, rural development, etc. is to reflect the interests of the state. Experience has shown that Alaska is not likely to get its rights in telecommunications policy matters. But there will be opportunities for the state to insist on receiving them.¹⁸

One question is whether Alaska, in its dealings with powerful interest groups such as private telecommunications companies, has operated on a level playing field since the Governor's Office of Telecommunications was disbanded in 1978.

Some of the functions of the office were revived and expanded in 1981, and placed under the Department of Administration (DOA). But the personalities had changed along with the boxes on the organizational chart. Both variables affect policy and its implementation.

The "powers and duties" of the new telecommunications divisions were cited in Executive Order 50 and in the Alaska Administrative Code.¹⁹ They include: advise the governor and Legislature; coordinate, manage and supervise all state programs in telecommunications; provide technical and consulting services to all state agencies; prepare a statewide telecommunications development plan; promote governmental coordination and unity, and much more. In addition, the budgets of RATNET and the APBC were moved under DOA.

Governor Hammond and the legislative leadership of the day handed DOA and the incoming governor an extraordinarily full plate. For example, the Division of Telecommunications Services and the Division of Telecommunications Systems (later renamed Operations) were required to do everything from planning, designing, constructing, managing and operating all telecommunication systems owned by the state to developing a plan for "integrated instructional telecommunications services for all residents of the state."²⁰ For good measure, the law directed every state agency authorized to develop its own internal communication system to "coordinate its design, development, management and operation" with the Division of Telecommunications Operations.²¹

Executive Order 50 alone requires DOA to prepare annually at least six major reports for the governor and Legislature. To accomplish these tasks, plus all the other duties indicated in the legislation, would require a sizable staff with a wide range of expertise that agency funding has so far not permitted. Further, it is questionable whether divisions which place an emphasis on data processing functions and telephone hardware procurement and maintenance can also deal effectively with television distribution questions or social policy goal-setting. A mixed mandate, no real power to force compliance from other agencies, changing technology, selective compliance with statutes, and lack of attention to non-hardware needs have recently been cited by some commentators as reasons to revise Executive Order 50 and the thinking on which it was based.²²

Clearly, no policy regardless of its scope and wisdom will produce the desired results unless the governor and Legislature are involved in its formulation and implementation. This means that there must be policy continuity from one administration and from one legislative body to another, and that policy must be continuously monitored and modified to fit changing technologies and human needs. The lack of continuity during this critical third stage of telecommunication development helped insure that the telecommunication system, which is much more than the sum of its parts,

would not be effectively represented when it came time to slash the budget.

Lack of continuity and the hard realities of a precipitous slide in state revenues during 1986 help explain the decision by the Legislature to dismantle the Learn Alaska instructional television network, following slightly more than four years of operation. The demise of the network can be seen as a direct result of policy failure. Though Executive Order 50 states the need for identifying long-range goals and objectives in educational and instructional telecommunication, for developing "consistent public policy," and for holding public hearings as part of the planning process, there is no evidence in the record that any of these tasks either directly addressed the role of Learn Alaska or were referred to in making budgetary decisions. Further, there is evidence of considerable inter-agency rivalry and lack of cooperation during all four years of the network's existence, which played a role in frustrating the intent of Executive Order 50 pertaining to instructional telecommunication.²³

Another policy problem which has negatively affected the ability to make fully informed decisions about the performance and relative usefulness of Learn Alaska, as well as other components of the telecommunications system, is the lack of reliable research data. Objective information about user needs and preferences and how they are being met is critical to providing quality service and justifying the continuation of that service. Yet little of this information was available during the brief debate over the network's budget. Arguments against continued funding of the network essentially focused on whether entertainment television, whose distribution in rural areas is also subsidized by the state, was more popular than educational television. When the criterion is popularity, education will always lose.

What is ironic about Learn Alaska is that its managers -- the University of Alaska and the Department of Education -- appear to have focused much more attention on developing and managing systems than attending to how the systems could be used for education. Normal institutional constraints such as insufficient financial resources or divergent administrative styles or philosophies cannot account for this lopsided emphasis. For example, throughout the entire history of the development and operation of Learn Alaska there has not been one major research work published by the University, or apparently anyone else, on the non-technological, user-centered aspects of network operations.²⁴ What has been published tends to be of a glowingly descriptive nature, most often written by an impressed visitor from the lower 48 states or abroad. Typical of these accounts are recent articles in the *International Political Science Review* and *Development Communication Report*.²⁵ Although millions of dollars were spent developing and delivering education material by satellite, and despite all the international interest, little is known about the effectiveness of Learn Alaska.

There has been little serious, informed public discussion regarding the wisdom of state subsidized television production or distribution of any kind. Those few in government who have shown an interest in this issue have taken the position that television, other than for the purposes of providing entertainment for rural audiences and Public Broadcasting programs for mostly urban audiences, should not be a funding priority. Their view has been that it is not a proper area for public policy. This runs counter to widely held beliefs that television is a powerful social and cultural force, and that its educational applications and social implications are too important to be left entirely in the hands of the private sector. Some scholars, for example, claim that we are in the midst of a learning revolution in which visual electronic media are playing a key role by offering, especially to students, an unintended curriculum.²⁶ They claim that primary students beyond the third grade and secondary students receive more than 50 percent of their information from television, compared with 10 percent from print.²⁷ The implication is that public institutions, especially schools, have failed to address the changing concept of literacy and the supposed effects of learning that takes place via electronic media.

Current law specifically bars the state from making specific program decisions. However, the state is not barred from making broad decisions that have an impact on content. And it has made such decisions in the past. The state need not be oblivious to the debate over effects, applications and the role of government. Research, including what little has been done in Alaska,²⁸ suggests that television, particularly its social effects and educational applications, is an appropriate area for public policy attention.

In the absence of such attention, Alaska has lost a world class educational television network, the production of Alaska-specific educational programming is down by an estimated 98 percent,²⁹ Alaska-specific public television production is down by an estimated 25 percent,³⁰ and the Alaska Film and Tape Library which helps distribute educational and Alaska-specific programs may disappear in the next fiscal year.³¹ In addition, a transition team report to Governor Steve Cowper has recommended the elimination of RATNET.

One of the reasons given for the elimination of the Learn Alaska Network was that the Film and Tape Library could take up the slack by making and distributing duplicate copies of instructional television programs whose rights were purchased by the Department of Education. When the network ceased operation in July 1986, tape requests from schools and school districts more than doubled. During FY 1986, when Learn Alaska was operating, the library received 11,000 tape requests. During the first part of FY 1987 -- the library stopped filling requests in October 1986 because of budget cutbacks -- more than 22,000 requests had been received. A film and tape librarian estimated that requests would have exceeded 30,000 if the tape duplication service had continued through the end of the year. She said, "Learn Alaska created a taste for instructional television that has

increased every year."³² If the Tape and Film Library is cut out of the FY 1988 budget (the Juneau branch of the library was closed last year and the Anchorage branch lost three staff members), the only way for schools to receive programs would be to purchase rights individually from program producers and distributors.

It would be unfair to conclude that the operators of Alaska's telecommunication systems have learned nothing about the applications of technologies. Take the University as an example. Between March and May 1986, at the time when the value of Learn Alaska's television service was being questioned by one or two key rural legislators, all University of Alaska units were surveyed from an office within the University as to their present and anticipated instructional and administrative uses of voice, data and video communication.³³ The survey concluded that need for and interest in use of telecommunication were strong but a number of problems had to be solved before more benefits could be achieved. The survey made a number of recommendations: encourage cooperation and coordination in the development and use of telecommunication; expand student and faculty training; field-test telecommunication technologies; remove institutional barriers to effective use of telecommunication; and explore ways to more effectively integrate voice, data and video communication.³⁴

These recommendations suggest, among other things, the difficulty of implementing policy with a strong applications, end-user focus in one large state institution without strong support from top administrators. A state-wide telecommunication policy must include a system of incentives and disincentives -- most likely budgetary -- to insure compliance. Nevertheless, the recommendations generated from within the University mark an important departure from earlier, hardware oriented approaches to telecommunication. However, substantial reductions in the University budget, which occurred after this survey was conducted, will probably insure that few if any of these recommendations are followed. Telecommunication, unless specifically protected by an enforceable policy, will continue to suffer major cuts.

What is referred to in this chapter as Alaska's third stage of telecommunication development has produced considerable growth in the use of computers to support government operations in a wide range of areas. However, despite some notable exceptions which are described elsewhere in this report, computer use also suffers from the lack of continuing, comprehensive policy direction.

Like most states, the Alaska state government has developed a reasonably efficient computerized data processing system. However, state agencies here and in the lower 48 states have not as yet made extensive use of information management systems. Information resource management (IRM) has become popular in the private sector because of its perceived potential for increasing productivity, product support and profitability.

Information is treated as a strategic asset. Since much of what the state does involves information, the application of information resource management to the public sector could result in substantial benefits. A handful of states have taken the first steps in this direction: drawing up a statewide telecommunication policy and creating a policy planning and implementation entity, with information resource management as its centerpiece.

More efficient government, however, has not been the only motivation for those few states that have attempted to formulate a comprehensive telecommunication policy. It has been suggested that telephone deregulation and divestiture have imposed new demands on state governments for policy-making and management. Before deregulation, federal and state governments traditionally followed a policy of "co-regulation," characterized by a high degree of commonality in federal and state goals. According to Professor Eli Noam: "As the 1970s unfolded . . . the divergence in goals between the federal and state governments became pronounced. The federal redistributory or equity goal became secondary to a pursuit of economic efficiency through reliance on a change in markets and competition."³⁵

Through the political process, state governments remain committed to the traditional goals of keeping residential telephone rates low, providing universal service in outlying areas, and maintaining the public telecommunication networks. A few states have recognized the need to craft policy that ensures universal service while simultaneously providing business and government users the benefits of technological innovation and competitive pricing.

Colorado, for example, developed a plan calling for the construction of a government communication network.³⁶ Using primarily microwave technology, the system is capable of low-cost voice and data transmissions among state offices. The state government found that it could better serve the public interest by bypassing the Mountain Bell system for some of its telecommunication needs. Despite concerns about potential damage to the public telecommunication system if the state went its own way, so far there has been no evidence of serious problems. Colorado's strategy aims to insure the continuation of reasonably priced telephone service to rural areas, make government communications more efficient, and preserve the public telephone network.

New Jersey and Delaware, on the other hand, have attempted to find out where information held by state departments is located, what information is needed, and how much is spent on gathering and processing information.³⁷ The belief here is that it is not possible to effectively manage what cannot be accurately counted. Less emphasis is placed on state-owned communication networks. Delaware's information management plan also addresses the telecommunication needs of state educational institutions.

According to its plan, South Carolina has developed an information resource management strategy for several reasons: to better serve the public, to reduce the annual rate of increase in government operating costs, and to improve the productivity of the state government workforce.³⁸ In essence, South Carolina has provided a model for systematically examining the movement and management of information within state government. In addition, it has focused a cautious eye on the possible effects of deregulation and divestiture. According to its telecommunication plan, "The deregulation of the communications industry has created a situation where many large organizations, such as international corporations and other state governments, have found it cost effective to develop their own telecommunications management capability."³⁹

Most of the state information resource management plans, including one proposed for Alaska,⁴⁰ address at least some of the following goals:

1. To determine information needs;
2. To make information available to decision-makers and coordinate the sharing of information within government;
3. To evaluate the state's information programs;
4. To manage information technology cost and use;
5. To facilitate the delivery of information to the public;
6. To make the communication networks accessible by and affordable to the public.

An example of an Alaskan project that met two of the above goals -- determining information needs and facilitating the delivery of information to the public -- is one undertaken by the Cooperative Extension Service on Kodiak Island. The Cooperative Extension Service with assistance from the Department of Community and Regional Affairs has developed a pilot program to introduce microcomputers to small Native villages on Kodiak Island. The program is in response to a needs assessment which found that village corporate and government entities require timely information on subjects such as land use planning, environmental conservation and state regulations. A preliminary evaluation by the Cooperative Extension Service indicates that the efficiency of village business and government has improved as a result of the computers and associated training schemes.⁴¹

Extension agents and village officials now envision computer links to state agencies and to other villages around the state, creating new communities of interest and making possible the exchange of technical information. It is hoped that these applications will improve the

management of rural resources, help develop technical expertise within villages, and contribute to economic development. The problem is that there are currently no funds to test the usefulness of these ideas. A single state or federal agency working in isolation may not be able to do what is necessary. A state telecommunication policy could address situations such as this.

Most states have treated telecommunication issues as technical issues, best left to engineers, professional regulators and, periodically, special interests both in and out of government. Elected officials have relied on public service commissions to protect consumers and respond to industry. This narrow telecommunication agenda is now obsolete, in the view of several states. The central issue on their new telecommunication policy agenda is not: How should it work? but: What should it deliver?

Some Lessons From History

1. Information and telecommunication systems are strategic assets that require ongoing public policy attention. The rate of technological and economic change necessitate a creative, responsive approach to policy-making and implementation.
2. Information and telecommunication assets will be squandered, with negative social and economic consequences, in the absence of comprehensive, enforceable policy.
3. Attempts at making information and telecommunication policy have been most successful when interest from the governor and Legislature was highest.
4. Information and telecommunication policy is much more than building and maintaining systems. Policy should include: assessment of user needs; provision of user training and education in the operation of information technology; improvement of public access to information; provision of evaluation criteria for state-funded programs using information technology; and stimulation of the development of new telecommunication applications.
5. Policy planning and implementation should involve all levels of government.
6. The need to improve the quality and usefulness of information should be viewed separately from information technology.
7. Information management techniques and technology can improve government efficiency and public services.

Footnotes

- ¹See, for example, Tom Forester, ed., *The Information Technology Revolution*, Cambridge: MIT Press, 1985, and Leonard Lewin, ed., *Telecommunications in the U.S.: Trends and Policies*, New York: Artech, 1981.
- ²See, for example, Hiroshi Inose and John Pierce, *Information Technology and Civilization*, New York: W.H. Freeman and Co., 1984.
- ³Interviews with Michael Woodhead, utilization specialist, Learn Alaska Audioconferencing Network, November 1986; Dr. William Bramble, Alaska Department of Education, November 1986. Both estimated that use was down at least 30 percent from the previous year.
- ⁴William Melody, *Telecommunications in Alaska: Economics and Public Policy*, report to the State Legislature, April 1978.
- ⁵Mitchell L. Moss, "A New Agenda for Telecommunications Policy," in *New York Affairs*, September 1986.
- ⁶*Ibid.*
- ⁷Walter B. Parker, "The Alaskan Satellite Experience: Lessons for the Developing World," paper presented at the Conference on New Directions in Satellite Communications: Challenges for North and South, University of Texas, Austin, October 1984.
- ⁸*Ibid.*
- ⁹*Ibid.*
- ¹⁰Heather Hudson, "Community Communications and Development: A Canadian Case Study," unpublished doctoral dissertation, Stanford University, 1974.
- ¹¹Harvey Leibenstein, *General X-Efficiency Theory and Economic Development*, New York: Oxford University Press, 1978, pp. 37-38.
- ¹²Robert Hornik, "Communications as Complement in Development," *Journal of Communication*, Spring 1980.
- ¹³Parker, *op cit.*
- ¹⁴See, for example, Jeremy Tunstall, *The Media Are American*, New York: Columbia University Press, 1978. Also see Vincent Mosco, *Pushbutton Fantasies*, New Jersey: Ablex, 1982.
- ¹⁵Department of Administration, *Annual Report on Teleconferencing to Governor Bill Sheffield*, May 1985.
- ¹⁶Interviews with Bill McCaughan, former director, Learn Alaska Network, and Walter Parker, telecommunication consultant, November 1986.
- ¹⁷Melody, *op cit.*
- ¹⁸*Ibid.*
- ¹⁹Alaska Administrative Code, pps. 62-79.
- ²⁰*Ibid.*, p. 74.
- ²¹*Ibid.*, p. 75.
- ²²Larry Pearson, Doug Barry and Chris Herberger, "Managing Alaska's Information Resources: A proposed Statewide Policy," report to the Interim Joint Committee on Telecommunications of the State Legislature, January 1987.

- 23 Interview with Bill McCaughan, former director of the Learn Alaska Network, and Dr. William Bramble, former administrator of Learn Alaska. Details of a conflict between the two operators of the system -- the University of Alaska and the Department of Education -- were reported on the "Capitol '86" television program of May 9, 1986.
- 24 Richard Taylor, "A Crisis in Alaska Television Programming," unpublished manuscript, January 1987. Professor Taylor analyzed more than 150 articles and government documents for his study.
- 25 Heather Hudson, "New Communications Technologies: Policy Issues for the Developing World," in *International Political Science Review*, Beverly Hills: Sage, 1986, and C. Green, "Instruction by Audio Conference: An Alaskan Example," *Development Communication Report*, 48, 1985, pp. 1,6.
- 26 Mary Alice White, "Technologies for the Curriculum: Or a Curriculum for the Technolog'-s?" paper presented at the National Educational Technology Leadership Conference, Portland, Ore., 1986. See also "Information Technology and Its Impact on American Education," Office of Technology Assessment, U.S. Congress, 1982.
- 27 Ibid.
- 28 Norma Forbes, Clark Ashworth, Walter Lonner and Danuta Kasprzyk, "Social and Cognitive Effects of the Introduction of Television on Rural Alaska Native Children," final report to Alaska Council on Science and Technology, University of Alaska Center for Cross-Cultural Studies, 1984.
- 29 Taylor, op cit.
- 30 Ibid.
- 31 Interview with Mary Jennings, librarian, Alaska Film Library, January 1987.
- 32 Ibid.
- 33 "An Assessment of Present Use and Future Needs: Electronic Voice, Data, and Video Communication," University of Alaska, September 1986.
- 34 Ibid.
- 35 Eli Noam, "Federal and State Roles in Telecommunications: The Effects of Deregulation," *The Vanderbilt Law Review*, 36(4), 1983.
- 36 *Long-Range Telecommunications Plan for the State of Colorado*, 1985.
- 37 *Delaware State Telecommunication Plan*, May 1985; New Jersey, *Office of Telecommunication and Information Systems*, September 1985.
- 38 *South Carolina State Plan on Technology*, October 1983.
- 39 Ibid.
- 40 "Managing Alaska's Information Resources," report to the Interim Joint Committee on Telecommunications.
- 41 "Apples in the Bush," Cooperative Extension Service, Local Government Project Report, Anchorage, 1986

Introduction to the Research Chapters

The next four chapters contain the principal research findings of this report. A variety of techniques were used to gather information that it is hoped will help answer questions in several areas of information and telecommunication policy making.

First, information resource management is examined in Chapter Two. The major promise of information management for Alaska is that it can smooth the internal workings of state agencies. It also promises to improve the interactions between the government and the private sector. The major question that must be addressed by those in government as they weigh commitment to information resource management is its costs versus its benefits. Chapter Two contains case studies of two government departments that have taken steps to introduce information management practices. It also reports the views of a number of people with knowledge and interest in the subject. The chapter doesn't conclusively answer the question of costs vs. benefits of information management systems for state government -- probably nothing less than experience can do that. But the case studies suggest that the benefits will far outweigh the costs.

Chapters Three and Four provide information about quite different aspects of telecommunication -- and as they relate to quite different users. The subject of these chapters is telecommunication media. And the users of interest are rural and urban Alaskans. Two hundred Alaskans were selected using a random sampling technique and interviewed in November 1986. They were asked questions about their use of the telephone, the computer, television, radio and VCRs. Half of those interviewed were Anchorage residents, half lived in rural areas. The chapters report a number of differences in telecommunications use and interest between the urban and rural groups. The chapters provide information about users that addresses such policy issues as the elasticity of demand for long-distance phone service, the demand for instructional programming and programming about Alaska and Alaskans, and the demand for audioconferencing. We believe the findings are a good indicator of how the populations we drew the samples from use telecommunication. The findings fall short, of course, of providing the answers for another kind of cost/benefit analysis: Are the costs of

adjustments in telecommunications services to meet the wishes of Alaskans outweighed by the social benefits?

Most of the issues addressed in the earlier three chapters are encountered again in Chapter Five. That chapter critically examines both information management and telecommunication services. The critical appraisal is provided by a number of Alaskans with special knowledge of the subject. This chapter is the report of another kind of survey. The participants were invited to brainstorm about how information might be managed and telecommunications might be used in Alaska 15 years from now. The participants have sketched in some detail the telecommunication environment of 2001. It is hoped that their picture of the future can help in the identification of policy issues to be addressed in the present.

The research chapters were intended to provide information in three areas in which the authors felt such information was scarce. The chapters do not provide a comprehensive overview of telecommunication and information policy issues. And they don't answer all the questions in those areas they do address. But they do provide some information that wasn't available before. They should make it possible for us to move on to more sophisticated questions.

Chapter Two

Information Resource Management

Where We Are Now

Every year the Alaska state government spends tens of millions of dollars to collect and store information. Government is an information organization. Indeed, it is estimated that more than half of all state workers are information workers.¹ Information -- passed around by word of mouth, paper, computer and other means -- is perhaps the state's most valuable strategic resource because it makes possible the identification, counting and management of all other resources. Resource management is information management.

It has been argued that no other activity offers such concentrated room for improvement as information collection and analysis, and yet it is only recently that formal procedures have started to appear in state government.² But lessons available from the private sector may have been learned too late. Today the state's information resource -- the ability to gather, store, retrieve, interpret, communicate and make use of information for the benefit of all Alaskans -- is in trouble.

The source of trouble is twofold. The process of managing the state's information resources has suffered substantial harm during the past five years from lack of policy direction from the governor's office or the Legislature. While laws have been passed extolling the importance of information to economic and social development, and stipulating ways to coordinate and improve its use, the practical effects of this legislation have been limited.

The second source of trouble is the current economic situation. Budget cuts during the past 18 months have adversely affected the state government's ability to gather and analyze information. This is ironic since solutions to the state's economic problems require the best possible information. And it runs counter to the example offered by private industry. When faced with financial difficulties, organizations in the private sector must act quickly to improve their information capabilities in order to survive.³

One example of harm that may occur if the present state of drift and dismemberment continues is the Department of Natural Resources (DNR).

During the past few years, DNR has spent about \$8 million to collect information. It directly accesses more than \$16 million worth of information collected by other state agencies.⁴ This information enables DNR to carry out responsibilities which include obtaining title to millions of acres of lands acquired under the Statehood Act, and planning for and managing timber, grazing and agricultural lands, wildlife habitat, recreational resources, oil, and gas and coal, plus other leasable minerals.

The DNR's information management and analysis group -- the people who massage a myriad numbers and facts so they make sense to decision makers -- has been cut during the last two years from a staff of 12 to 5. In addition, 2 to 3 more staff members may lose their jobs at the end of the fiscal year.⁵ According to one DNR section chief:

This service is in deep trouble. While other groups were getting across-the-board cuts, we received . . . much deeper cuts. Monies that we had put in reserve and earmarked for future data collection and analysis were taken to make up for shortfalls elsewhere. We cannot maintain a system for the effective and rapid analysis and retrieval of information until people recognize that we ultimately provide the least expensive way of getting resource data into the hands of potential users and investors.⁶

DNR was chosen for this study because of the role it plays in the state's economic development, and because it is one of two state departments that have information resource management plans approved by former Governor Bill Sheffield. DNR is considered to be quite advanced in both the technology and techniques used to gather, process and analyze information for decision making. The Department has also participated in efforts by state and federal agencies to create electronic networks to share information and avoid costly duplication.⁷ Much of what has been accomplished is now at risk.

Other state agencies are acting to improve management of information. The Department of Fish and Game has an approved information resource management plan and the Department of Administration has a plan in draft form. The Information Systems Committee (ISC) was created in 1983 by a governor's policy statement to assist with the planning and coordination of information systems in state government. Another group, the Information Resource Management Expenditure Approval Committee (IRMEAC), reviews proposed software and hardware purchases for all 15 state departments. The purpose of the reviews is to promote compatibility among information systems. IRMEAC was created by statute and placed within the Department of Administration, which has the authority to manage data processing and telecommunication for the state.

It has been suggested that attempts at planning have often become mired in the inability to get the majority of the state's 15 departments to participate, much less agree to cooperate. The problem, according to one

source, is that planning groups lack the clout to compel departments to comply with their recommendations.⁸ The solution, according to another source, is to give a centralized telecommunications and information planning entity more power than the organizations it is designed to provide policy direction for.⁹

Considerable doubt exists as to whether the efforts so far come anywhere near what is needed. One problem is that requests for information far outstrip the ability of many departments to meet them. Another is that while the necessary information may exist within an agency, it is often not in a form that can be used by managers, the general public or the Legislature. Information managers in the Department of Natural Resources estimated that the state has spent millions of dollars on information which is either not used or to which access is restricted due to a shortage of staff.¹⁰

Easy access to reasonably priced, accurate information helps societies to adjust quickly and respond effectively to new problems and opportunities.¹¹ The field of information economics suggests that as the cost of searching for information falls, the amount of search that is privately and socially useful increases.¹² In other words, the information that more efficient management produces can aid decision-makers in both the private and public sectors.

But interviews with state agency personnel and a review of pertinent correspondence to Rep. H.A. "Red" Boucher point to a number of problem areas in Alaska. Needed databases do not exist, and some of the databases that do exist are disjointed. A central resource agency with the necessary tools to provide technical and planning support to all state agencies exists only on paper. Proper training for support staff and management is not available in proportion to the need. Purchases of incompatible software and hardware have frustrated some efforts to create new networks. There is currently no policy to help identify what information resources are most important nor how they should be further developed to the state's best advantage.

The present budget situation and government transition have made things worse. Planning groups are simply waiting. Many senior managers do not consider better information management as a key to agency survival, budget cutters appear unaware of the strategic value of information, equipment upgrades and proposals for new services have been put on hold, and, most disturbingly, key technical and planning personnel and even some administrators who have tried in the past to protect them are losing their jobs. All this is happening as newspaper headlines such as "State Agency's Financial Records a Mess" point to failures to manage state information resources.¹³

Of course it can be argued that hard choices must be made soon about what government can and cannot afford to do. It has been charged that information management can become a bottomless pit into which state agencies and their budgets are lured by hardware vendors and starry-eyed computer programmers and information analysts. Those who hold such

beliefs point at suggestions by representatives of some state agencies: support for information management activities should be increased or reduced. What then is the value of information resource management where should one look for guidance on what -- if anything -- should be done to encourage its development in Alaska?

To help answer this question, the next sections look at the evolution of information resource management in the private sector, suggest that the concept has applications for government use, and present two case studies where information management techniques are used in Alaska government departments.

What the Private Sector Has Done

Information resource management (IRM) has become popular in the private sector because of its perceived potential for increasing production, product support and profitability.

Many of the costs of doing business -- materials, labor, energy -- have increased dramatically over the past few decades. On the other hand, the cost of information storage and processing has decreased 10,000-fold since 1956. Information systems have made it possible for private industry to more efficiently use the more expensive resources. It has been able to reduce inventories and at the same time improve services and increase profitability. Improved record keeping provides businesses with information about how rapidly stocks of different goods are being depleted and when it is necessary to reorder -- computers can even place orders. Businesses such as national car rental companies are able to use computer simulations to decide how many cars should be placed in the fleet in various cities at different times of year.

Business is discovering that an added benefit of advances in information technology is increased employee creativity. More hours are shifted from mundane tasks to problem solving, as powerful analytic tools are placed in workers' fingertips. And new information technologies can facilitate smarter, better communications. This in turn improves decision making.

Evidence of the growing importance of IRM (also widely known as management information systems, MIS) within corporations can be found in the increasing investments in hardware, software, and support staff, changes in methods of product development, marketing, research, delivery of products and services, and in changes in the techniques used to manage internal operations. The American Express Company, for example, spent about five percent of its \$8.1 billion in revenue in 1985 on information processing.¹⁴ It has been estimated that data processing expenditures of large companies were growing at an annual rate of about 30 percent in the late 1970s.¹⁵ More recently emphasis has been placed on the management of these databases to support decision making. One management model

use by the private sector is a steering committee composed of senior management. The committee provides direction in formulating information management strategy and revises priorities to meet changes in the business environment. Another relatively new creation is the chief information officer (CIO), who increasingly manages the day-to-day information activities within corporations.

The ultimate objective of all these things is to improve performance. This is best accomplished by shifting from managing computers to managing information resources. When a system provides information to be used in the decision making process it is a true information system. A true information system contains information, not data.¹⁶ The system produces for each decision maker just those facts and figures that are needed to aid his or her decision making. The paramount objective of information systems must be to support the improved performance of people in organizations.¹⁷ This is why some experts have urged that IRM should focus on the decision process. Procedures and new user applications should be developed and organized in ways that help make decisions.¹⁸

According to Richard Nolan, the key to successful information management is to develop a multi-level plan that is woven into the operating fabric of each department.¹⁹ It may be advisable, for example, to bring information resource functions -- data processing, research, accounting and finance, analysis, quality control -- under a single reporting authority with close ties to top management. Individual units still carry out their distinct information resource duties under the supervision of line management, but their activities are structured in such a way as to be responsive to the specific needs of top management. Most importantly, decisions must be made on what IRM will be -- its priorities and purposes; when, where and whom it will serve.

If management makes these decisions about what IRM will be without benefit of agreed-on strategy and planning, the decisions are likely to be wrong. If they should happen to be right, the rationale won't be understood by the users. In either case, if the users don't understand the strategic directions of information resource management, they won't provide cooperation and support.²⁰ Strong support from all levels of management is essential if a sound strategy is to be developed and implemented. Studies of the introduction of innovations to the workplace have shown that the necessary changes will not occur in the absence of full involvement by management. If the changes are not seen by staff as a priority, the strategy will most likely fail through active and passive resistance.²¹ Recent studies of the development of information resource systems conducted at the Massachusetts Institute of Technology have shown that while the gains from such systems are impressive, they also generate fear and anxiety on the part of the organization's staff. Staff involvement in the planning process has been effective in overcoming resistance. However, the innovations may die later if support from top management is not clear and sustained.²²

All this assumes that top management believes strongly in the potential

benefits of IRM. This support must take the form of additional investments in the information and telecommunication budget category. Expenditures for private sector IRM have grown because of increased information seeking and processing activities necessitated by changes in the marketplace. A large share of the increased spending has been for software and hardware and the staff to run it. These expenditures are now recognized as an essential cost of doing business. While the practice of *satisficing*,²³ or not examining all possible alternatives and searching for the optimum one, has been the standard practice of governments, the private sector must compete and innovate or perish. But satisficing is no longer acceptable for many state governments. Changes in federal revenue sharing and economic dislocations have focused the attention of many state governments on the bottom line. Nowhere is this more true than in Alaska.

Two Case Studies

This section looks at two Alaska state government departments which have taken different approaches to managing their information resources. The Department of Natural Resources was selected for study because of its rather substantial experience with developing information management systems. The Department of Education (DOE) was selected because of its relatively recent interest in developing these systems. DNR is moving into a stage which emphasizes more advanced applications of information management techniques, while DOE is in the process of designing its systems.

Department of Natural Resources

DNR began developing a long-range information resource plan in 1983. The plan is one of two approved by Governor Sheffield. This plan will assist in setting budget priorities for fiscal year 1988, and will set directions for department action through 1990. In addition, the plan will be reviewed and updated annually.

The goals of the plan, as they relate to information management, include: improve the availability of information required by the public; collect and compile objective and reliable natural resource data; develop and implement capabilities to solve resource analysis issues; provide for public participation in natural resources planning and decision making; make decisions through balanced and objective planning.²⁴

The plan was developed with the following assumptions in mind:

Expanding pressures and increasing competition for use of DNR-managed resources will continue, requiring more informed decision making and increasing public accountability; improved data and information will be required to support decisions and monitor resource management activities; the basic organization, roles and responsibilities

of the various units within DNR will continue to be dynamic; the trend to manage information, technology and change with more of a department-wide perspective to achieve economies of scale and cost effective results will continue; use of new and changing technologies will aid in solving DNR's management challenges; and funds for operational programs and new projects will become increasingly difficult to obtain.²⁵

The plan continues for some 300 pages, describing in detail the dozens of strategic objectives, budget impacts, status updates, needs and implementation action. It has the all-important endorsement of upper management. It translates the expansive spirit of Executive Order 50 and subsequent legislation directing state agencies to join the Information Age into a detailed road map plotting how DNR can get there and stay there. It does almost everything except implement itself. That, however, will require sustained funding and policy support from the governor and the Legislature.

In addition to its information resource management plan, DNR has been active in creating natural resources databases, developing new applications for technology, and creating user networks. DNR is a major participant in the state/federal interagency Committee on Natural Resources Information Management (CONRIM) and recently helped organize the Northern Information Networking Conference (NINC), which focused on the belief that better information collection, analysis and exchange will lead to better decision-making and better use and conservation of Alaska's resources.

Despite these efforts, DNR appears to be at an important crossroads in the development of its information management capabilities. Several issues loom large in the minds of the department's information planners. First, user demand for information is currently estimated to far exceed the capability to respond. Second, the planners believe the department needs "information manager" positions within divisions to assist in feasibility studies, technical liaison and general information needs. Third, there is currently no database that provides an accurate, up-to-date inventory of the state's natural resources. The program that was collecting information for possible use in creating this database was cut by 80 percent in 1986. Fourth, much data exists that has not been put in a form that people can understand. And fifth, there is a belief that the state has spent millions of dollars on information which is either not used or to which access is restricted due to lack of staff.

Another related concern is that recent and projected staff layoffs include people whose responsibilities include maintaining quality control over information that is collected and entered into computer storage systems. The collection and storage of inaccurate data may lead to inaccurate decisions.

All this is seen as making it difficult for the state to take advantage of new opportunities. Take the area of trade and economic development as an example. State and local agencies, both public and private, have shown

interest in promoting enterprises with foreign investors, but lack the necessary information to make investment decisions. Similarly, foreign investors are looking to explore the possibility of investing in Alaska, but lack critical resource information.

Lack of information creates significant obstacles to economic development. On the other hand, knowing what resources exist and where allows the entrepreneur to accurately study the environment of a proposed development site and accurately calculate costs. Matching this information with regulatory requirements is critical to assessing development opportunities. Additional questions that need quick answers involve land ownership, available infrastructure, transportation, environmental quality and a host of permit issues.

Say, for example, a borough government is interested in developing local coal deposits with a foreign investor. A situation like this involving Kenai exists now. The borough needs a blueprint detailing what steps to follow in dealing with the resource issues, taking into account all social, legal and environmental conditions. The borough will need information on soils, vegetation, slopes, elevation, wetlands, ownership, airports, roads, energy sources, fish and wildlife uses, and perhaps air and water quality. An analysis is needed which will present investors and legislators with a list of development strategies. Most of the work can be done now by DNR using existing data and technology. But, because of staff cutbacks, only one such request can be handled at a time even though the number of requests continues to increase.

Another example of the capabilities and limitations of existing information systems involves the development of hardwood forests in the Susitna basin. Recent concern has focused on wood fiber fuel for power. A request was made for about 3,000 acres per year for 15 years. Additional and competing requests have recently been made by another customer interested in power generation and a customer wishing to export logs to Japan. Using mapped and automated data, the DNR will network with other agencies to analyze the demand for hardwood forest products within the basin.

DNR and the Center for International Business, University of Alaska, Anchorage, have identified three critical elements for someone wishing to become involved in international trade and investment in Alaska. The elements are a directory of Alaskan firms interested in international trade, a directory and catalog of information about Alaska resources, and an international trade profile. The directory of Alaskan firms would be relatively simple to create. It could be compiled by using the existing Alaska Trade Directory, making some minor additions, and automating and linking with the other two elements of the package.²⁶ A directory and catalog of natural resources would require a substantial amount of work. Much information already exists in DNR's databases, but some analytical and statistical products and adequate user access would need to be developed.

The required facilities and expertise already exist within the department, but apparently the manpower does not. The trade profile would access current statistics and historical records of the federal import and export sources. Portions of this element would consist of a series of reports relating commodities, countries, export locations, dates, quantities, consumption patterns, prices and exchange rates.

What is being proposed by DNR includes some collection of new data, but it is mostly the packaging or perhaps repackaging of existing information. Private industry places a major emphasis on this activity in order to provide clients with new value-added services. Recently, several big publishing concerns have tapped a rich source of new profits by gathering and packaging financial information for sale to investment bankers, brokerage houses, and the financial media.²⁷ This segment of the information industry is estimated to be growing at the rate of 20 percent per year.²⁸ Airlines and insurance companies are other examples of industries in which the repackaging of information has led to major changes.

To insure that information needed to make sound decisions is available, DNR proposes to link together its databases as well as those of other government agencies. Its networking plan claims that the expertise exists in-house and that the cost would be about \$250,000. The payback, DNR claims, would be in the form of better decisions by management and the Legislature, and improved service to the public, whose members would save time and money by accessing a system that for the first time would provide the equivalent of one-stop shopping.

Networking is especially popular in the private sector, as companies struggle to connect incompatible hardware systems and experiment with new software that shows patterns and relationships among databases. Creating a super network can be costly, and as always special attention needs to be paid to data security and individual privacy. However, proponents claim that there is substantial payback in the form of the multiple use possibilities, the creation of customized information packages, reductions in duplication, and cost savings on future automation. DNR offers to transfer the networking technology to any state agencies and provide all necessary training.

If the network was funded, who would use it? Getting people to use information technology has been a major challenge for private industry. And there are those in Alaska who claim there is little of use now on the state's computer networks. Good systems design and extensive training are seen as ways to boost utilization and, later, productivity. DNR claims high use of its present system. The key, managers feel, is a facility called a learning center. The three-person training staff assists all divisions within the Department in meeting the goals of the information plan. In addition DNR's trainers have recently done work for the Governor's Office, Department of Fish and Game, and the Department of Administration. One of the trainers noted that layoffs due to budget cuts have increased the demand for computer training and

information systems planning, as managers scramble to find ways of maintaining productivity.²⁹ DNR managers argue that technology and its applications must be aggressively marketed within the Department. The belief is that once an employee is sold on what the technology can do for the individual, acceptance occurs and resistance is almost never a problem. One rule of thumb, however, seems to be that it costs far more to make a piece of technology useful than it costs to buy it.

DNR, then, is at a crossroads. It has an extensive information resource management plan and the considerable expertise to put it into action. Its management is highly supportive and has insured that every division within the department operates within established procedures. Training is a high priority. A desirable balance appears to exist between centralized system computer applications and decentralized, user-controlled applications. DNR seems to have an information system that exists not to process data, but to provide information to be used for making decisions. Finally, efforts are underway to effectively interconnect and, it is hoped, to integrate small systems within the department and larger systems beyond.

But the fate of this component of the department that exists to help those in government make better decisions about Alaska's resources now hangs on the decisions of others.

Department of Education

DOE, with hundreds of employees, the largest budget in state government, and statewide responsibilities for educating young Alaskans, has recently assigned a senior administrator to assess the need for an information resource management plan.

The interest in developing a plan comes partly from the quiet prodding of the Information Systems Committee, but mostly from the belief that a systematic approach to managing information can make department operations more efficient in the face of declining state revenues.

According to the results of an internal needs assessment, DOE's most critical information resource needs are for:

1. Information about program quality, especially as it is affected by and relates to the revenue issue.
2. Improved accuracy and quality of information at a time when conflicting or erroneous data can be especially embarrassing and damaging to public education.
3. Ability to simulate the "what ifs" when alternative strategies for resource allocations are proposed.³⁰

DOE believes that the financial problems facing the state and the

educational system demand smart decision making. These decisions need to be based on the best possible information. But at the moment there is concern that the department lacks the ability to obtain this kind of information. Several problem areas are being studied. One is the need to improve staff productivity and the ability to creatively respond to problems. According to the administrator for data management:

While the department has a considerable investment in the hardware and software of information technology, few databases are installed on the systems we have available. Many data reports -- even those related to major functions such as formula funding for schools -- are still laboriously hand calculated. Databases remain disjointed and separate and cannot easily be integrated with one another. There is little capability to access or analyze data needed by one unit but collected by another unit. In fact, at present no one has a comprehensive picture of all the data collected by the department.³¹

Data and information "glut" is common to most government departments. DOE manages better than most because of good basic computing and word processing capabilities, an electronic mail system, and a staff that is receptive to use of technology. Missing is the capacity for staff members to analyze information using relational databases. One example cited is that federal program staff (large federal grants are passed on to school districts but administered by DOE) should have updated automated program information at their fingertips. District financial information should be available to DOE management as well as district administrators, and program quality data should be available in such a way that it can be easily analyzed against budget data.

DOE is now identifying the most valuable kinds of information and what to do with them. This is the key step in developing an information resource management plan. One weakness is the lack of a statewide assessment program for judging the quality of educational services.

No means exist to assess data collected by school districts through their own testing programs. External financial controls and the data to back them up are weak. Department databases for students cannot at the moment be tied together. As a result, no one knows whether DOE might be paying five times for the same special education student or whether money spent on bi-cultural education has had the desired effect.

Other problem areas include problems in reporting information to federal agencies and the need for special studies, simulations and evaluations. One example of the need for vastly improved decision making abilities concerns the formula funding issue, or the process through which school districts receive state funds. The issue is controversial. A number of conflicting suggestions for revising the formula have been made. According to Dr. William Bramble, administrator for data management, there are several major concerns associated with the inability to organize internal

communications:

One is efficiency. We collect the same data multiple times. Secondly, our ability to make good informed decisions is hampered. And I think, thirdly, we're embarrassed in reporting to outside agencies and the Legislature poor information. One section reports one set of information and another section reports something else. And they don't match. And this creates a real problem, when you have a real tight budget situation.³²

Dr. Bramble also sees possible benefits from better information management systems:

One is to increase the efficiency of the process. Secondly, we can simulate the different proposals and models that could be applied, and provide accurate information to the people who will make the decision, not in this department, but in the Legislature, so at least they'll know the effect of competing, or conflicting or just different demands and proposals.³³

Dr. Bramble has urged DOE to draft an information resource management plan as soon as possible, arguing that delay will lessen the chances of confronting problems that are sure to lie ahead. He recommended that statistical services, data processing, and the data management and assessment staff be moved under a single umbrella. Unless the plan gains the full support of top management, Dr. Bramble said, "It will not be perceived as a priority, management and staff will neither participate nor cooperate in its development, and through active and passive staff resistance it is doomed to failure."³⁴

So DOE also has reached a crossroads, a turning point -- unsure whether to proceed with the development of an information resource management plan. Reluctance to act decisively is largely attributed to uncertainties over future budget and institutional priorities. Dr. Bramble and others suggested that data managers and planners are not favorite items to fund:

All this stuff has to be coordinated by someone or it won't work. The data has to be massaged into a format that's usable to other departments and divisions, and finally it ought to be useful to the public. That takes a lot of coordination and communication. People are the key -- knowledgeable, experienced people. Well managed people. The very things we ought to be putting our bucks into, we aren't.³⁵

Summary

Resource management is really information management. Unfortunately, the management track record of Alaska's state agencies is mixed. Generally speaking, Alaska is well behind the private sector in the use of information resource management, and it is far from those state governments that have already perceived the need for an information resource management plan.

Telecommunication technologies and information systems appear to have the capacity to help Alaska through this period of change and uncertainty. It is technically possible to get many of Alaska's information systems to talk to each other. It has been suggested that such linkups would be beneficial to state workers at many levels: to departmental decision makers, to the governor and Legislature, to members of the business community, and to the general public.

Some state agencies have learned the folly of investing in hardware without equal and preferably much greater investments in training the people who will operate the machines. Models exist in this state which have proved reasonably successful in realizing productivity gains and insuring that workers participate fully in experiments with new information systems.

But little bursts of entrepreneurial zeal will not create the future that many respondents to Delphi Survey questions about information resource management (see Chapter Five) thought was within reach. The problem is that for the past 18 months the Alaska state government has quietly gone about dismantling a world class telecommunication system and a nascent information management system. The fear is that in the absence of public debate, let alone any recognition that telecommunication and information management systems may be part of the solution to our problems, elements of the system will continue to disappear, leaving behind only a tantalizing glimpse of what was possible.

Footnotes

- ¹Anthony G. Oettinger, "Information Resources: Knowledge and Power in the 21st Century," incidental paper, Center for Information Policy Research, Harvard University, July 1980.
- ²Mitchell Moss, "A New Agenda for Telecommunications Policy," *New York Affairs*, September 1986.
- ³William Bramble, "Information Resource Management: What Is It? What Good Is It to a Department of Education? How Can It Be Done?" unpublished paper, November 1986, p. 2.
- ⁴Correspondence from Douglas Jones, section chief, Resource Analysis Section, Department of Natural Resources, November 1986.
- ⁵Interviews with Douglas Mutter, project manager, LAS conversion team, Land Records and Information Section, Division of Management, Department of Natural Resources; Norman Crosby, section chief, Land Records and Information Section; Douglas Jones, November 1986.
- ⁶Jones, *op cit.*
- ⁷For a description of the networking activities of state and federal natural resource agencies, as well as private sector development entities, see Denise Cote, "The Northern Information Networking Conference Final Report," Arctic Environmental and Data Center, University of Alaska, Fairbanks, March 1986.
- ⁸Walter B. Parker, "The Alaskan Satellite Experience: Lessons for the Developing World," paper delivered to the Conference of New Directions in Satellite Communications: Challenges for North and South," University of Texas, Austin, October 1984, p. 18.
- ⁹Letter to Rep. H.A. "Red" Boucher from Gary Bader, director of administrative services, Department of Administration, Oct. 24, 1986.
- ¹⁰Interview with D. Mutter, N. Crosby, D. Jones, *op cit.*
- ¹¹Charles P. Kindleberger, *Economic Development*, New York: Macmillan, 1965, Chapter 10.
- ¹²See, for example, Hirschleifer, "Exchange Theory: The Missing Chapter," in *Western Economic Journal*, June 1973.
- ¹³"State Agency's Financial Records in a Mess," *Anchorage Daily News*, Dec. 27, 1986, A-1.
- ¹⁴"Telecommunications Liberalization," in *The Information Technology Revolution*, Tom Forester, ed., Cambridge, Mass.: MIT Press, 1985, p. 129.
- ¹⁵Richard L. Nolan, "Managing the Crises in Data Processing," *Harvard Business Review*, March-April 1979, p. 116.
- ¹⁶Gordon W. Dickson, "Management Information Decision Systems," *Business Horizons*, Indiana University, December 1968, p. 113.
- ¹⁷*Ibid.*, p. 114.
- ¹⁸*Ibid.*
- ¹⁹Nolan, *op cit.*, p. 126.
- ²⁰*Ibid.*, p. 111.
- ²¹Everett M. Rogers, *Communication Technology: The New Media in Society*, New York: Free Press, 1986, Chapter 4.
- ²²*Ibid.*

²³Charles Perrow, *Complex Organizations: A Critical Essay*, Glenview: Scott, Foresman, and Co., 1972, pps. 143-145.

²⁴"Long-Range Resource Information Management Plan: FY '87-91," Alaska Department of Natural Resources, July 1986, pp. 2-7.

²⁵*Ibid.*

²⁶Jones, *op cit.*

²⁷N.R. Kleinfeld, "Turning McGraw-Hill Upside Down," *New York Times*, Dec. 11, 1985, E-1.

²⁸*Ibid.*, E-27.

²⁹Interview with Michele Gorman, information consultant, Department of Natural Resources, January 1987.

³⁰Bramble, *op cit.*

³¹Interview with Dr. William Bramble, administrator for Data Management, November 1986.

³²*Ibid.*

³³*Ibid.*

³⁴*Ibid.*

³⁵*Ibid.*

Chapter Three

Anchorage Residents and Telecommunication

Telecommunication problems?

Anchorage residents appear to take telecommunication for granted. And why not? They have four commercial VHF TV stations, two UHF TV stations, cable TV, public TV, public radio, several commercial radio stations, and dozens of stores selling and renting VCR cassettes. There are public and private audioconferencing networks, and two telephone companies that are competing for Anchorage residents' long-distance business. The print media contribute two daily newspapers, the Tundra Times and several locally produced magazines.

No, unlike people living in some areas in rural Alaska, Anchorage residents have no difficulty in getting a wide variety of information and in making connections via telephone or computer networks with distant places.

But there are telecommunication problems in Anchorage. Respondents in a phone survey conducted in the first half of November 1986 had a number of complaints and suggestions for improvements. They didn't complain about an absence of some types of services, they complained primarily about absences or weaknesses in some areas of television content. Their concerns, although they may seem relatively minor in comparison with those of rural residents, are important. They offer us a look at the future. As media become more accessible in other parts of the state it may be expected that Alaskans in other areas will come to share the concerns that Anchorage residents have now.

Now, a closer look at the media habits, the likes and dislikes of Anchorage residents.

Who Are They?

Between Nov. 1 and Nov. 16 interviewers at the University of Alaska, Anchorage, talked by phone with 100 Anchorage residents chosen in a way that gave every household with a telephone a roughly equal chance of being selected.¹ The typical respondent was white, lived in a household of two or

three people, had lived in the city seven or eight years, and was 36 years old.

Eighty-five of the respondents were white, six were Native, three were black, three were Hispanic, three were other races including Asian and Pacific islander. Men and women were about equally well represented in the sample (51 men, 49 women).

Only three percent of the respondents had lived in Anchorage all their lives; 28 percent had lived there more than 10 years. Only nine of the respondents were 50 or older; the oldest was 68. This profile is in conformance with other demographic data, including census data, about the Anchorage population.

Almost all respondents worked. Just three respondents identified themselves as homemakers, two said they were retired, three were students, and one was unemployed. Occupations ranged from the familiar -- waitress, chef, banker, mechanic, nurse, bartender, sculptor -- to the arcane -- non-profit membership recruiter, fire protection engineer, computer systems engineer, contract specialist, pbx supervisor. Several of the respondents were in the military.

Fewer than half of the respondents (47 percent) belonged to any community organizations. Of those who belonged to organizations, 62 percent belonged to more than one.

Their profile suggests the Anchorage residents are a somewhat more homogeneous group than the rural Alaskans described in the next chapter. There is also a hint -- though the difference as indicated by organizational memberships is slight -- that Anchorage residents are less involved in the life of their community.

How Do They Use The Print and Broadcast Media?

The typical Anchorage respondent had listened to the radio 2.8 hours the previous day and had watched television for 2.4 hours. He or she subscribed to one of the Anchorage dailies. The typical respondent also had a VCR and about 20 tapes.

This profile distinguishes the Anchorage resident from other urban Americans in two respects: the Anchorage resident is more likely to subscribe to a newspaper and to own a VCR than is the resident of another city.

Of course, there were some exceptions to this composite profile. Twenty-one percent of the respondents had listened to no radio the previous day, while six percent had listened to it for 10 hours or more. Seventeen percent had listened to no television; six percent had listened to it 6 hours or more.

Eighty-nine percent subscribed to one of the newspapers -⁴ newspaper readership in Anchorage is unusually high for American cities. Ten percent of the respondents subscribed to a newspaper from another city.

Sixty-nine percent of the respondents said they had VCRs. This finding is supported by other research. The VCR industry found that about 40 percent of American households have VCRs, with penetration topping 50 percent in cities including Las Vegas, Baltimore and Sacramento. The industry research shows VCR penetration is highest in Anchorage, with 61 percent of the households having VCRs.²

What did the Anchorage respondents think of what they had watched and heard on the broadcast media?

Despite the number of commercial channels, many of the Anchorage respondents singled out public television and radio as being important: "Really enjoy public TV and radio," "would give public radio more support; don't cut it out," "do away with commercial programming and get more PBS," "public radio is an excellent source of information and entertainment," "public TV and radio programming is excellent and want more funding available so they don't have to grub for money."

They had some complaints and these tended to focus on news personalities and their approaches: "The people who are doing the news are not real good," "I guess I'd like to see a greater emphasis on positive and not negative bombardment of fear producing news items," "not enough detail in the TV news," "TV news stinks," "love Larry Makinson." At least some of the comments of this type may reflect the sophistication of Anchorage residents who have come to Anchorage from much bigger cities in the Lower 48 with comparably bigger TV news operations.

Several Anchorage respondents also had complaints about the election campaign that ended during the survey period. In this, they differed markedly from rural respondents who were interviewed at the same time (see Chapter Four) but who much more infrequently offered comments about the campaign. Typical comments were: "Disillusioned with elections on media," "disappointing to hear about the 'mud slinging,'" "disgusted with all the 'mud slinging' in campaigns," "I get tired of hearing and seeing the ads." These comments, negative though they are, are of interest because they confirm that Anchorage residents did have access to the broadcast media and were paying some attention to them. At least some of the comments reflect what was being said in campaign advertising and in news reports at the time.

Several of the Anchorage respondents were content with the media: "Doing good job on coverage," "[the media] appears fairly well balanced," "there is enough variety in Anchorage to pick and choose; I am quite satisfied," "media is great."

And some had suggestions: "Thought the Barrow TV program was

interesting and want to see more of it on Channel 7 [the PBS channel]," "education needs to be emphasized," "would like to see Legislature on TV; maybe committee meetings on bills that are controversial," "enjoy watching legislative sessions on TV," "because the Legislature is far away and isolated, we need the procedures on TV," "the Legislature should subsidize public radio more."

Anchorage residents were asked if they had watched several programs of the sort that might be broadcast by a state-supported channel such as Learn Alaska. Viewership of one of these programs -- the one-hour program describing the archaeological dig into a prehistoric home in Barrow -- was fairly high, even by the standards of commercial television. Forty-one percent of the Anchorage residents said they had watched the program.

Programs dealing with Native issues had lower viewership in Anchorage. More than a third (35 percent) of the respondents had watched the Native Youth Olympics, which had been held in Anchorage last spring. Only six percent had seen any coverage of the Inupiat Circumpolar Conference last August on television (46 percent were unaware of the conference). Twenty-two percent of those who hadn't watched said they would have watched if more coverage had been available.

Seventy-three percent of the Anchorage respondents were unaware of the Berger Commission report about Alaska natives that was released in late 1985. Those who were aware of the report were most likely to have obtained information about it from the newspapers (see Table I in the next chapter).

This suggests that there is an audience in Anchorage for programming dealing with Native issues. However, this audience is small -- no more than 25 to 35 percent of the audience for all programming in Anchorage.

The audience for more general programming about Alaska and Alaskans is much larger. Fifty-two percent of the Anchorage respondents said they would like to see more programs about Alaska and Alaskans. Some programming of this type -- such as the Iditarod sled dog race -- has been taken on by commercial stations. Other programs such as the Barrow TV program might deliver large enough audiences to make them an attractive investment for commercial TV -- but the Barrow TV program, in fact, was broadcast on public television.

Programming about Natives and Native issues clearly will require support from such sources as state government or Native foundations if it is to appear at all.³ Other types of programming about Alaska lie in a gray area. Some programs in this second category may appear on commercial television; but commercial television stations in Alaska appear to be in no position at this time to take on the task of producing programs about Alaska and Alaskans on a large scale. If the desire for more programming is to be satisfied, the state probably will have to provide support in some form.⁴

Thus, just as the government has stepped in at the federal level through use of antitrust laws and FCC regulations to break up media monopolies and assure content diversity, the state government is in a position where by its actions it can increase the diversity of the broadcast media's content or, by inaction, decrease it.

How Do They Use the Telephone?

As anyone who has tried to make a long-distance call from Anchorage on Christmas Day or Mother's Day knows, Anchorage residents make a lot of long-distance calls. Answers by the Anchorage respondents indicate just how many calls are made.

Eighty-seven percent of the Anchorage respondents had made long-distance phone calls in the previous two weeks, and the average number of calls per respondent was 7.5. Ninety-seven percent of those who had made long-distance calls had placed at least one out-of-state call. The average number of out-of-state calls was 6.7.

The large majority (64 percent) said most of their long-distance calls were to relatives, with business calls a distant second (14 percent). Friends came third (8 percent). The remaining 14 percent of the respondents said their calls were about equally divided between two or more of these categories.

This suggests that the number of long-distance calls made is fairly insensitive to changes in the costs of long-distance phone calls. This was borne out by two follow-up questions, one of which found that 36 percent of the respondents would make about the same number of calls even if the long-distance rates were halved. The other found that 40 percent would make about the same number of calls even if the costs were doubled.

Of those who said they would make many more (31 percent of the respondents) or a few more (33 percent) calls if phone rates were cut in half, 50 percent said these additional calls would be mostly to relatives.

Telephone use by Anchorage residents, as indicated by this survey, is quite different from that of rural residents. The responses suggest (1) that Anchorage residents are more concerned about interstate rates and (2) that increases or decreases in long-distance rates would have less impact on the amount of phone use in Anchorage than in rural areas. From the viewpoint of phone companies, this suggests that revenue could be increased by raising long-distance rates for Anchorage residents. To the extent that this reduced phone calls, the social cost would be high: A rate increase would reduce communication among relatives in lower income families.

Twenty percent of the Anchorage residents had participated in audioconferences during the previous year. This is roughly equal to use of

audioconferencing by rural respondents (19 percent). Sixteen of the 20 audioconference users had participated in eight or fewer. Three of the remaining four had participated in 50 or more. Three of the respondents in their end-of-the-interview comments spoke favorably of audioconferencing. One of them said there should be more audioconferences.

It had been anticipated that use of audioconferencing would be somewhat lower in Anchorage than in rural areas. That may indeed be the case. Because of sampling error associated with surveys of this size, it is possible that use of audioconferencing in Anchorage could be as low as 12 percent or as high as 28 percent. Assuming, however, that the survey findings are closer than that to actual use of audioconferencing, what's the explanation? One possible explanation is that use of state audioconferencing networks is lower in Anchorage and that use of private networks in business activities is higher. Whether this explanation is true or not, it is evident that a significant minority of Anchorage residents maintain links with people in other places by audioconferencing.

Computers in Telecommunication

Public computer networks such as the University of Alaska network, business networks, and private networks such as CompuServe and The Source provide an alternative to the U.S. mail or phone calls for exchange of messages. But are they a viable alternative?

Are Alaskans becoming familiar with computers? Are they taking advantage of the messaging capabilities of computers? The answer to the first question is yes. Most of the people surveyed in Anchorage and in rural Alaska had used computers. Not many, however, had used computers in telecommunication. Use of computers for telecommunication was comparable to use of audioconferencing.

Three-fourths of the Anchorage respondents had used computers. Patterns of use of Anchorage and rural respondents are contrasted in Table 1. While a smaller proportion (60 percent) of rural residents had used computers, use patterns within both groups were similar. The largest difference was in the percentage who had used computers for school work. This difference may be explained by the fact that the rural sample was slightly older (average age of 40, compared with average age of 36 for Anchorage respondents) and that younger people are more likely to use computers.

Use of computers by young people, as shown in columns three and four of Table 1, provides some dramatic contrasts with computer use by samples of general populations. The young people surveyed were 56 University of Alaska, Anchorage, students in a freshman level class and 21 Native high school students from rural Alaska who were in Anchorage for a conference. Both student groups were surveyed in early November.

Table I
Ways Alaskans Have Used Computers

<u>Types of use</u>	<u>Anchorage residents</u>	<u>Rural Alaskans</u>	<u>UAA students</u>	<u>Rural, Native, H.S. students</u>
For school work	49%	43%	73%	81%
Playing games	73	70	75	95
Word processing	77	77	71	62
For an employer	81	83	60	5
Electronic mail	19	17	15	0
Programming	39	38	55	57
Number of respondents	75	60	55	21

Anchorage and rural samples were selected using a random sampling method. The student samples were not randomly selected.

Only respondents who said they had used computers are represented in this table.

The most striking difference between the student groups and the samples drawn from more general populations is that nearly all the students had used computers. All the rural Native students had, as had all but one of the urban college students. The students, as might be expected, were more likely to have used computers in school work and less likely to have used them on the job. They were also more likely to have used computers in programming. In most other respects they resembled the other samples. The one additional difference of interest is that none of the rural students had used computers for electronic mail.

These findings suggest that use of the public and private electronic mail systems available in Alaska is low. They also suggest that one way of encouraging greater use of electronic mail would be by developing instructional uses of electronic mail. Such uses are described in some of the responses to the Delphi Survey in Chapter Five.

Conclusion

Telecommunication use patterns of the Anchorage residents, and the concerns they expressed, suggest several telecommunication policy issues:

1. Television content is less varied than many Anchorage residents would like it to be. There is a large audience for programming about Alaska and Alaskans. It is questionable that much programming of this type will be provided in the absence of state support.
2. The audience of Anchorage residents for programming about Natives and Native issues appears to be too small to be attractive to commercial broadcasters. Programming of this type is likely to appear only if it receives support from such sources as state government and Native foundations.
3. Public radio and TV are important to Anchorage residents, some of whom would like to see state support increased.
4. Anchorage residents make many long-distance calls, and they make them mostly to relatives. Many of these calls are interstate calls. Increases in phone charges would make more costly a type of communication the respondents regard as essential. Such increases would have the negative effects of weakening links within poorer families or lowering the standards of living of those families as they economize in other ways to meet the increased costs.
5. Audioconferencing appears to be as important to Anchorage residents as to rural residents.
6. Most Anchorage residents have used computers, but most computer users have not used them for telecommunications. State intervention -- perhaps in the form of instruction involving electronic mail -- may be needed if this form of communication is to grow.

Appendix

At the close of all interviews, the respondents were asked if they had any comments that the interviewer could pass along to legislators. This is what the respondents said:

I've participated in many teleconferences in the last year and am highly supportive of these. Would likewise give public radio more support. Don't cut it out.

Disgusted with all the "mud slinging" in campaigns.

Hope they keep up the good work. Get the information out to the public

but fast enough so that there is not a rush at the end of a session to get everything done. Getting bills passed etc. is of much more importance.

Thought the Barrow TV program ["The People of Ukpiagvik"] was interesting and want to see more of it on Channel 7.

Really enjoy public TV and radio.

Like things capsulated so you can spend a small amount of time to get to the core of what's being presented.

Hope they keep on with teleconferences. It helps us in Kenai.

-- *Kenai resident who was visiting daughter in Anchorage*

Best interest to publish *real* announcements, real issues pro and con so I can make a decision. Give real facts, not blow smoke.

Doing good job on coverage.

Disillusioned with elections on media. Issues weren't addressed and only voted because felt obligated to fulfill my constitutional rights. In the future want no more dirty politics on TV.

Legislature goes too long.

Probably TV is best form of media. Has to be straightforward. More factual, less bias.

Do away with commercial programming and get more PBS. Education needs to be emphasized. Available programming should have less explicit violence and sex (but casual nudity is okay!). Keep the sports.

There is a national liberal bias and I do not see that here. It [the media] appears fairly well balanced. Impressed that the newspapers here also seem for the most part non-partisan.

Wish they were more outspoken on almost everything and honest.

Newspapers are most accurate. Would like to see them expanded and less television coverage.

There is enough variety in Anchorage to pick and choose. I am quite satisfied.

I guess I'd like to see a greater emphasis on positive and not negative bombardment of fear-producing news items. Need more human interest and upbeat news items.

The quality of TV coverage is real sorry. It is a joke. The people who are

doing the news are not real good. They don't put too much into it.

Need more articles printed in the paper about local and statewide events.

Think that it would be a good idea to put a lid on expenditures of candidates' re-election campaigns. It seems that it's gotten out of hand. Maybe we wouldn't have so much "mud slinging" if a limit was put on spending. I get tired of hearing and seeing the ads. Some of the money spent could be put into the state government instead.

More current and important events. Need more prime time TV instead of only at odd hours.

Media is number one for information. Media is great.

Should have more talk shows with call in to senator and discuss issues.

Not enough detail in the TV news. There's more detail in newspapers. Maybe a CNN channel.

Nice if you could hold candidates to the truth instead of rhetoric and attacks on each other.

Would like to see Legislature on TV. Maybe committee meetings on bills that are controversial.

Public radio is excellent source of information and entertainment. TV news stinks!

See more legislative conferences by TV and mail, and explained and clarified. Especially those bills that have additional laws tacked onto them.

Not interested in TV. Legislative process needs to be taught to public.

Enjoy watching legislative sessions on TV.

Irritated at getting advertisements over the telephone.

In regard to newspapers, extreme bias in Times and Daily News. Not a good place for information.

Because the Legislature is so far away and isolated, we need the procedures on TV. If they were more centrally located then the TV coverage could be cut back. We could go sit in on the meetings if they were closer to Anchorage.

I don't like TV. It makes me mad. It is not intelligent, not stimulating. Like books, newspapers.

Commercial TV is so awful that I never watch it. Public TV and radio programming is excellent and I want more funding available so they don't have to grub for money.

Media should quit hiding things. Tell it as it really is.

Due to the fact that it is almost impossible for regular people to watch the legislators in session due to the cost of travelling to Juneau, I would like to see more teleconferences available. Before elections, I would like to see someone publish more factual information about the legislators, i.e. attendance records and real specific voting records on important issues.

I think that the Daily News favors the left. Really surprised that they slanted the election coverage so much toward Cowper, especially with pictures.

The Legislature should subsidize public radio more.

Disappointing to hear about the "mud slinging." It seemed like nobody cared about what they could do, only about how many bad things they could say.

I really stay away from it [the media] as much as possible because of the negativism. Need more positive things.

Enjoy Channel 7 very much. Last year really enjoyed watching the Legislature on TV. Wish they would run them later in the evening. Love Larry Makinson. "Running" was excellent.

More information about both sides of issues. Not slanted.
Think the public radio station in Alaska is excellent.

Wish they would let us know about things before they happen, like do we get a choice about state income tax or do we just get it. We should have more say so in things.

Footnotes

¹A random sample of 100 Anchorage households was selected, using a computer generated list of phone numbers. The first three digits of the numbers appeared on the list with a frequency corresponding to the size of the exchange; the last four numbers were randomly generated. This made it possible to include households with unlisted numbers in the sample. The interviews were conducted between Nov. 1 and Nov 16. Most calls were made during evenings and on weekends. The probability is 95 percent that the figures given in this chapter and the next are no more than 9 percentage points higher or lower than the true population values. This estimate does not take into account types of error other than sampling error that can enter into survey findings.

²David Lachenbruch, "The Makers' Lament: not-So-Fast Forward," *Channels, the Business of Communications, Field Guide '87*, December, 1986, p. 88.

³In northern Canada, the Inuit established the Inuit Broadcasting Corporation to produce native-language programs. See "New Communications Technologies: Policy Issues for the Developing World," by Heather Hudson, in *International Political Science Review*, Vol. 7, No. 3, July 1986, p. 342. The Alaska Public Radio Network, using funds from a national grant, has hired an Indian as the anchor of a 15-minute national Native news service that will be based in Alaska. See "Anchorman wants to de-mystify Alaska Native news," by George Bryson, *The Anchorage Daily News We Alaskans* section, K-5, Jan. 4, 1987.

⁴See Bruce M. Owen, Jack H. Beebe and Willard G. Manning Jr., *Television Economics*, Lexington, Mass.: Lexington Books, 1974, esp. p. 151, and Bruce M. Owen, *Economics and Freedom of Expression*, Cambridge, Mass.: Ballinger Publishing Co., 1975, pp. 12-14, for a fuller discussion of television economics and content diversity.

Chapter Four

Rural Alaskans and Telecommunication

Just as rural Alaskans are making do in other ways, they appear to be making do with telecommunication. Some of them are quite content with what they have, some of them are mildly dissatisfied, some are quite vocal in their discontent. They speak with many voices but the flavor of their comments about Alaska's media is quite different from that of Anchorage residents, as will become apparent in the following sections.

Who Did We Talk To?

The 100 people from rural Alaska who talked to us about how they use telecommunication media and how they feel about them included nurses, teachers, fishermen, lawyers, electricians, clerks, secretaries, supervisors, technicians, unemployed workers, construction workers, retired people, homemakers, cooks, a pilot, a handyman, an ore sampler, a pastor, a travel agent, an accountant, a waitress, a bailiff, and a dog catcher.

They ranged in age from 18 to 80. Fifty-four percent of them were women. Nineteen percent had lived in their community all their life; another 34 percent had lived there more than 10 years. More than half (56 percent) were members of community organizations, and most (62 percent) of those who belonged to community organizations belonged to more than one.

Nineteen percent of those interviewed lived alone, but the average family size was between three and four people (3.25).

Seventy-two of them were white; 24 were Natives. One was black, one was Asian, one was a Pacific Islander, and one was noncommittal.

Where Did We Find Them?

The village of Metlakatla lies on Annette Island in the extreme southeast corner of Alaska, a one-hour ferry ride south from Ketchikan. The island is a

federal Indian reservation. Only holders of special permits are allowed to visit it. We interviewed three people there.

We talked to a woman who lives alone and without electricity on an island near Petersburg. She chops her own wood, carries her water and reads by candle light. She told the interviewer she reads a lot and listens to cassettes. She had listened to her battery radio 14 hours the day before.

Also in Southeast, we talked to residents of Wrangell, Craig, Kupreanos and Skagway.

Eleven hundred miles to the west, on an island near the southern end of the Alaskan Peninsula, is Sand Point. A businessman there expressed regret that Learn Alaska programming had been dropped but said he was glad aviation weather had been transferred to Ratnet. We also talked to a fisherman there who said he would like to see the Legislature on TV and to a teacher who said he would rather have Learn Alaska on during the day than soap operas.

Our interviews then took us 800 miles north along Alaska's west coast to King Salmon, Bristol Bay, Dillingham, Bethel, Tununak, St. Marys, Pitkas Point, Emmonak, Nome and Selawik. At Tununak we talked to a teacher who said, "If you had called anyone else in the village, you couldn't have asked your questions unless you spoke the Yupik language." (But we had placed another call in the village and had obtained another interview.)

On the north coast, we talked to eight residents of Barrow, about 350 miles northeast of Selawik. In the interior, we obtained interviews in Bettles, Nenana, Cantwell, Delta Junction, Tok, Glenallen and Copper Center. One of the four people we talked to in Delta Junction had a collection of 1,300 VCR tapes. She said radio and TV reception were so bad her family didn't bother even trying to use them.

Along the southcentral coast of Alaska, we talked to people in Yakutat, Cordova and Valdez. One of the Cordova residents also complained about bad TV reception and another, who has cable TV, complained that "programming is real bad."

A line connecting all these geographical points would be thousands of miles long and would enclose most of Alaska. Deliberately excluded were larger centers such as Sitka, Juneau, Ketchikan and Fairbanks, the Mat-Su Borough and the Kenai Peninsula so that the telecommunications use patterns and the concerns of rural Alaskans could emerge more clearly. Those who were selected were chosen in a random manner intended to give each rural Alaskan household with a telephone an equal chance of being selected in the survey.¹

Two problems in this survey were language barriers and bad phone connections. A handful of survey attempts were unsuccessful because of

language problems. Bad line connections made a few of the interviews difficult. After completing an interview in Pitkas Point, the interviewer observed: "It sounded like talking on a ham radio."

How Do They Use the Print and Broadcast Media?

A number of the rural Alaskans hadn't used the media at all the previous day. Thirty-five percent of them had not listened to the radio, twenty-two percent of them had not watched television. Fifteen percent of them could not have bought a local newspaper because there was none available. Only 35 percent of those who have a local newspaper subscribe to it.

These figures suggest that use of all the media is lower in rural areas than in Anchorage. But that is deceptive. The survey provides evidence that both broadcast and print communication are important to rural Alaskans. Indeed, comments from those interviewed suggest that feelings about telecommunication run stronger in rural Alaska than in Anchorage.

There are several explanations for the lesser use of the media by rural Alaskans, two of which were offered by the respondents. The explanations they most often advanced were poor -- or non-existent -- reception and limited programming.

The video cassette recorder offers them a way around both of these problems and there was evidence that they were making use of it. Sixty-six percent of the rural respondents said they had VCRs, about the same proportion as those in the Anchorage survey who said they had VCRs (69 percent). Ninety-four percent of the rural respondents said tapes could be rented in their village (10 percent of rural VCR owners had no tapes of their own). The VCR ownership figures are much higher than recent figures for the United States in general (40 percent) and for other countries.²

Their use of VCRs to compensate for deficiencies in broadcast communications parallels the way they appear to have compensated for deficiencies in local print media. Thirty-four percent of the rural respondents subscribe to distant newspapers (about the same number as those who subscribe to local newspapers). In contrast, only 10 percent of the respondents in Anchorage, where two local newspapers are available, subscribe to newspapers from other places.

So what do they watch on television and listen to on the radio? In an attempt to develop some estimate of the potential audience for various kinds of Alaska programming, several questions were asked about specific programs broadcast during the previous year.

One of these programs was the one-hour television program describing the archaeological dig at Barrow in which a prehistoric home was excavated. Forty-three percent of the respondents had seen this program. The

program was viewed by about as many Anchorage respondents, 41 percent. These are high viewership figures for any television program, indicating that there is a large audience for such programming.

Other programs appeared to be of more interest to rural residents than to Anchorage residents. Thirty percent of them watched the Inupia Circumpolar Conference in Kotzebue in August as compared with six percent of Anchorage residents. Of those who didn't watch the conference, 31 percent of rural residents as opposed to 22 percent of Anchorage residents would have watched if more of it had been televised.

Forty-eight percent watched the Native Youth Olympics last spring. Only 35 percent of the Anchorage respondents watched the Youth Olympics, even though they were held in Anchorage.

More rural Alaskans than Anchorage residents were aware of the Berger Commission report about Alaska Natives, 35 percent to 27 percent. The rural Alaskans had learned of the report in somewhat different ways than had Anchorage residents, as Table I on page 56 shows. The rural residents were more likely to use more than one medium and to discuss the report with friends. This suggests that the intensity of their interest was greater than was true of the Anchorage residents. The rural respondents relied on television, radio and newspapers for information while the Anchorage residents relied primarily on newspapers (radio and television were important secondary sources for Anchorage residents).

That these differences are largely due to different levels of interest is born out by the answers to a follow-up question (Table II). The answers to this question show that rural and Anchorage respondents agree on how they would like to receive such information. The respondents were asked: *How would you prefer to get information such as the Berger Commission report?* Respondents could give only one answer to this question (from a list that offered them six media and friends as choices) and this time newspapers emerged as the preferred medium for both groups, with television coming in second and radio third.

It appears that the audience for programs about Natives and Native issues is almost as large among rural Alaskans -- the program about the Native Youth Olympics had the highest viewership of any of the programs the rural Alaskans were asked about -- as is the audience for more general programming about Alaska and Alaskans.

How Do They Use the Telephone?

Respondents also answered a series of questions about their use of the telephone and audioconferencing.

Ninety-five percent of them had made long-distance phone calls in the

Table I
**How Alaskans Learned About Berger Commission Report
 by Medium**

	<u>Rural Alaskans</u>	<u>Anchorage residents</u>
Television	69%	44%
Radio	69	52
Newspaper	69	78
Magazine	20	15
Book	17	7
Friends	60	26
Number of respondents	35	27

One hundred rural residents and one hundred Anchorage residents were selected by a random sampling method and interviewed by phone in early November 1986. Thirty-five of the rural residents and 27 of the Anchorage residents had heard of the report. The above table indicates all the ways in which those respondents learned of the report.

Table II
How Alaskans Would Prefer to Receive Such Information

	<u>Rural Alaskans</u>	<u>Anchorage residents</u>
Television	25%	32%
Radio	16	10
Newspaper	42	42
Magazine	3	5
Friends	2	3
Book	11	7
Number of respondents	91	99

Answers for rural Alaskans total less than 100 percent because of rounding error.

previous two weeks (compared with 87 percent of Anchorage respondents). Seventy-eight percent of them had made out-of-state calls. The average number of long-distance calls in the previous two weeks was 10.2. The average number of out-of-state calls was 4.9. (Anchorage residents didn't make as many calls but a higher proportion of their calls was out-of-state calls.)³

Forty-five percent of the rural respondents said they most often called relatives, 20 percent said the long-distance calls were most often for business, 14 percent said the calls were most often to friends. The remaining 21 percent of the respondents said they made about the same number of calls in two or more of these categories.

The percentage of calls to relatives is substantially lower than it was for Anchorage residents (64 percent). Even so the largest portion of the calls was in this category for rural as well as for Anchorage residents.

Apparently because the rural residents make fewer calls to relatives than do Anchorage residents their phone use seems to be more sensitive to rate changes. Seventy-three percent said they would make more phone calls if phone rates were cut in half. Most of the additional calls would be about equally divided between friends and relatives (friends 34 percent, relatives 36 percent). Seventy-three percent said they would make fewer calls if the rates were doubled.

The implication is that changes in phone rates would have more effect on the volume of phone calls in rural Alaska than in Anchorage. In both places, however, the social implications are similar. Higher rates mean less communication among relatives. Higher rates would also reduce communication among friends in rural Alaska to a greater extent than appears to be true for Anchorage.

Nineteen of the respondents had participated in audioconferences during the previous year. They participated in from one to 50 audioconferences, with most (11 of the 19) participating in no more than three. The person who used audioconferencing the most was a college instructor in Valdez. The person who used it second most often (25 or more times in the previous year) was an attorney in Bethel. The third most frequent user (15 audioconferences) was a Sand Point resident who served on a state board.

Those who used audioconferencing tended to be those most involved in community activities, as measured by a question asking whether they belonged to any organizations in the community.

Computers in Telecommunication

Sixty percent of the rural respondents said they had used computers. Computer use was related to age and to race. Those who had used

computers were more likely to be young and to be Caucasians. Computers were heavily used for three things: work for an employer (by 83 percent of those who had used computers), word processing (by 77 percent), and game playing (70 percent).

There was moderate use of computers for school work (by 43 percent) and for programming (38 percent).

Use of computers in telecommunications, that is for electronic mail, was low: 17 percent of those who had used computers.

Given that 60 percent of the rural respondents have some familiarity with computers, it would appear that use of computers for electronic mail could easily be increased if electronic mail networks were more readily available. The three principal obstacles to use of electronic mail are costs of hardware (the user must buy a modem and software that allows communication via telephone line), long-distance line charges, and the difficulty of learning how to use electronic mail systems. However, electronic mail could provide a lower cost alternative to voice communication by telephone for some types of information.

None of the respondents, in their comments about telecommunication, made suggestions related to computers or electronic mail.

What Do They Want?

More than half of the rural respondents (57 percent) said the number of TV programs about Alaska and Alaskans is about right. Thirty-four percent said there were not enough such programs; seven percent said there were too many. This is in sharp contrast to the responses of Anchorage residents. Less than half (46 percent) said the amount of Alaska programs is about right; 52 percent said there were not enough.

This is particularly surprising given the lower viewership in Anchorage of the two Alaskan programs about Natives (the ICC conference and the Native Youth Olympics) and the lower awareness in Anchorage of the Berger Commission report. A possible explanation is that interest in Native issues is lower in Anchorage than the rural areas but that interest in more general programming about Alaska is high and is not being satisfied by existing programming.

The level of dissatisfaction with television content apparently would have been lower yet in rural areas if Learn Alaska had still been on the air. A number of the rural respondents, when asked at the end of the interview to say anything they'd like to about telecommunication, volunteered that they missed Learn Alaska. About one-fourth (14) of the 61 people who made comments said they missed Learn Alaska (one respondent said he was glad it was gone). Several others, while not referring to Learn Alaska by name,

Table III**Preferred Medium for Information About State Government**

	<u>Rural Alaskans</u>	<u>Anchorage residents</u>
Television	31%	28%
Radio	22	16
Newspaper	26	43
Mail	11	7
VCR	1	1
Friends	1	5
Number of respondents	<u>100</u>	<u>100</u>

talked about types of programming they missed. Several expressed dissatisfaction with Ratnet as the sole television channel.

The respondents were asked several questions about how they would prefer to receive different kinds of material such as information about the state government and programs about Alaska and Alaskans (Tables II, III and IV). The similarities between the rural and Anchorage respondents are in most cases more striking than the differences.

The largest number of respondents in both groups would prefer to receive information such as the Berger Commission report by newspaper. Three-quarters of the respondents in both groups prefer television for programs about Alaska and Alaskans (fewer than 10 percent in both groups prefer VCRs). The proportion of rural residents who would prefer to get information about state government by television is about the same as for Anchorage residents.

The one noteworthy difference between the groups is that Anchorage respondents would prefer to get information about state government from newspapers while rural residents prefer television by a slight margin. This may simply reflect a difference in the way the two groups are used to getting this information. Several of the rural respondents remarked on television coverage of the Legislature in their comments; also, as has been noted, newspapers are not available in all rural communities.

The respondents' answers raise another question: Why, if VCRs are so widespread in rural areas, did so few people indicate a preference for them? Possible explanations are that VCRs are preferred for other types of programming, such as movies, or that VCRs are used as much as they are

Table IV
Preferred Medium for Programs About Alaska and Alaskans

	<u>Rural Alaskans</u>	<u>Anchorage residents</u>
TV	74%	78%
VCR	9	7
Radio	17	15
Number of respondents	<u>99</u>	<u>100</u>

only because TV offerings are considered inadequate. The first explanation seems the more likely because even in Anchorage where more channels are available few respondents said they preferred VCRs for programs about Alaska and Alaskans.

It is important to bear in mind that though the media preferences of rural and urban Alaskans may be similar, the interests of these two populations and the media available to them are quite different. These points are underlined by the comments of rural respondents at the end of this chapter.

Conclusion

Several findings with policy implications emerge from this examination of telecommunications and rural Alaskans:

1. Television and radio are not available to all Alaskans. In some places, neither is available.
2. In some places where television and radio are available, people have no choice of programming.
3. There is widespread dissatisfaction with available programming, though there is disagreement about what the programming should be.
4. VCRs have become a widely available alternative to live television programming. (However, they are not preferred to live television in at least a couple of subject areas.)
5. Computers have not been extensively used for telecommunication even though most rural Alaskans have some familiarity with computers.

6. The telephone is most widely used for communication among relatives and friends. Long-distance phone use by rural Alaskans is more sensitive to changes in phone rates than is true for Anchorage residents.

Appendix I

Now it is time for the respondents to speak for themselves. At the close of each interview, the respondent was asked if he or she had anything to say about the media that could be passed on to legislators. This is what they said:

Need Learn Alaska or have all the tapes available to teachers.

-- a teacher in Barrow

Was pleased to see Alaska public network go because could not bear another minute of Native dancing. There was too much emphasis on Native issues. Thoroughly enjoy public radio. Would not mind seeing return of Learn Alaska if programming were more balanced. There are too many newsworthy topics in Alaska to rely so heavily on strictly Native issues. Right now public radio is the only thing that makes living in Glenallen tolerable.

-- a biologist in Glenallen

Would like to see the radio station improved. Programming is real bad. Have no local TV -- only cable and one Anchorage station. No statewide channel. Really feel isolated because media exposure is so limited.

-- a housewife in Cordova

Listen most to KUAC-FM and TV in Fairbanks and would like to see funding restored to previous levels.

-- a pipefitter in Delta Junction

The channel we get . . . Alaska TV reception is rotten.

-- a plumber in Cordova

People in rural areas depend more on what they read because television coverage is so limited. Information on VCR cassettes should be increased. TV satellite programming should have more diversity. The loss of Learn Alaska has caused us to watch far less television. Would like programming restored.

-- a housewife in Yakutat

Wish that some of the Learn Alaska programs were still on. It would be helpful if the rural satellites would have published schedules available so

would know what is going on in advance instead of finding out about it several days later.

-- *a lawyer in Bethel*

Want to see more movies and programs about Alaska. All we get is a combination on one channel of the three Anchorage networks.

-- *a housewife in Metlakatla*

Please continue what's available.

-- *a tutor in Wrangell*

How much was allocated for the survey? Surveys are not necessary. Telephone and television are only contact with outside and legislators aren't using good common sense about how they use available funds when the answers are already obvious.

-- *a secretary in Barrow*

Want more programs concerning daily life to maintain history for the children. Would also like to see more regarding subsistence.

-- *a cook in St. Marys*

Feel for the most part this state does an excellent job of keeping people abreast of legislative activities. But the statewide channel needs better scheduling and better quality programs. Would like to see more PBS and wildlife programs. Also feel statewide news is unsophisticated and unprofessional. Quality could definitely be improved.

-- *a teacher in Valdez*

Would like to see more news. Sorry to see Learn Alaska off the air.

-- *a college instructor in Valdez*

Bush channel is *very* important to us. Our only source of news and entertainment. We live 15 miles outside Valdez.

-- *an oil worker*

Would like to see the legislators care more about the everyday people, not the money people. Need to feel like my vote means something to politicians.

-- *a laborer in Wrangell*

Appreciate legislative information offices, use legislative information services and would hope Legislature keeps these services available to public.

-- *a lab tech in Glenallen*

Learn Alaska programs were very helpful. Wish they would continue.

-- *a pilot in Petersburg*

Would like to see improvement in quality of Ratnet programming. Enjoy very much local PBS programs.

-- a secretary in Petersburg

For bush communities, need to expand number of channels.

-- a teacher's aide in Barrow

Don't reduce funding for Ratnet. Miss Learn Alaska programming.

-- retired in Bethel

Hope there is no more funding cuts in Ratnet or public radio. Disappointed in cuts made to date.

-- an equipment operator in Bethel

Hope economy will improve through legislative action. Media is very good in Nome.

-- in aviation in Nome

No confidence in television. Feel that newspaper is more accurate.

-- pastor in Nenana

Appreciate honesty in media. Conversely, dislike distortions in media, i.e. campaign ads during elections.

-- a Wasilla electrician who works in the Bush and was interviewed there

Would like more satellite radio. Can get KYAK only when weather conditions are right.

-- a store owner in Skagway

Disappointed that they took the Learn Alaska station off the air.

-- a housewife in Yakutat

Appreciate the TV coverage that the legislature has in Valdez.

-- a technician in Valdez

Really like to hear what is going on. Listen to the radio at work and get most of my information this way.

-- a state office worker in Bethel

Radio not out here. Really miss public radio. Don't think enough has been done to promote radio in the Bush. Radio is not obtrusive like TV is and radio requires listening and visualization skills which are better for children. TV is a passive participation and is detrimental to children.

-- a teacher in Tununak

There is a "Governor's Time" on the satellite station and they should use

that with the university to keep people informed about what is going on. They don't use this half hour two-three times a week very well.

-- a correctional officer in Nome

Just keep me informed.

-- an electrician in Dillingham

Miss Learn Alaska. Rely on KTOO in Juneau -- wonderful programming -- Nova and National Geographic.

-- a psychiatric aide in Wrangell

Enjoy the televised legislative sessions. Feel much more informed.

-- a lab technician in Valdez

Only receive state channel and feel there is a pretty good effort made to appeal to all audiences.

-- a shop owner in Cantwell

Doing great.

-- a maintenance worker in Bettles

Public radio and TV are extremely important to rural areas. Please continue or increase funding.

-- a lawyer in Bethel

Want public radio programming in Cordova. Want Learn Alaska! Would like ongoing newsletters on legislative activities both statewide and nationally. Very angry that Learn Alaska was dropped without input from people. Unhappy that no input was requested about longevity program before it was placed on the ballot. Both ballot measures phase it out and that shouldn't be.

-- a teacher in Cordova

Need more information about school grants. Need more ways of getting schooling while working.

-- a clerk in Wrangell

Would like more information about Alaska and Alaskans.

-- a domestic cleaner in Kupreanos

It is important that public radio and TV stations continue to be funded in the small communities.

-- a cook in Petersburg

Haven't used audioconferences but they're great because they give the people in rural communities some input.

-- a teacher in Dillingham

I like it [the media].

-- a homemaker in Barrow

Would be real helpful if Ketchikan paper would print more about our candidates.

-- a teacher in Metlakatla

Would like to see the "Capitol '86" program continued on TV. Would like to see Learn Alaska on in the daytime instead of soap operas.

-- a teacher in Sand Point

Want to see the number of violent and sexually oriented shows reduced on statewide channel and CNN news put back on.

-- retired in Nome

Very happy with the amount of TV stations able to get in Nome.

-- a supervisor in Nome

All the media are very important to the North Slope people. Like radio -- keeps informed with what is going on in the world. They also use the radio to find lost people and to get people to the hospital when sick. The TV is also very important because of the instant news they can get.

-- retired in Barrow

A lot of times the news media seem to focus on their interpretation of different bills and important issues. It would be really great if pros and cons of bills and major issues were put on VCR cassettes so they could be checked out. Realize that the TV does not have the time to put everything on and this would be a great way to get more information.

-- an electrician in Valdez

Like to see Legislature on TV.

-- a fisherman in Sand Point

Everything seems okay.

-- retired in Cordova

Miss Learn Alaska.

-- a homemaker in Barrow

Like the legislative session coverage. The statewide channel has too many soaps and not enough educational, National Geographic and Cousteau specials.

-- a fisherman in Yakutat

Very sorry that we lost Learn Alaska programming. Not satisfied with number of educational programs on Ratnet. When Learn Alaska was cut from the budget, we threw away a very economical technology that was being viewed with great interest by other countries in the last two-three

years. Felt Learn Alaska was extensively used and watched throughout rural Alaska.

-- a store owner in Sand Point

Sorry to see that Learn Alaska has been dropped. Also, have a forum for people to express their concerns and problems regarding jobs.

-- unemployed in Copper Center

I appreciate the pride that is displayed in Alaska on the state channel.

-- ore sampler in Skagway

Concern as to why we pay for hours of scheduling. Need cartoons during weekdays. Not providing anything but junk. Need more than just publishing on the screen the scheduling of upcoming TV shows.

-- a maintenance worker in Valdez

Real fan of radio. Best means of communication for rural Alaska.

-- an accountant in Nome

Frustrated about media presentation. Taken one satellite and now only have Native education and cartoons. Natives are going overtime on that committee. Ratnet committee has only two Caucasians. They have really ruined the TV programming.

-- retired in Tok

Nice if more control of TV. When sports come on nothing else is on; need variety and more news. Only get Anchorage-based news. Need to have area news, also Bush news.

-- a nurse in Dillingham

Should continue to fund Learn Alaska because it gives an informative and true picture of Alaskan life and the state of Alaska.

-- an educator-fisherman in Cordova

Appendix II

During the three days of the Alaska Federation of Natives convention in Anchorage last October, copies of the questionnaire later used in the phone surveys were made available at the information desk in the lobby of the convention center. Only a few completed questionnaires were returned so it was impossible to extract useful data about telecommunications from them. However, some of those who did complete the questionnaire did have comments they wished to be relayed to legislators. These follow:

State television is important to all Alaska.

-- a retailer in Wrangell

Cover AFN action, in simplified terms for Alaska Native areas, and

broadcast. Help Tundra Times to make it financially. We believe them.
-- *an Unalaska resident*

I would support and encourage a statewide radio network that would broadcast statewide on a dedicated frequency that would be identical statewide including the Alaskan Highway, which would be manned by all the major radio stations in the state on a 2-hour rotating basis with statewide news and weather on the hour and local news on the half-hour.
-- *an Anchorage/Saxman businessman*

Please cut down on time allotted for sports. We have only a few hours each week and a lot of prime time is given to sports. More Alaska programming, please! No more Alaskan weather for half-hour though. Please do not schedule a movie or miniseries every night during prime time. We need variety and appreciated the half-hour - one-hour shows.
-- *a counselor in Valdez*

Footnotes

- ¹The rural phone sample was drawn from a computer generated list of phone numbers. The first three digits were those of phone exchanges; the probability of those exchanges appearing on the list was based on the size of the exchanges. Numbers were randomly generated for the last four digits for most exchanges. For some exchanges, the last four numbers were taken from a local directory on a random basis. This selection technique gave all households in rural Alaska, including those with unlisted numbers, a roughly equal chance of being selected. Because the sample size was fairly small, the sample did not include all rural communities of substantial size. It did, however, include communities from throughout the state. The probability is 95 percent that the figures given in this chapter are no more than 9 percentage points higher or lower than the true population values. This estimate does not take into account types of error other than sampling error that can enter into survey findings.
- ²The figure for VCR ownership in the United States is taken from the Oct. 15, 1986, issue of *Variety*. That issue also provided figures for the percentages of households with VCRs in several other countries: Australia, 50 percent; Japan, 48 percent; Great Britain, 46 percent; West Germany 26 percent. *Channels, the Business of Communications*, in its *Field Guide '87*, published in December 1986, reported that about 40 percent of the households in Canada have VCRs as do 1 percent of the households in Mexico. It estimated there are 795,000 VCRs in India, a nation with 730 million people. These figures underline how different Alaska's VCR use is from that in other places.
- ³Alascom reported handling a total of 35,132,000 intrastate toll calls and 20,000,000 interstate calls in 1984. "Alascom, Inc. Message Toll Fact Sheet" in *Policies in Conflict*, briefing paper on Alaska Telecommunication Issues, Alascom, Inc.

Chapter Five

Alaska's Telecommunication Future

The year is 2001.

Alaska is nearly 50 years old. In many ways it resembles the Alaska of 1987, or of 1955. But it is not the same. For the world is different.

There has been political change, economic change, social change. All of these changes reflect -- as they have affected -- another kind of change: technological change. Technologies that were in their infancy in the 1980s have matured, and new technologies have been introduced.

The citizen of the 1980s wouldn't find Anchorage or Juneau of 2001 so different. Not at first. Soon, however, she would notice on display within the familiar facades some unfamiliar objects. And these evidences of change would extend beyond the surface, beyond such things as the fashionable colors for clothing and styling for automobiles. The changes would encompass, the authors of this study believe, even the way we communicate.

We wish we could know now -- in 1987 -- just what those unfamiliar objects will be. It is that curiosity that led us to invite a number of Alaskans interested in telecommunications to join us in pressing our faces against the window that separates us from the future and in trying to describe what we dimly see beyond.

We believe new ways of communicating will make Alaska seem smaller in the year 2001 than it does in 1986. But how is that going to be done?

About the Delphi Survey

About 30 Alaskans who have been involved in making decisions about telecommunications joined in a Delphi Survey in the fall of 1986 in which they offered their insights about Alaskan telecommunication in the year 2001. They included people within state government and in private industry: legislators, representatives of a consumer group, educators, members of a futurists' society, consultants, journalists, computer experts, telephone company executives. Many of them are well placed to bring about the future they discuss. They will not be identified more exactly because

they were assured anonymity in exchange for their private thoughts.

In mid-October, they were asked six questions, each of which was intended to illuminate a different facet of telecommunications. Their answers were summarized and in late November they were given the summaries -- and an opportunity to modify their answers. In early January, they were then given revised summaries and invited to submit their final comments. The descriptions that follow are the result of that process.

Delphi Surveys, by definition, are time consuming. This one was conducted with unusual speed so that preliminary findings could be made available to the Joint Committee on Telecommunications of the State Legislature before the start of the 1987 legislative session. If more time had been available, some inconsistencies apparent in the answers to the Delphi questions probably would have been resolved through more participation in the later stages of the survey.

We initially invited 120 people -- half of them legislators -- to join in the Delphi Survey. The survey was conducted in a way so that participants could remain anonymous -- even from the researchers -- if they so desired. Most participants, however, identified themselves to the researchers. Only a handful of the legislators accepted the invitation which arrived in the midst of a political campaign. About a third of the remaining invitees -- chosen because of their involvement in telecommunication activities -- did participate.

We were curious about how comfortable people with high interest in telecommunication would be with a relatively new telecommunication technology. Therefore we divided the potential participants into two matched groups. One group was invited to participate by mail; the second group was invited to participate using the University of Alaska's electronic mail system. These participants were given user numbers, and a special bulletin board was set up on the system for them. Seven of those in this second group tried out their Delphi numbers, but only four actually participated in the survey (and two of the four ultimately participated by regular mail). Most of the predictions about the future of telecommunications in Alaska that are presented in this chapter were submitted by U.S. mail. Some reasons for low use of the electronic mail system are discussed at the end of this chapter.

Beyond satisfying our curiosity about the future of telecommunication in Alaska, the survey had two objectives: to promote communication among these people with similar interests but divergent viewpoints and to identify long-range policy concerns in telecommunication. Realization of both objectives, it was hoped, would help bring to reality the information society that now exists only in our optimistic fantasies.

The Institutionalization of Telecommunications in Anchorage

Question: In this, the first year of the new century, you are telecommunications manager for the city of Anchorage. Write your job description, based on your expectations of what telecommunication technologies will be available by then and how they will be used.

Telecommunications manager. Will that be one of those new jobs in the world of the future? Perhaps not. One of the participants questioned the need for such a person, saying:

Telecommunications services should be so plentiful and pervasive (and simple to use) that there may be no need for a central telecommunications agency for a municipality. The various agencies or divisions within the municipality would order up their own telecommunications assistance in the same way they would deal with office supplies and other types of services. There *might* be a staff level telecommunications advisor or service agent to help the various parts of the municipality make the best and most coordinated telecommunications choices.

Most of the participants, however, accepted the proposition that there would be a telecommunications manager. They succeeded in describing that person, and that job, in some detail.

The telecommunications manager would not be an engineer, the participants said, but would have the ability to work with technicians. The manager would have majored in telecommunication planning, with a minor in electrical engineering, one Delphi participant said. "At least a master's degree in management or an appropriate social science is required as is fluency in at least one Asian language," said another.

The manager should have experience in communications, technology, contracts, law, budgeting, quality control and personnel management, a participant said. "He would have administrative experience," said another. "Knowledge of networking community councils, community schools, social services, health services, and other community support systems is especially relevant," said still another, who also insisted that the manager be able to perform "cost/benefit analysis of networking functions."

What would the manager do? Principally, that person would be a coordinator. He would coordinate the continued upgrading of the system, ensuring "compatibility of all new technologies within a common architecture (i.e., ISDN)."¹ He would coordinate with utilities to assure the provision of communication services to businesses and households. He would sit on a committee of people who manage access to satellite communications; he would be chairperson of a telecommunications users panel composed of representatives of city agencies. He would maintain

professional contact with telecommunications managers of other cities. He would coordinate with the state and federal governments to "ensure that telecommunication development in Alaska encompasses municipal concerns."

Exactly what resources would he manage? There would be videophone, cellular phone and telephone service within the community. The telephone would also incorporate computer capabilities and "voice activated access will be available, but not in common use." There would be data transmission and communications between all office work stations. There would be voice mail, research data bases and computer networks. Means of transmission would include radio wave, cable, microwave and satellite, and the manager would be responsible for transmission security.

The manager would use these resources himself. He would "access data bases and other information useful for planning and activities of state agencies" and would use computer networks to locate items to purchase for the city.

Within city government, the improved communication "has meant a significant increase in the pace of the governmental process." It means that the "focus on decision making has shifted from getting important pieces to the decisions and long-range implications."

For the Anchorage citizen, the expansion of two-way telecommunication capabilities has made possible electronic:

shopping	voting
mail	educational services
medical and social services	security services
libra. r/media services	banking
stock/financial services	conferencing
news/sports/entertainment	census
bulletin board services	language interpreter services
remote work sites	emergency services

The Delphi participants expect telecommunication to make government more efficient; they expect it to give the citizen a readier access to a variety of services and information sources. But this requires a manager to oversee the orderly transformation of the governmental communication system and the development of new communication utilities within the community at large.

The participants made surprisingly few references to specific technologies. Their view of the future appears to be based on assumptions that existing but not yet widely used communication technologies will become institutionalized by 2001. The manager, as described, is a key figure in that institutionalization process.

One participant felt that even this agenda for change was overly

optimistic. "The technology is there but I don't see it being universally popular. Several firms are getting out of Vue-Text and other computer information services because of a lack of interest."²

Telecommunications for Keeping in Touch

Question: You have retired to a small village on the northwest coast of Alaska, but you still take an active interest in the outside world. In what ways does telecommunication help you?

The implied question was: Just how remote will the the extreme northwestern tip of the North American continent be 15 years from now?

The answer: Not very remote at all. The descriptions provided of the communication resources available in that remote village of the future make the present-day communication resources of Anchorage -- or even those available in Los Angeles -- sound a bit limited.

"Telecommunications enables me to touch the world," one participant said. "There is essentially no difference from a communications perspective between living in this situation and living in Chicago."

The interactive telecommunication services that were described in answers to the first question were emphasized in responses to this question, with some refinements:

"Direct satellite audio/data service will allow me to carry a 'cellular phone' whenever I go out to visit my trapline or go to fishing camp."

"Emergency handheld beacons that two way up/down link on emergency channels for Bush travel. Telephones like cellular, only good all over village and on frequently used rivers, ice roads and trails."

"Spotbeam technology is used by some families who live out too far to be part of the local phone system. It connects them to local and long distance networks at little cost and provides more reliable service than the old radio-telephone links."

Other interactive services judged of particular importance to a retired person in a remote location were:

medical services
purchasing
ferry schedules
universal town meeting
telecourses

legal assistance
electronic mail
reference
governmental information
interact with former colleagues

stock/financial services

One participant viewed electronic mail as the principal means of keeping in contact with government agencies, "particularly those providing social services, public assistance, and Social Security benefits." Another anticipated participating in electronic town meetings conducted by state and regional governmental bodies. "Questions would be presented to the audience in a multiple choice format. Responses are entered on home keypads, transmitted and tabulated by computer at the programming source. Results are provided quickly to the audience." [This technique was tested by Warner Amex on cable TV audiences in Columbus, Ohio, beginning in the late 1970s. Warner Amex discontinued its interactive programs in 1984.³]

Television programming would be more varied: "as many channels as are available in Anchorage" . . . "programs from other countries" . . . "the local cable franchise . . . delivers me video programs, text and software from state, regional, national and international distributors" [one of the television networks in Britain has been transmitting software via television signal since 1984] . . . "legislative committee meetings and public meetings of agencies are routinely televised" . . . "programming from all over the world, with translations, is available on cable. The state no longer provides an entertainment channel."

The telecommunications mix would include videodiscs: "Videodisc technology is currently in use today. By the turn of the century there will be readily accessible and inexpensive videodisc programs covering virtually every subject. I would expect that 'how to' programs will be extremely popular and I could imagine taking advantage of them."

Radio would remain important: "Radio will still be the primary means of quick breaking news and public affairs information. Traditional broadcast audio will still be prevalent, though improved, via an accepted industry standard for AM stereo, etc. If the village is of sufficient size, a TV cable/fiberoptic system will be available."

Now, let one of the respondents describe how he would keep in touch with the world:

I would utilize Equatorial A or C earth stations, or similar equipment to access on a continuing basis: . . . a major hospital diagnostic unit and its associated doctors, the best library network in existence at the time (hopefully including the Library of Congress), a major university educational outreach program and my own personal business network. I would install the appropriate earth station to access available television channels (probably about 150 by that time). I would hope that disc technology was at the point where all books were automatically made available in this format and could be downloaded to me from either private or business sources. My private network

would link together current working arrangements with colleagues around the world.

Another participant describes the communication equipment in his home:

I will have a home telephone/computer linkage/facsimile instrument that connects me anywhere in the world -- both interactive (audio) and print-out capability. I can access central information (news as well as stored information, library type) by screen or print. Video (two-way) will be possible through recent computer coupled screen technology.

One participant envisioned a community communication center, "modeled on centers pioneered by the North Slope Borough in the early '80s. [it] provides teleconferencing, facsimile, electronic mail, computer services, tape feed recordings and other technologies for community use. Also, it's a place where folks get together. Those who don't have technology at home can use the center's facilities."

Talk of so many new communication systems led one participant to say: "Despite all of this telecommunication use, human contact will be just as important as it is today. In fact, it is my feeling that the more we get involved with telecommunication, the more important face-to-face communication will be, and the less we will take it for granted." There was some disagreement about what human contact would be replaced. One participant suggested that politicians would see less of each other face to face; another argued that such contact was more valuable than was face-to-face contact with constituents.

But not all the changes foreseen in telecommunication were "high tech": the retiree in 2001 will have "access to all 800 numbers that are good in contiguous states," one participant predicted.

In summary, the telecommunications environment that the Delphi participants visualized has a very few strong, clear characteristics: It provides much more content variety than is available anywhere today -- more channels, more varied programming; It allows much more interactive telecommunication than is possible today; Finally, it extends telecommunications links into places where they do not reach today such as isolated homes, fishing camps, trails. In this information village the retiree will have small excuse for feeling bored or isolated.

Just one question remains to be answered: Who will pay for it?

Meanwhile, in Juneau

Question: You are the director of a state government agency in Juneau (it's still the capital). In what ways does telecommunication help you?

In this scenario, unlike the first one, the state official is not a manager of telecommunication. Telecommunication is simply one of the tools available. The Delphi participants said they would use it for electronic mail and conferencing, in record keeping, and in managing an electronic office.

Citizens could use electronic mail to contact the agency from throughout the state, as could other agencies. One participant predicted electronic mail "will have replaced hard copy correspondence for all but the most formal contracts and agreements."

The department would use teleconferencing and interactive TV as well as electronic mail for public hearings. Legislative hearings would use "these same technologies, relieving agency personnel from personally testifying when scheduling conflicts occur." Teleconferencing would also be used in dealings with federal agencies, with agencies in other states and with agencies in foreign countries. All this would reduce employee travel and, therefore, "our operational costs." (One participant, however, said that while his staff would travel little, he would spend a quarter to a third of his time travelling to talk face to face with people.)

Conferencing would cost less. There would be "two-way video conference facilities cheaper than current \$900/hour and available in most all conference rooms and middle management and up offices." Phone costs would fall, according to this participant, because the state would lease transponders for "backbone telecommunications network" including Seattle, Ketchikan, Juneau, Anchorage and Fairbanks. In the third round of the survey, a telephone company executive expressed concern at this last suggestion: "Since the State of Alaska is by far the largest player in the Alaska economy, a decision by the State to become a captive telephone company for its needs would withhold substantial revenues from local companies and require either unacceptable local rate increases or slow down for lack of capital the very modernization process the survey participants predict."⁴

Efficiencies will have been realized in record keeping. "Paper forms and applications will have been replaced by microcomputer originated documents which any citizen can access at any field office of the agency." "Corrections can be made on-line, eliminating the cycle of rejected or postponed action on applications due to incomplete information, etc. State employment registers and employment applications for state jobs will be available through the statewide computer system, eliminating the two-week to one-month delay in getting such information out of the current personnel system." "Important committee hearings will be stored on video disks, accessible by computer for 'instant replay.'"

There would be other efficiencies: "Multiple networks and special program networks within an agency will essentially disappear. Instead, greatest efficiency will be obtained through conforming to an integrated ISDN network."

The office itself is one of those things about the world of 2001 that might look somewhat unfamiliar:

Electronic work stations and telecommunications have revolutionized the office. We have very few clerical staff and secretaries. Most workers do their own correspondence (via E-mail) and documents. This has resulted in cost savings and revolutionized the sexist, traditional office organization.

We provide faster service and respond to public needs quicker as a result of telecommunications.

Offices are equipped with desktop computer terminals, keyboards, printers, telephones with many special features and other, usual, office accoutrements. Telephones provide features common for many years, plus good quality audio conference and telecopy capabilities.

One special feature that helps in dealing with Alaska's participation in the world marketplace is the ability to compose documents in English, then have them automatically translated in many different languages.

Artificial intelligence is relieving my office of some of the more routine responsibilities.

In the field, "field representatives are able to videotape a problem such as a depreciating structure, complete with a voice report on how to repair it and a computer simulation of what it will entail and look like, with printout copies for the files and the governor."

Telecommunications would be used by the participants themselves in the following ways:

I would subscribe to those networks which would make available to agency employees the most current . . . information in their needed areas of expertise to the limit the budget would allow.

I am in contact with my colleagues on the national and international scene through telecommunications, and we all share common data bases.

Sitting at my desk in Juneau, I have a running day-to-day check on my budget and daily reports from offices throughout the state.

In some ways the state agency of 2001 sounds very different from state agencies today. However, the description of the state agency of the future points up how dated are some of the telecommunication practices of the state agency of today. For a number of the efficiencies that are forecast have already been realized in the internal communication networks and the electronic offices of private corporations.

Many private corporations have realized another benefit of telecommunication that was largely ignored in this section. They have established management information systems that extract and quickly transmit to top managers information of particular importance in decision making. This issue was discussed at greater length in the chapter on Information Resource Management.

Teleteaching

Question: You teach university level courses to students scattered throughout the state. How do you and your students use telecommunication?

The microcomputer assumes central importance in the responses to this question. In fact, one of the participants complained in the third round of the survey, "This section focuses on technology rather than the overall impact of technology on education." The microcomputer is described as "critical for some courses" by one respondent. Another assures us, "Advancements in computer technology will allow the delivery of an exceptional amount (by today's standards) of computing power to all users of the network." If students don't own computers, they will be able to check them out or go to their community communication centers.

What will the computers do? They will be used for voice and text mail (submitting assignments), electronic office hours and other types of conferencing (with interactive visual images), taking tests, gaining access to large databases, managing highly individualized learning, record keeping by instructors, schematic drawing, and providing expert systems as a substitute for graduate student advisers.

The role of teleconferences, if not central, is nonetheless prominent. It is not central simply because a number of the participants predict that the microcomputer of the future will have videoconferencing capabilities. One of the participants, for example, describes the student's terminal as having "a split screen and two-way voice [so he can] listen, comment, read and take notes."

Those who would use a video- and/or audioconferencing system would use it for discussion of selected topics, for lectures and demonstrations, for bringing in outside experts, linking up with professional conferences, joining round-table discussions with students of other universities. Several of these people would use conferencing in conjunction with other technologies and/or expect technical improvements in conferencing.

More exotic technologies also entered this discussion.

The electronic blackboard is one of them. It "will allow real-time duplication of hand-written materials across the network." The transmission of three-dimensional holographic images via television-like equipment is another. Holography is seen as supporting "visual interchange between the teacher and the students."

One participant would still require students to buy textbooks. Another said he expects print to "remain an integral part of any content delivery system." The opposite position was taken by a participant who said, "There is no hard copy in the entire course, and we do a lot of work through voice mail and voice actuated machines."

Two participants said they would make an effort to visit each student in person and a third said she expected "some form of 'campus' will necessarily remain as the social center of the university."

The overall impact of these technologies, one participant said, will be to "alter human perceptions and consciousness" just as "the introduction of the printing press in Europe and the growth of print literacy replaced an oral learning tradition which was thousands of years old. . . . The very essence of education will change -- including the current focus on low cognitive level content and the bureaucratic structure of our public school system. . . . Our large, institutional high schools will be the first to feel the effects of passive student rebellion, as students reject the current model of impersonal, institutionalized adolescent education."

Participants in the Delphi Survey appear to have put more emphasis on computers in their answers to this question than they did in their answers to other questions. Yet the activities engaged in by students and teachers do not seem so different in kind from those engaged in within government agencies. This raises the question of why experts might be reaching for one solution in one situation, a different solution in another, when the circumstances are similar. Certainly, some of the innovative applications of computers discussed in this section could be translated to the bureaucratic environment.

Private Industry and Telecommunications

Question: You're the manager of a telecommunication empire -- a private business -- based in Anchorage. What sorts of services do you provide? In what ways does the state government affect you? (A point to consider: will you be a content provider, will you be a carrier, or will you combine these functions?)

The central issue of this chapter is the role of the state government in telecommunications 15 years from now. But to understand what that role

might be, it is necessary to have some idea of what telecommunications tasks might be accepted by private industry. The Delphi participants were asked, therefore, what tasks they might take on.

Most of the participants would prefer to be content providers or to provide content and be the carrier. Only three would want to be solely carriers, and only one of these expressed interest in control of the means of transmission. One participant predicted "there will probably be a set of laws clearly separating carriers from content providers."

The content providers would provide information, be messagers of content obtainable from other systems, develop learning programs for clients throughout the world, provide services to schools and governmental bodies. The most exotic of the services envisioned would be for the state Department of Corrections:

We have developed a whole new field of uses for telecommunication with the advent of micro-transceivers which do not require dishes to communicate via satellite. . . . Many prisoners, who in the past were in prison, costing the state about \$35,000 per year, are now "collared" and in society. Their whereabouts and activities are monitored via satellite and computer 24 hours a day. Each prisoner wears a small, non-removable collar which transmits data every 10 seconds. Anti-social behavior is immediately detected and results in pick-up usually within 4 minutes. "Collared" prisoners are productive members of society, cost the state only \$7,000 per year each and have a lower rate of anti-social behavior than members of the general population. This is just one of the services we provide for the state.⁵

Three of those who would offer mixed services would offer interactive, videotex-like services in which they would provide a portion of the content and act as a gateway for other information providers. A large videotex system, such as the French government's system, may have 1,500 or more information providers. One of the Delphi participants would provide Alaska-specific databases, the second would contract with small banks and retail stores to provide banking and shopping services. That service would also provide access to libraries throughout the world, would trace family trees, etc. The third would provide experts on technology to private industry and state agencies and would offer an international network for electronic mail, data searches, etc.

One of the common carrier operators would simply rent space on whatever was available: satellites, cable, fiber optic cable, computer linking systems. That person would also own "translating" devices enabling communication between systems with different standards. The second common carrier also would offer a connecting service, permitting communication between networks and media. The third common carrier operator would be a "system integrator. This company would provide

transformation, bandwidth management, voice and data connectivity, and network management."

Some of the services described in earlier sections are seen by the participants as promising ventures for private industry. Two would try to provide services to the educational system; three would try to develop interactive telecommunication services; others would provide the link for incompatible communication systems; still others would provide technical expertise and services to governmental bodies.

However, none would touch teleconferencing; none would provide new phone services to rural areas; none would create content for television; none would provide new television services. Perhaps other people would. It's hard to say. But the Delphi respondents included people who have created content for television, who are involved in the provision of phone services, who are working with teleconferencing. On the face of it, many of these activities seem uneconomic, and therefore unattractive to private industry.

The 15-Year Plan for the State

Question: What could the state government do to help bring about the telecommunication environment you envision?

What follows is the Delphi Survey participants' policy agenda for the state, loosely organized by theme:

1. Provide no-cost local access system to telecommunications statewide.
2. Provide grants for model programs.
3. Sponsor a statewide demonstration project to combine audio/video/computer capabilities for statewide use. (two participants)
4. Develop an attitude of openness to new technologies.
5. Be an example to private entrepreneurs by using the system to significantly improve government operations.
6. Coordinate and manage resource acquisition for all government entities. (two participants)
7. Develop a long range process, starting with a description of expectations at target dates in the future. After separating needs and desires for the new system, write specifications and develop a plan that includes development of specific technology to implement the system.
8. Have just one, long-term body which studies the telecommunications needs and recommends or makes policy.

9. A balanced board of users needs to be established to problem solve.
10. Above all, please no central office of telecommunications . . . [instead] a council of senior private and public persons who met once quarterly. to go over whatever agenda they and the governor agreed on.
11. Strengthen existing enabling legislation to permit the Division of Telecommunication Services in the Department of Administration to assist state agencies to move into a new telecommunications environment.
12. Educate students about the trends in telecommunications.
13. Permit filing of taxes and reports via computer.
14. Provide an information bank; put all state library information in a computer.
15. Develop technical specifications to assure reliable, effective and efficient delivery of services. (two participants)
16. Help create an ISDN environment for all state and public traffic to go over. No more separate networks for separate agencies.
17. Promote and foster research in technical and operations areas.
18. Lead the way in demanding new, more sophisticated and efficient telecommunications systems.
19. Get off the Alascom bandwagon.
20. Avoid getting tied to one vendor a la Alascom.
21. Establish local drop telephone numbers for state agencies to use.
22. Define telecommunications "quality of life" requirements for Alaskans. Determine what services citizens need and want, and what role the state should play in direct or indirect provision of these services.
23. If subsidies are needed, subsidize the users, not the providers.
24. Increase use of telecommunications for citizen access to government and the decision making process.
25. Demand quality from service providers.
26. Enact laws and regulations that promote competition.

27. Deal with security issues in the following areas: a) pirating of ~~for~~-for-service channels, b) access to confidential information, c) personal privacy.

Some Conclusions

The Delphi participants are well qualified to speak for themselves. We can not know exactly what lies in our future, but the Delphi participants are better positioned than most to guess.

In some of their guesses they have let their imaginations soar, but much of their speculation is based on their knowledge of telecommunication systems that are technically possible, if not feasible, today. We do not have to wait for new technologies. The technologies are here. Our task is to decide what we need and to choose the technologies best qualified to meet those needs (and to ignore the others). Our situation today is not so unusual as it might seem. The radio was around for more than 20 years before it was discovered that it could be more than a wireless telephone. Almost accidentally, it was discovered in 1920 that it was a good medium for transmitting messages to large numbers of people. The first television set was built in the 1920s; it took 30 more years to become a mass medium.

Just as there are precedents for our situation, there are cautionary tales about those who have failed to exercise foresight. Prominent among these figures is Thomas Watson Sr. of IBM, who turned down the opportunity to manufacture computers after World War II because he didn't think there would be a market for them. As a state we are in a similarly difficult position; no one has gone before us, there is no other place with similar telecommunication needs.

The challenge is well stated by one of the participants: "Must we structure our thinking based on what we already know is possible, or could we rather design a communication support system based on specifications derived from expected human needs in the next century?"

The Delphi participants suggest that telecommunication can save the state money: audio- and videoconferencing can be substituted for travel. Perhaps. Telecommunication can substitute for some travel, but historically business travel has not declined as telecommunication systems got better. Telecommunication can improve communication within government and between government and other entities; this can lead to the making of better decisions. It does not mean those decisions will come more cheaply.

The participants suggest that telecommunication can make state government more efficient. Undoubtedly. But they disagree about the best way to go about it. Give the Department of Administration more power? Create a new agency? Create an advisory body? At least a few of them -- those who think they could make careers 15 years from now of connecting incompatible communication systems -- do not really expect to eventually

see the integration of communication systems.

They foresee social benefits of improved telecommunication systems. These benefits appear to come largely from much greater use of existing and new interactive communication systems. Private industry has been interested in such systems for several years in the Lower 48, but they are still in their infancy and it remains questionable that private industry can support videotex services on the scale envisioned by the Delphi participants. The most successful of the existing videotex services is France's, designed and managed by its national government.⁶ If Alaska wants such a service, the state government will undoubtedly have to play a role in its development.

The Delphi survey itself indicates that the age of interactive telecommunication has not arrived in Alaska. Those invited to participate by regular mail wrote enthusiastically about the promise of electronic mail. Those invited to participate by electronic mail largely remained silent. As late as four months after the start of the project, only seven of them had used the electronic mail system. We have only a little information about the reasons but they include the following:

1. Hesitance to use an unfamiliar technology. (Those selected for the electronic survey were provided with instructions; these were more than a page long.) Two participants asked to switch from electronic mail to regular mail because of difficulties in using the system.
2. Long-distance charges. In communities where there is no branch of the University system it is necessary to place a long-distance call to get into the University's computer network.
3. Lack of necessary equipment. Electronic participants needed a computer, a modem and some software to link up to the University system. One participant asked to participate by regular mail because he didn't have a modem.
4. Slowness in updating bulletin board content. Content on the bulletin board was updated about every six weeks. When it was updated, participants were advised of that by electronic mail (after the first updating they were advised via U.S. mail, too). That means they got electronic mail messages infrequently. So usually their searches for new content on the system would have gone unrewarded. Only one participant checked his electronic mail in the the three days following the final updating of the electronic bulletin board.

These then appear to be some of the immediate bars to more widespread use of interactive telecommunication. The apparent solutions are education in the use of interactive telecommunication, simplification of the systems, provision of local access to the systems, and attention to the content of the systems. Private industry in the United States has been working hard since the beginning of the 1980s at the problems of providing simpler, more acceptable systems. If solutions are to be provided in the other areas, they

will be provided by government.

The Delphi participants have told us what interactive telecommunication can do. But it isn't happening yet. How badly do we want what they describe?

Footnotes

- ¹ISDN stands for Integrated Services Digital Network. One glossary of technical terms describes it as "an internationally recognized technical framework for future digital telephone, data and perhaps video transmission by wire." *Channels, the Business of Communications, in its Field Guide '87*, p. 94.
- ²The returns to date on interactive computer services are mixed. Two of the most technically sophisticated services, Knight-Ridder's Viewtron service in Florida and the Los Angeles Times' Gateway service, shut down in 1986. Some other services have prospered. CompuServe was reported to have 280,000 subscribers in 1986, followed by Dow Jones News Retrieval with 250,000, Western Union's Easylink with 130,000 and The Source with 70,000. See Gary Arlen, "High Rollers With High Hopes," in *Channels, the Business of Communications, Field Guide '87*, December 1986, pp. 86-87. See also "Videotex Exodus Continues," *Presstime*, January 1987, p. 44.
- ³Peter Atusile, "Dead in the Red: A Billion-Dollar Necrology," in *Channels, the Business of Communications, Field Guide '87*, December 1986, p. 10.
- ⁴Colorado's experience with a government telecommunication network is briefly summarized on page 18 of this report. The use of private telecommunications by businesses in Alaska is described in "Telecommunications Policy in Alaska," paper prepared by the Alaska Consumer Advocacy Program for the Division of Telecommunications Services, April 23, 1985, pp. 9-11 (see also pp. 24-25). That paper reported that four of nine businesses surveyed in the summer of 1984 were bypassing local and long distance companies for interoffice communication. The issue of economic benefits vs. social costs of a government operated telecommunication system is also raised in "Managing Alaska's Information Resources, A Proposed Statewide Policy," report to the Interim Joint Committee on Telecommunications and the House Special Committee on Telecommunications, by Larry Pearson, Doug Barry and Chris Herberger, Jan. 19, 1987, pp. 27-29.
- ⁵It "really isn't that exotic," the man who advanced the idea said. "One state is already doing something similar with prisoners wearing a foot bracelet and monitored at home through telephone lines. The technology for collaring already exists."
- ⁶Two million French households now have Minitel terminals that enable them to communicate with 1,900 information providers on the national videotex system. The system, created by the government's telecommunications authority, was estimated in early 1986 to be handling 15 million calls a month. Thane Peterson, "Why the French Are in Love With Videotex," *Business Week*, Jan. 20, 1986, pp. 84-85, and Arlen, "High Rollers With High Hopes," *Channels*, p. 87. See also Felix Kessler, "France Spends Billions on Goal of Becoming Leader in Technology, Some in Business See Pitfalls But a Concrete Result Is Better Telephone Service, Merits of the Yellow Pages," *Wall Street Journal*, Sept. 14, 1982, p. 18.

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Chapter Six

In Conclusion: Remembering What We Want

In our efforts to examine telecommunication issues, we have looked at what has worked -- and hasn't -- in Alaska and elsewhere; we have asked people within government and outside it about their likes, dislikes and expectations; and we have asked experts to tell us what is possible.

Some of the viewpoints we have presented are contradictory. Some of the issues identified could be dealt with in more than one way. So we will not presume to step forward with a single all-encompassing solution. But we will not be so hesitant in identifying those issues that such a solution must address.

First of all, Alaska is like no place else. Our telecommunication policies must take that into account. If they do no more than imitate policies adopted elsewhere, they will fail to address those aspects of Alaska's telecommunication and information environment that are unique.

Alaska is a huge, sparsely populated state -- inhospitable terrain for marketplace forces in the information industry. The telecommunication grid that has been established across the state has required the active involvement of the state government. A recent decline in state support immediately affected that grid. Some kinds of television programming and other telecommunication services suddenly became unavailable in some parts of the state. The loss of these services increases the danger of an information gap developing between rural and urban areas in Alaska. Without state intervention, rural residents could become the information poor while urban residents become the information rich in the Information Age.¹

The state needs to develop a telecommunication plan. It has to identify telecommunication needs and to come forward with proposals for satisfying them. It should probably make two lists, one of luxuries and one of necessities. It may need to provide subsidies to users or to providers of expensive telecommunication services that are deemed necessary. It may need to promote Alaska as an attractive testing ground for some types of

Footnotes

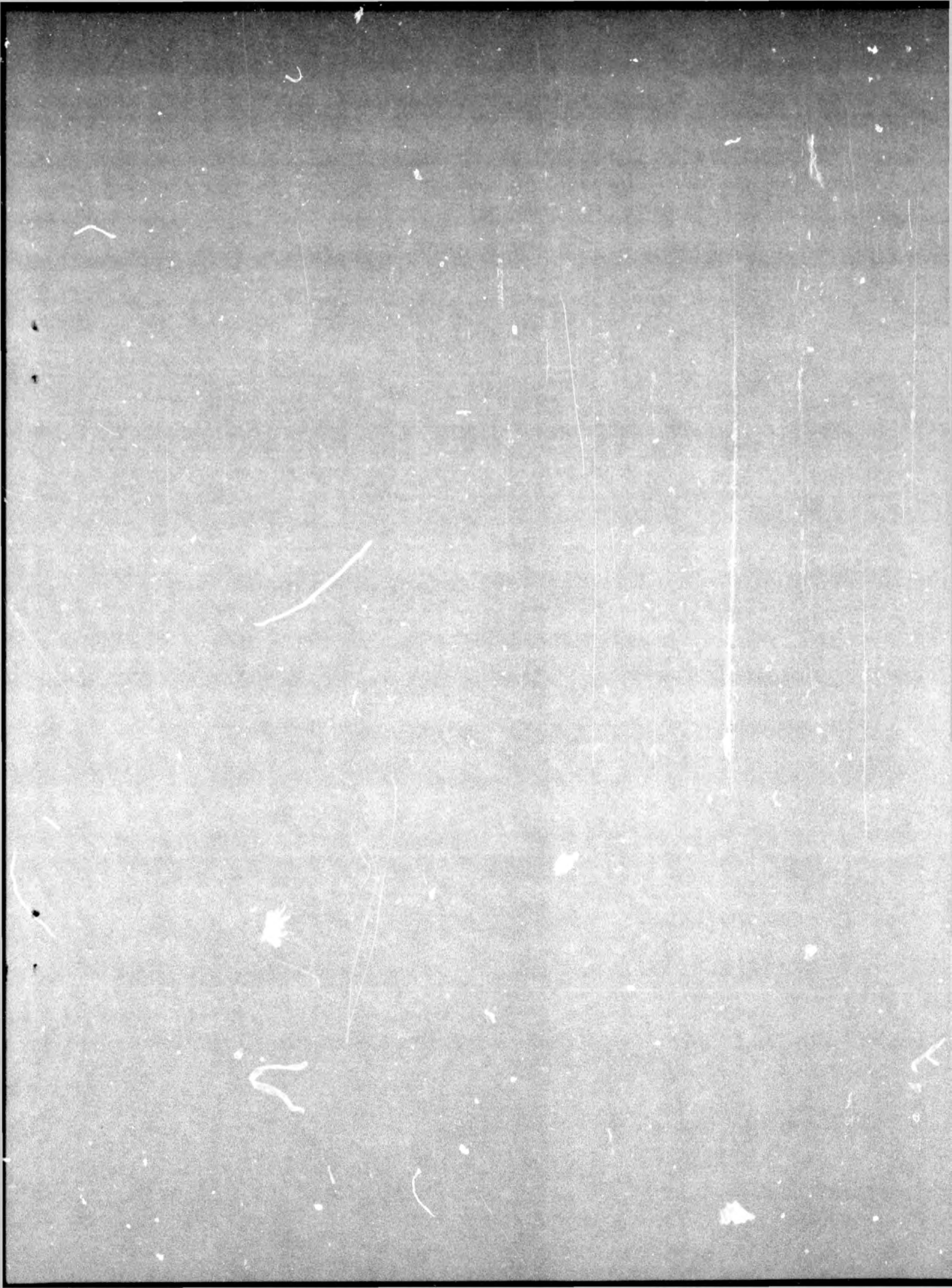
- ¹The problem is discussed by Don A. Dillman, in "The Social Impacts of Information Technologies in Rural North America," *Rural Sociology*, 50(1), 1985, pp. 1-26.
- ²The newspaper industry in several states, for example, fought efforts by AT&T to conduct tests of videotex systems in the early 1980s. Pearson, Larry, "Electronic Publishing: Is Regulation of AT&T in the Public Interest?" paper presented to the Newspaper Qualitative Studies and Advertising divisions of the Association for Education in Journalism and Mass Communication at Boulder Colo., March 13, 1984.
- ³Harlan Cleveland observes that we have not yet got much beyond a "gee whiz" reaction to the technical wizardry of the emerging information society: "The hardware can come up with the *answer* in seconds and communicate it around the world in minutes, but have we asked the right *question*?" In "Information As a Resource," *The Futurist*, December 1982, p. 34.

services that can less easily be tested elsewhere. The lower 48 states, for example, have proved a somewhat hostile environment for the testing of interactive telecommunication services by telephone companies.² And it may have to provide some services, such as audioconferencing and computer networks, itself.

The state needs to develop an information plan. We have lots of information. It's as plentiful as grass and about as useful until we find ways of organizing it. We don't need more of it. We don't need to get it faster.³ (Well, maybe a little more and a little faster.) But we need to find ways to communicate it more easily and we need to find ways of extracting the really important information -- those facts essential to the making of major decisions -- more quickly than is now possible. This is true whether we are managers within state and local governments or in private industry.

The state will need to support its telecommunication and information plans. Information management, in particular, is a fragile concept. It means change, and every organization contains its own inertia. Without a strong show of commitment from the top levels of state government as well as support from lower levels of management, efforts to rationalize the use of information within state government are doomed to failure. Equally important, the workers who will be affected by it should be involved in the change process. They are much more likely to accept the new environment if they regard it as the result of their own efforts.

Once these plans have been developed, they will need to be kept current. This will require continual surveillance of the environment. New needs and new ways of satisfying them will develop. As Alaska grows and its demographics change, the role of the state government in telecommunication will change. The Alaska of 2001 will undoubtedly be different from the Alaska of 1987, but it will take much more than the predictions of a Delphi panel of telecommunication experts to get us from here to there.



DEPARTMENT OF NATURAL RESOURCES
INFORMATION MANAGEMENT SUMMARY
JANUARY 1987

Prepared by: Division of Management
Sharon Barton, Director

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I. INTRODUCTION

The Department of Natural Resources is responsible for acquiring title to and subsequently planning, managing and allocating natural resource use on lands owned by the State of Alaska, including 104.75 million acres selected under the Statehood Act, some 60 to 70 million acres of offshore lands, and as much as 10 million acres of lands beneath navigable rivers and lakes. The Department's planning and resource management authorities cover timber; materials; grazing lands; agricultural lands; wildlife habitat; recreational resources; sites for residential, commercial and industrial use; transportation and utility rights-of-way; locatable minerals; oil and gas; coal; geothermal resources; and other leasable minerals. In addition, the Department has certain regulatory powers applicable without regard to land ownership: water use allocation statewide; zoning authority in the unorganized borough; wildfire control responsibilities throughout Alaska; and the statewide regulation of logging operations, coal mining, and geothermal resources.

In fiscal year 1979, DNR began a department-wide program to acquire new technologies for use in the management of natural resources information, including land records resource data and related administrative information and data. The goal has been to improve effectiveness and

efficiency in management of natural resources through the use of up to date technology for information management. Many projects have been initiated and completed since that time. Others are ongoing. This report provides a status report on development as well as an overview of information management in the Department of Natural Resources.

II. ORGANIZATION AND OPERATIONS

A. DNR Resource Information Management User Group (RIMUG)

The DNR Resource Information Management User Group (RIMUG) is composed of representatives from each division. The group is chaired by the Deputy Commissioner for Operations. The mission of the group is to coordinate information management activities within the department to provide general oversight and direction to the resources information management program. The future direction of RIMUG is currently under review and recommendations for change are being developed. Changes will be recommended to reflect the shift of department data processing focus from the

development phase to the production phase. The Information Systems Committee (ISC) and the Information Resources Management Expenditure and Approval Committee (IRMEAC), provide oversight functions at the statewide level.

B. Division of Management

The Division of Management, Land Records Information Section (LRIS), has the responsibility for providing support services for automated information management within DNR. These services include technical and user-oriented support for computer systems in the areas of system development, system maintenance, data base administration, computer operations, user training and assistance, user manuals and automated systems feasibility studies. LRIS also maintains land status plats, provides reprographics and micrographics, scientific graphics and mapping, and data base quality assurance support. LRIS also provides DNR's liaison with the Department of Administration Information Resources Management (IRM) divisions and other agencies involved in information networking.

C. The Division of Mining, Geological & Geophysical Survey

The Division of Mining and Geological and Geophysical Surveys (DMGGS) is responsible for natural resource data collection, inventory, assessment and analysis. It is the major user of several Data General minicomputer based systems used to collect, analyze and present natural resource information in a graphic format. DMGGS is also responsible for management of statewide resource mapping efforts.

D. User Divisions

All DNR divisions are users of electronic information management tools in their day to day work including micro and mini computers, mainframe terminals, and word processors.

III. POLICIES AND PROCEDURES

The Department Order 108, executed in March 1985, is the department's general policy statement regarding information management. It is currently being rewritten to reflect changes resulting from the recent elimination

of the Division of Technical Services and the merger of the Divisions of Geological and Geophysical Surveys and Mining.

The Department Order gives guidance for:

- 1) Uniform operations
- 2) Rational decision-making
- 3) Delegation of authority and responsibilities
and,
- 4) Improve correspondence and communication.

Specific standing policies and procedures exist for EDP (Electronic Data Processing) standards, micro computers, word processors and EDP actions.

IV. PLANNING/BUDGETING

A. Long-Range Resource Information Management Plan

DNR's first long-range plan was developed in 1983 and it has been updated each year thereafter. It was issued in September 1986 in a format consistent with ISC guidelines. The scope of the plan includes

projects and activities that are proposed or being conducted at any level within the Department that fall within the following eleven broad information management goals:

1. Establish and maintain an effective communications network linking DNR offices to each other and to the data/information they must access.
2. Provide applications assistance, as appropriate, in solving information management problems so as to assure cost effectiveness and full integration into the daily conduct of business.
3. Develop an accurate and complete cadastral information base for lands and waters within DNR jurisdiction to insure the legality and accuracy of resource management decisions.
4. Provide information to the public to inform them about issues, involve them in decisions, and establish departmental accountability.
5. Provide current, consistent policy direction and procedural information to appropriate DNR managers from the Commissioner's Office.

6. Use new office systems and procedures, compatible within the Department, to provide more efficient administration and management of work.
7. Manage manual and automated data bases as departmental resources to reduce redundancy and improve accuracy and availability of data/information.
8. Develop and use resource data assessment and evaluation techniques to provide standardized, accountable analytical methods for use in decision making.
9. Develop new data processing systems to better manage DNR's growing amount of land status, natural resources, and administrative data and provide increased reporting capabilities.
10. Operate current data processing systems in an efficient, economical manner so as to meet the growing use of their capabilities.
11. Collect data on natural resources to meet resource management and decision making needs, provide consistent, current accurate data for areas of greatest concern and according to standards.

B. Tactical Plans

Based on the strategic long-range plan, those divisions and sections assigned responsibility for projects and programs develop operational and project-oriented workplans for the implementation of their various projects and programs.

C. Budgeting

Based on the priorities set through the long-range planning process, DNR establishes budgeting priorities for information management activities. Beginning in FY 88, divisions are responsible for budgeting for any data processing costs which exceed the FY 87 allocation from the Department of Administration. The chargeback issue is discussed later in this paper.

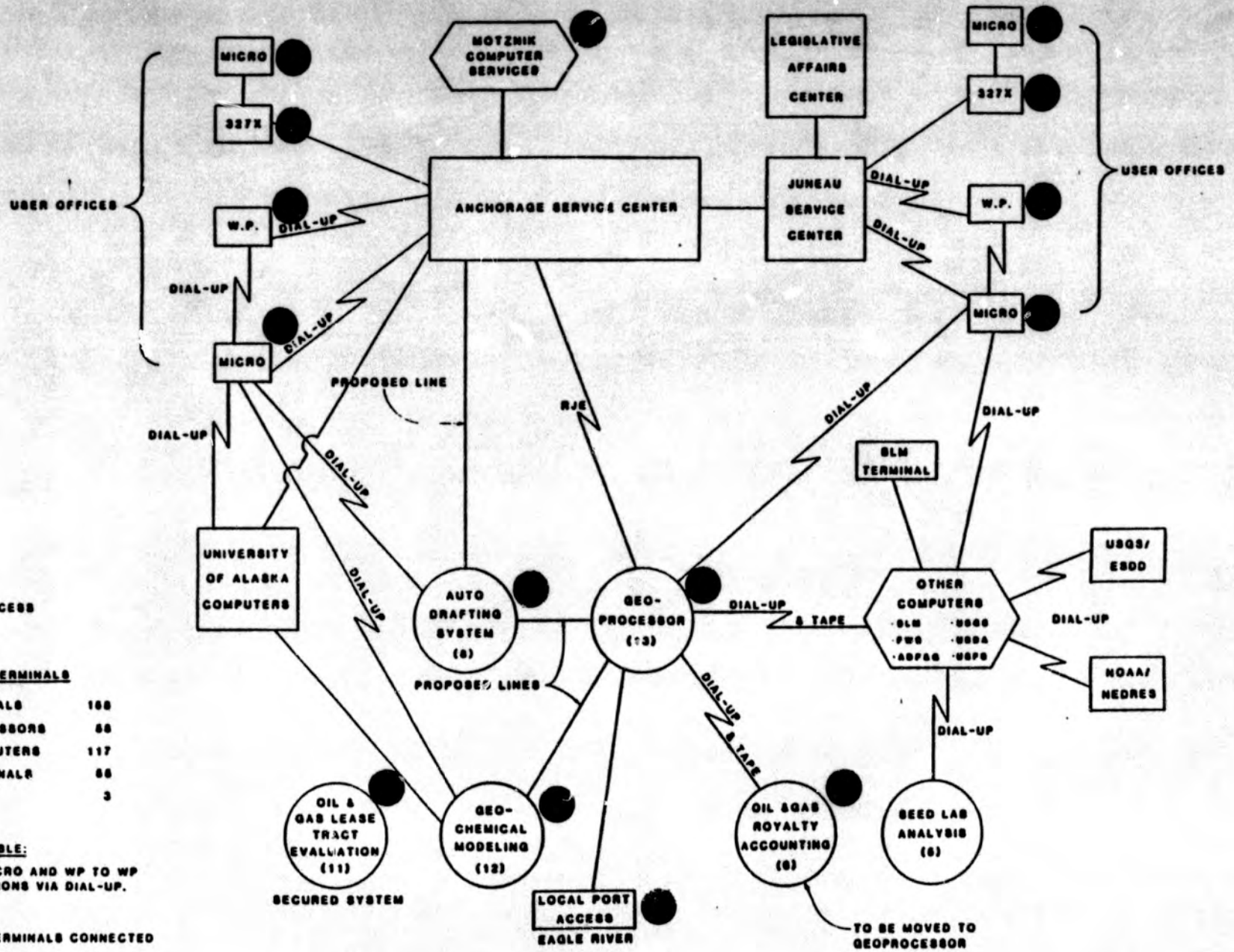
All automated information management projects and capital budget requests are reviewed by the RIMUG.

V. Computer Resources

(See attached overview of computer resource network)

OVERVIEW OF DNR DATA COMMUNICATIONS

8/88



NETWORK ACCESS
IN 18 CITIES

NUMBER OF TERMINALS

327X TERMINALS	188
WORD PROCESSORS	88
MICRO-COMPUTERS	117
OTHER TERMINALS	88
TTY-TYPE	3

ALSO AVAILABLE:

MICRO TO MICRO AND WP TO WP
COMMUNICATIONS VIA DIAL-UP.

(X) No. OF TERMINALS CONNECTED

Supported by LRIS

A. State Mainframe/Anchorage and Juneau Service Centers

The Department has 330 terminals which access the State's mainframe computers.

1. Statewide administrative systems used by all DNR divisions:

a. PROFS-(Professional Office System)

Office automation system featuring low cost instant communication statewide with electronic mail, document preparation, scheduling, reminder and Displaywriter interface capabilities.

b. AKSAS-(Alaska Statewide Accounting System)

Designed to incorporate sophisticated file management technology, highly flexible management reporting facilities, on-line entry/inquiry and streamlined procedures to provide minimum processing turn-around time and high-quality timely management and financial information. Summarize as "normal" DNR's access to mainframe.

- c. RAMIS II-(Rapid Access Management Information System) Combination data base management system with an easy to use nonprocedural computer language interface for report preparation and records maintenance.

- d. ALECSYS-(Alaska Legislative Computer System) Several different systems designed for both legislative service and information.

- e. SAS-(Statistical Analysis System)
A statistical analysis system which can analyze data from many sources to produce statistical reports, graphic charts and diagram, and/or plots the data in a specified format.

- f. CMS-
An online computer based training system used by the State to train staff in the use of mainframe applications.

- g. PHOENIX-
An online operation system used to create and edit programs, process script and SAS files.

- h. PACS-(Personnel Accounting and Control System)
Uses to maintain budget accounting for all State employee positions.
- i. PRAMS-(Personnel Reporting and Management System) Menu driven personnel data reporting system for rapid access to a variety of employee or position information.
- j. PROPERTY ACCOUNTING-
Statewide system for the inventory of all State equipment.
- k. RLVE-
System for the accounting and management of State employee leave records.

2. DNR Systems

a. Land Administration System (LAS)

LAS is a system of related component parts which together compose the state computerized textual land status records. The completed components are:

- 1) Case Monitoring - Allows the Department to add, update, delete and display information concerning any DNR casefile.
- 2) Customer Information - Provides an online customer directory.
- 3) Printer - Provides the capability of printing off of printers located in DNR rather than on the Service Center printers.
- 4) Appraisals - Contains data on about 13,000 appraisals providing cross reference and reporting capability.
- 5) Coal Surface Mining - Stores, retrieves and displays surface mining casefiles and related information.
- 6) Contracts - Contains all land sale and lease contract information necessary to administer contracts, issue billings etc.
- 7) Water - Contains water management data pertaining to water rights, water use, dam inventory and well inventory.

- 8) Revenue and Billing - Performs revenue accounting functions for all revenues generated from the sale or use of natural resources scheduled for completion by January 1, 1987.
- b. Status Plat Tracking - Contains a current inventory of status cases not yet noted to the Status Plat maps. Because there is an eight month backlog of status drafting, this file, in conjunction with the latest Status Plat, provides the resource manager with a current picture of State land status.
- c. Recorder's Office - Provides an on line index for grantor, grantee and location of recorded documents. Maintained by a private vendor. Used by Division of Management (DOM) and private title companies.
- d. Land Lottery - Maintains land and application data on all DNR land lotteries. Used by the Division of Land and Water Management (DLWM).
- e. Forest Inventory - Maintains all data related to inventory of the state's forest and timber resources. Used by the Division of Forestry (DOF).

f. Data Processing Service Request (DPSR)

Provides tracking and monitoring information related to data processing service requests.

B. Minicomputers

1. Geoprocessor

The geoprocessor operated by DOM is a Data General MV 8000 minicomputer system primarily devoted to computer mapping, geographic and statistical analysis of natural resource information for planning and resource management purposes. Principal user's are the DMGGS, DLWM, DOF, DOG, the Department of Health and Social Services, the Department of Fish and Game, and the U.S. Fish and Wildlife Service.

2. Automated Drafting System

The Automated Drafting System is a DOM managed DEC-VAX minicomputer utilized for the production of State Status Plat maps on a graphic database system.

3. Oil & Gas Royalty Accounting System

They system accounts for the states royalty oil

derived from oil leases and interfaces with the new Revenue & Billing system for accounting and billing. The system runs on a Data General mini computer operated by DOM. The principal user is DOG.

4. Oil & Gas Lease Track Evaluation System

This system is a Data General based minicomputer system operated by DMGGS for evaluation of seismic and other types of geologic data in the development of oil and gas lease sales. The principal user is DMGGS.

5. Geochemical Modeling System

This Data General based minicomputer system is managed by DMGGS and is located in Fairbanks. This system primarily analyzes geographic data such as aeromagnetic surveys and geochemical data for the determination of mineral zones in the State. The principal user is DMGGS.

6. Seedlab Analysis System

This system is a Hewlett-Packard based minicomputer at the Division of Agriculture's

Plant Material Center in Palmer. This system analyzes seed lab information and facilitates the State's participation in a national agricultural seed lab program.

C. Microcomputers

The Department now owns 158 microcomputers distributed through all divisions. They are used for:

1. Terminal access to the State Service Centers for the use of LAS, PROFS, and other mainframe systems;
2. Administrative functions such as time reporting, fiscal accounting, budgeting, inventory control, and project management;
3. Communications with other computers (i.e., wildfire network, federal and university agricultural data bases); and
4. Records management for small data bases not on or large enough for the State Service Centers, and occasional word processing and local computing support.

VI. STATUS OF DEVELOPMENT

A. LAS

Capital funds have been allocated to convert DNR's active, manual case files to summary form on the automated Land Administrative System (LAS). Of an estimated 140,000 case files, 116,000 have been converted to date. The remainder are expected to be completed by July 1987. One hundred percent conversion accuracy of all active case files is the goal.

B. Revenue & Billing

In 1985 a major development project was started to design and implement a new Revenue and Billing system. This project was contracted with a software development company within the state. The system was implemented in January 1987 and is in the final stage of clean up. The Division of Management has provided project management and technical support during all phases of development.

C. ADS

The ADS system has been fully implemented for Status Plat automation. Currently 585 townships out of 7,000 total have been automated onto the system. These 585 townships represent over 2,500 map documents.

Survey data for all remaining townships is now being automated using DNR staff. At the same time, the basemap information will be automated by contract. Bid proposals are currently being evaluated and a contract should be awarded by March 1. A Cooperative Agreement with the BLM to photo-revise USGS quadrangles using high-altitude infrared photography will provide the hydrographic base source documents for this phase of the work.

Conversion of land activity information remains to be funded.

D. Recorder's Office

During FY 86 the Recorder's Office system was updated and improved to provide on-line access. This system then was installed on a contractor's computer system (Motznik Computer Services) where technical and system access support is provided on a statewide basis through a cooperative agreement with the State of

Alaska and the service contractor. Hookups to some rural offices have been delayed pending a decision on closure of those offices.

VII. CRITICAL ISSUES

A. Funding of Data Processing Costs

1) Operating Costs

The Department has a capital investment in excess of \$12 million in data processing hardware and software and data bases. The annual operating cost for contracted maintenance and for staff support is about \$1.6 million. Automated processing of information becomes of even greater importance with reduced staff in the divisions to carry out the department's resource management programs. DOA chargeback for mainframe activity is not included in this figure and is discussed separately below.

The budget supporting this function was cut 25% in FY 86 and another 15% in FY 87. We are now at a baseline funding level for the systems we are supporting. Further cuts to this budget will result in shutting down computers and/or systems running on the mainframe.

The issue we face with any additional departmental cuts, therefore, is whether the computers and mainframe systems are sufficiently critical to the operation of this department to maintain current funding levels.

2) CIP - Automated Drafting System

An additional \$2.24 million in CIP funds is needed to complete the ADS system within a 3 to 4 year timeframe.

If these monies are not appropriated, the Department will be forced to finish the project "in house" on a time available basis. No estimate is currently available of years required for completion.

B. Chargeback

From FY 80 to FY 83 costs associated with the State mainframe were paid through a chargeback system. The system did not work well. In FY 83 data processing operating budget monies were gathered up from most Department budgets and transferred into the Department of Administration's budget with the instruction to formulate a new chargeback system. FY 87 is the first year of the new system.

The procedure for FY 87 has been for DOA to negotiate resource allocations (not dollar allocations) back to the departments based on actual use during FY 86. Any usage above the allocation will be charged back to the department.

Although we are still negotiating our FY 87 agreement with DOA, we currently project that our additional chargeback cost will be in the neighborhood of \$100,000. When the agreement is final and we can be more precise about the projected additional cost, divisions will be asked to encumber operating monies to cover their prorated share of the costs. Since these are unbudgeted costs, divisions may need to make program shifts to cover the expense.

2-3-87

Meeting

IN THE SENATE -- State Affairs and Finance
IN THE HOUSE -- House Telecommunications
and State Affairs

EXECUTIVE ORDER NO. 66

1
2 Under the authority of art. III, sec. 23, of the Alaska Constitution,
3 and in accordance with AS 24.08.210, I order the following:

4 * Section 1. FINDINGS. As governor, I find that it would be in the
5 best interests of efficient administration to eliminate the statutory
6 requirements for two separate divisions and a deputy commissioner in the
7 Department of Administration with telecommunications powers and duties.
8 These powers and duties will be more efficiently exercised with greater
9 flexibility given to the department.

10 * Sec. 2 AS 44.21.305 is amended to read:

11 Sec. 44.21.305. COMMISSIONER'S RESPONSIBILITY [DEPUTY COMMIS-
12 SIONER]. [(a) THE TELECOMMUNICATIONS DIVISIONS SHALL BE ADMINISTERED
13 BY A DEPUTY COMMISSIONER OF THE DEPARTMENT APPOINTED BY THE COMMIS-
14 SIONER.

15 (b)] The [DEPUTY] commissioner shall

16 (1) provide executive direction for the activities of the
17 department related to telecommunications [DIVISIONS]; and

18 (2) assure that department [DIVISION] activities in no way
19 constitute an influence on the content or airing of programming, and
20 report to the governor[, THE COMMISSIONER,] and the Alaska Public
21 Broadcasting Commission any request or attempt by an employee of the
22 state to influence the content or airing of program material.

23 * Sec. 3. AS 44.21.310 is amended to read:

24 Sec. 44.21.310. TELECOMMUNICATIONS POWERS AND DUTIES [OF THE
25 TELECOMMUNICATIONS DIVISIONS]. (a) The department [TELECOMMUNICA-
26 TIONS DIVISIONS, AS DIRECTED BY THE DEPUTY COMMISSIONER,] shall

27 (1) advise the governor on matters of policy and comprehen-
28 sive state planning for telecommunications services;

29 (2) make an annual report to the governor and to the

1 legislature on the activities of the department [TELECOMMUNICATIONS
2 DIVISIONS];

3 (3) coordinate, manage, and supervise state programs in
4 telecommunications, including the management of those telecommunica-
5 tion services for the state obtained from common carriers and from the
6 communications industry;

7 (4) when requested, provide technical and consulting assis-
8 tance to the executive, judicial, and legislative branches of state
9 government, to the University of Alaska, and to private noncommercial
10 entities which request that assistance in facility procurement and
11 leasing and in identifying long-range goals and objectives for the
12 state and its political subdivisions in all aspects of telecommunica-
13 tions, including public, educational, and instructional telecommunica-
14 tions;

15 (5) prepare and maintain a state comprehensive telecommu-
16 nications development plan to further state telecommunications devel-
17 opment and to meet state telecommunications needs and prepare and
18 maintain a comprehensive inventory of all state communications facil-
19 ities;

20 (6) whenever feasible, procure services from private enter-
21 prise or certified and franchised utilities and contract for the
22 construction, management, operation and maintenance of telecommunica-
23 tions systems, and develop a procurement policy consistent with AS
24 36.30 (State Procurement Code); the procurement policy must seek to
25 achieve the maximum benefit to the public, and methods of procurement,
26 including lease, purchase, rental, or combinations of lease, purchase,
27 and rental, must be selected on the basis of factors such as the ratio
28 of long-range costs versus benefits, life cycle costing, and the costs
29 to the communications industry to the extent that these costs may

1 affect local and long distance basic telephone rates; procurement,
2 contracting, construction, and maintenance under this paragraph is
3 governed by AS 36.30;

4 (7) provide information and assistance to state agencies to
5 promote governmental coordination and unity in the preparation of
6 agency plans and programs involving the use of telecommunications;

7 (8) apply for and accept federal and private money, proper-
8 ty, or assistance, that may be appropriated, granted, or otherwise
9 made available to the department [TELECOMMUNICATIONS DIVISIONS] and
10 use and disburse money and property for purposes consistent with AS
11 44.21.300 -- 44.21.330 and AS 44.21.256 -- 44.21.290, subject to
12 reasonable limitations imposed by the grantor;

13 (9) participate with other governmental units in planning,
14 and assist local governments and governmental conferences and councils
15 in the state in planning and coordinating their activities relating to
16 telecommunications;

17 (10) provide for the orderly transition to new telecommu-
18 nications services and systems by state agencies;

19 (11) serve as a clearinghouse for information, data, and
20 other materials which may be necessary or helpful to federal, state,
21 or local governmental agencies in the development of telecommunication
22 systems;

23 (12) coordinate department [THEIR] services and activities
24 with those of other state departments and agencies to the fullest
25 extent possible to avoid unnecessary duplication; and

26 (13) provide that all activities of the department [TELE-
27 COMMUNICATIONS DIVISIONS] are responsive to state statutes and regu-
28 lations, and to the regulations and rulings of the Federal Communica-
29 tions Commission.

1 (b) The department [TELECOMMUNICATIONS DIVISIONS, AS DIRECTED BY
2 THE DEPUTY COMMISSIONER,] may

3 (1) coordinate its [THEIR] functions with local, regional,
4 state, and federal officials, private groups and individuals, and with
5 officials of other countries, provinces, and states;

6 (2) enter into contracts and subcontracts on behalf of the
7 state to carry out the provisions of AS 44.21.300 -- AS 44.21.330;

8 (3) act for the state in the initiation, investigation, and
9 evaluation of, or participation in, programs related to the purposes
10 of the department [TELECOMMUNICATIONS DIVISIONS] which involve more
11 than one government or governmental unit;

12 (4) on behalf of the state, apply for, accept, and expend
13 gifts or grants made to the state if the gifts or grants are for the
14 purposes of furthering the objectives of the department [TELECOMMU-
15 NICATIONS DIVISIONS]; and

16 (5) hold public hearings to obtain information for the
17 purpose of carrying out the provisions of AS 44.21.300 -- 44.21.330.

18 (c) The department [TELECOMMUNICATIONS DIVISIONS] may not at-
19 tempt to influence or affect the content or airing of program materi-
20 al.

21 * Sec. 4. AS 44.21.315 is amended to read:

22 Sec. 44.21.315. [DIVISION OF] TELECOMMUNICATIONS SERVICES. (a)
23 [THE DIVISION OF TELECOMMUNICATIONS SERVICES SHALL BE ADMINISTERED BY
24 A DIRECTOR APPOINTED BY THE COMMISSIONER.

25 (b)] The department [DIVISION OF THE TELECOMMUNICATIONS SER-
26 VICES] shall provide

27 (1) technical consultation to educational and public tele-
28 communications users;

29 (2) coordination and support to telecommunications services

1 for instruction, including technical assistance and assistance in
2 preparation of applications for grants related to program development
3 as may be requested by

4 (A) public school districts and the Department of
5 Education;

6 (B) the University of Alaska; and

7 (C) other state agencies as approved by the [DEPUTY]
8 commissioner;

9 (3) coordination and support for health and safety-related
10 functions, including the administrative and client services provided
11 by state, federal, and private agencies;

12 (4) coordination and support to telecommunications services
13 for public participation in state-financed services, including the
14 public hearing process, as may be statutorily required or otherwise
15 appropriate;

16 (5) assistance, through design, development, and promotion,
17 to local school districts or other local and regional education
18 agencies for the regionalization of instructional telecommunications
19 services;

20 (6) establishment of operational policies for public tele-
21 communications services other than public broadcasting; and

22 (7) assistance to the Alaska Public Broadcasting Commission
23 and any commission-designated subcommittees, as necessary to perform
24 assigned department [DIVISION] functions; the department [DIVISION]
25 shall cooperate with the commission and subcommittees in order to
26 develop policies which are responsive to the user groups which are
27 represented on the commission.

28 (b) [(c)] Subject to available funding, the department [DIVISION
29 OF TELECOMMUNICATIONS SERVICES] may make grants to educational and

1 public telecommunication users except grants for public broadcasting
2 purposes.

3 (c) [(d)] The department [DIVISION OF TELECOMMUNICATIONS SER-
4 VICES] shall study, plan, and develop integrated instructional tele-
5 communications services for all residents of the state, and shall
6 annually report on current fiscal year instructional telecommunica-
7 tions activities and, after public hearings, submit to the governor
8 and the legislature an annually updated long-term development plan
9 prepared in consultation with the Department of Education, the Univer-
10 sity of Alaska, local school districts, and other local and regional
11 education areas.

12 (d) [(e)] The department [DIVISION OF TELECOMMUNICATIONS SER-
13 VICES] shall, after public hearings, submit to the governor an annual-
14 ly updated long-term development plan for teleconferencing facilities
15 and services, including facilities and services used both by state
16 agencies and groups other than state agencies.

17 (e) [(f)] The department [DIVISION OF TELECOMMUNICATIONS SER-
18 VICES] may not own, operate, or be the licensee of a public noncommer-
19 cial broadcast station or production center.

20 (f) [(g)] Nothing in this section implies department [DIVISION]
21 responsibility for programming content. Program design, production,
22 and use are the responsibility of the program-sponsoring agency or
23 other entity, not the department [DIVISION].

24 * Sec. 5. AS 44.21.320 is amended to read:

25 Sec. 44.21.320. [DIVISION OF] TELECOMMUNICATIONS OPERATIONS.

26 (a) [THE DIVISION OF TELECOMMUNICATIONS OPERATIONS SHALL BE ADMINIS-
27 TERED BY A DIRECTOR APPOINTED BY THE COMMISSIONER.

28 (b) Except as provided in (f) [(e)] of this section, the de-
29 partment [DIVISION OF TELECOMMUNICATIONS OPERATIONS] may, consistent

1 with the provisions of AS 44.21.310(a)(6)

2 (1) plan, design, construct, manage, and operate all tele-
3 communications systems owned or leased by state agencies;

4 (2) manage centrex and other telephone-related services of
5 state agencies;

6 (3) be responsible generally for telecommunications systems
7 and design for state agencies; and

8 (4) coordinate with state agencies in performing their data
9 and word processing tasks.

10 (b) [(c)] Within the limits of available financing, the depart-
11 ment [DIVISION OF TELECOMMUNICATIONS OPERATIONS] shall administer and
12 operate the satellite television project, by

13 (1) coordinating with the satellite television user groups
14 and entities; and

15 (2) providing liaison, management support, and technical
16 assistance for the satellite television project.

17 (c) [(d)] Decisions and policies relating to programming under
18 the satellite television project, including scheduling and allocation
19 policies, may not be made by the [DIVISIONS OF TELECOMMUNICATIONS OR
20 THE] department, but may only be made by a network that is representa-
21 tive of participating rural television users, by commercial broadcast
22 users or by other affected participating user groups and entities
23 under procedures provided by statute or, if no statute applies, then
24 by agreement of the affected user networks or groups. The department
25 shall assist users in preparing agreements that may be required under
26 this subsection.

27 (d) [(e)] The [DIVISIONS OF TELECOMMUNICATIONS AND THE] depart-
28 ment may not engage in any activity which interferes with a contract
29 or program right relating to commercial television programming,

1 including but not limited to any right protected by copyright.

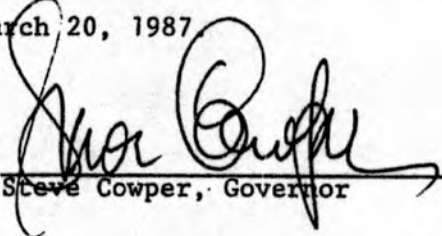
2 (e) [(f)] Nothing in AS 44.21.300 -- 44.21.330 prohibits a state
3 agency from developing telecommunications systems within its own
4 agency if the commissioner gives written authorization for the agency
5 to engage in its own design, development, management, or operation.
6 The commissioner may authorize independent development only upon a
7 showing of necessity. A description of all authorization under this
8 subsection must be included in the annual report required under AS
9 44.21.310(a)(2).

10 (f) [(g)] A state agency authorized to develop an internal
11 telecommunications system shall, whenever feasible, coordinate its
12 design development, management, and operation with the department
13 [DIVISION OF TELECOMMUNICATIONS OPERATIONS].

14 * Sec. 6. AS 44.21.300 and AS 44.21.330(3) are repealed.

15 * Sec. 7. This Order takes effect March 20, 1987

16 DATED: January 19, 1987

17
18 
19 Steve Cowper, Governor

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

SENATE
Bill Version: Executive Order
Publish Date: 1/19/87

REQUEST _____

Revision Date: _____
Title: E.O. 68

Agency Affected: Department of Administration
BRU: Telecommunications Operations
and Telecommunications Services

Sponsor: _____
Requestor: _____

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: Attach a separate page if necessary

Two positions were deleted from the FY 88 Telecommunications Services budget prior to submittal; therefore Executive Order 68 has zero fiscal impact.

Prepared By: John J. Cameron Phone: 465-2041
Division: Telecommunications Services Date: January 12, 1987

Approved by Commissioner: Garrey Peske Date: 1/13/87
Agency: Department of Administration

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)
Senate Secretary

Alaska State Legislature

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CHAIRMAN
Special Committee on
Telecommunications

MEMBER
Labor and Commerce
State Affairs
Finance—Subcommittee Administration

Representative H. A. "Red" Boucher

HOUSE SPECIAL COMMITTEE ON TELECOMMUNICATIONS

February 3 - 5, 1987
(* indicates first public hearing)

BELTZ ROOM

Capitol 211
465-4931

9:00 a.m.
Tu

8:00 a.m.
Thu

Tuesday, February 3, 1987

* EO 66 Eliminating two separate divisions within the
Department of Administration.

Thursday, February 5, 1987

RATNET and Alaska Public Broadcasting Commission.

HOUSE COMMITTEE REPORT

(5)

Date referred: 1/20/87

FURTHER REFERRALS: State Affairs

DATE: FEBRUARY 3, 1987

The House Special Committee on Telecommunications Committee has considered EO 66

To eliminate the statutory requirements for two separate divisions and a deputy commissioner in the Department of Administration with telecommunications powers and duties.

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published 1/19/87
- zero with analysis

SIGNING DO PASS:

W.A. Bunch
John Palmer

SIGNING OTHER RECOMMENDATIONS:

Reynolds no rec

W.A. Bunch
 Chairman's signature

Alaska State Legislature

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CHAIRMAN
Special Committee on
Telecommunications

MEMBER
Labor and Commerce
State Affairs
Finance—Subcommittee Administration

Representative H. A. "Red" Boucher

HOUSE SPECIAL COMMITTEE ON TELECOMMUNICATIONS
FEBRUARY 3, 1987

AGENDA

9:00 a.m. Call to order.

First item of business:

Executive Order 66 - Merging the Divisions of
Telecommunications Services and Operations within the
Department of Administration.

Call for Adjournment:

2-5-87

Meeting

Alaska State Legislature

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CHAIRMAN
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Telecommunications

MEMBER
Labor and Commerce
State Affairs
Finance—Subcommittee Administration

Representative H. A. "Red" Boucher

FEBRUARY 4, 1987

FOR FURTHER INFORMATION
DOUG HUMES 465-4931

NOTICE / FOR IMMEDIATE RELEASE

HOUSE TELECOMMUNICATIONS COMMITTEE TO HOLD HEARINGS ON RATNET AND
ALASKA PUBLIC BROADCASTING PROPOSED TERMINATION

Hearings will be from 8:30 to 10:30 AM, on Thursday 2/5 and
Tuesday 2/10. The Thursday hearing will be in the Beltz room.
The Tuesday hearing will be in room 17. Both rooms are in the
Capitol.

The hearings will also be teleconferenced, although due to a
teleconference conflict, Thursday's teleconference will not be
carried state-wide. Tuesday's hearing will be teleconferenced
state-wide. Check with Legislative Information for Thursday's
teleconference locations.

A more complete agenda will be available on Thursday.

2-10-87

Meeting

COMMUNITIES INVOLVED IN TODAY'S TELECONFERENCE
FEBRUARY 10, 1987

Note:

All figures in this document were taken from "Inventory of Communications Facilities Serving Alaskan Communities", 1987 edition, compiled by the Dept. of Administration.

Anchorage:

Population: 243,829

Number of Telephones: 174,069

Anchorage receives:

RATNET	APBC-TV	CABLE-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO
-	X	X	X	X	X

Barrow:

Population: 2,943

Number of Telephones: 1,304

Barrow receives:

RATNET	APBC-TV	CABLE-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO
X	-	X	-	X	-

Bethel:

Population: 3,681

Number of Telephones: 1,788

Bethel receives:

RATNET	APBC-TV	CABLE-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO
X	X	X	-	X	X

Dillingham:

Population: 2,004

Number of Telephones: 1,002

Dillingham receives:

RATNET	APBC-TV	CABLE-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO
X	-	X	-	X	-

Fairbanks:

Population: 27,103

Number of Telephones: 23,259

Fairbanks receives:

RATNET	APBC-TV	CABLE-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO
-	X	X	X	X	X

Galena:

Population: 894

Number of Telephones: 351

Galena receives:

RATNET	APBC-TV	CABLE-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO
X	-	X	-	-	X

Glennallen:

Population: 477

Number of Telephones: 954

Glennallen receives:

RATNET	APBC-TV	CABLE-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO
X	-	-	X	X	X

Haines:

Population: 1,154

Number of Telephones: 760

Haines receives:

RATNET	APBC-TV	CABLE-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO
X	-	X	-	X	X

Homer:

Population: 3,373

Number of Telephones: 3,355

Homer receives:

RATNET	APBC-TV	CABLE-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO
X	X	-	X	X	X

Hyder:

Population: 79

Number of Telephones: ??? (Figure not in Inventory.)

Hyder receives:

RATNET	APBC-TV	CABLE-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO
X	-	-	-	-	X

Juneau:

Population: 23,729

Number of Telephones: 14,828

Juneau receives:

RATNET	APBC-TV	CABLE-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO
-	X	X	X	X	X

Ketchikan:

Population: 7,633

Number of Telephones: 6,260

Ketchikan receives:

RATNET	APBC-TV	CABLE-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO
X	X	X	-	X	X

Kodiak:

Population: 6,069

Number of Telephones: 4,574

Kodiak receives:

RATNET	APBC-TV	CABLE-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO
X	-	X	-	X	X

Kotzebue:

Population: 2,235

Number of Telephones: 965

Kotzebue receives:

RATNET	APBC-TV	CABLE-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO
X	-	X	-	X	X

Petersburg:

Population: 3,137

Number of Telephones: 1,370

Petersburg receives:

RATNET	APBC-TV	CABLE-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO
X	X	X	-	X	X

Sitka:

Population: 7,611

Number of Telephones: 3,422

Sitka receives:

RATNET	APBC-TV	CABLE-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO
X	X	X	X	X	X

Unalaska:

Population: 1,630

Number of Telephones: 479

Unalaska receives:

RATNET	APBC-TV	CABLE-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO
X	X	X	-	X	-

Valdez:

Population: 3,687

Number of Telephones: 1,719

Valdez receives:

RATNET	APBC-TV	CABLE-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO
X	-	X	-	-	X

Wrangell:

Population: 2,376

Number of Telephones: 1,084

Wrangell receives:

RATNET	APBC-TV	CABLE-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO
X	X	X	-	X	X

REMARKS OF JOHN CLOUGH TO
HOUSE SPECIAL COMMITTEE ON TELECOMMUNICATIONS
February 10, 1987

Thank you for the opportunity to testify before the Special Committee today. I was heartened by the chairman's opening remarks to the effect that there appears to be agreement on the issue that the Legislature should approve funding for public broadcasting in Alaska. I will therefore direct my remarks to the suggested topic of how public broadcasting plays a significant part in the daily life of Alaskans and the consequences should public broadcasting be discontinued.

I should preface my remarks by explaining my own personal connection with public broadcasting in Alaska. For the past year, I have been the legal counsel for KTOO Television and Radio here in Juneau, Alaska. In the course of my work with KTOO, I have had the great fortune to be exposed to many aspects of public broadcasting in Alaska and to appreciate the tremendous effort put forth by hundreds of people throughout the State to deliver these services to the Alaska public. However, I want to emphasize to the committee that I am not here today in my capacity as legal counsel. Instead, I offer these remarks only as the testimony of a subscribing member of KTOO, a resident of Juneau and a concerned Alaskan.

The immediate effect in Juneau of termination of State funding for public broadcasting would be the short-term demise of KTOO. The economic consequences of such action cannot be ignored. As Representatives Ulmer and Hudson are all too well aware, the recent announcement by the United States Coast Guard that it will be moving approximately seventy-five paid positions from the city has been generally perceived as a devastating blow to Juneau. KTOO radio and television employ approximately thirty full time paid positions. While not quite on the same scale as the projected Coast Guard reorganization, the termination of those positions could not help but have a tremendous negative impact on our fragile local economy. I can only presume that similar scenarios would be acted out throughout the State if the Governor's proposed budget were adopted.

As drastic as the economic consequences might be, I believe that the greatest danger inherent in terminating or severely curtailing funding for public broadcasting in Alaska would be a deterioration in the quality of life presently available to the citizens of our State. By "quality of life" I do not refer to a standard of living or some other type of financial indicia. Instead, I speak of the contributions made by public broadcasting to Alaska's complex network of social, cultural and political interaction.

As you listen to testimony from around the State, you will certainly hear many different examples of how public broadcasting contributes to this quality of life on a daily basis. I would like to focus my remarks on one specific aspect of those contributions, that being providing information to the public concerning Alaska's political issues. In my opinion, for a number of years public broadcasting has provided the most significant media forum for examination of political issues in Alaska. The tremendous role of public broadcasting in this regard was graphically demonstrated in the coverage and debates provided during the most recent state-wide elections. As Representatives Hudson and Ulmer may recall, I had the distinct honor of participating in one small portion of the coverage regarding the legislative elections here in Juneau. After my participation in the debate forum, I received feedback from literally scores of citizens in Juneau. The citizen reaction was almost overwhelmingly positive to the role public broadcasting had played in presenting important questions and answers to Alaska's voters.

State-wide election coverage is, of course, the "Super Bowl" of political reporting in Alaska. However, public broadcasting plays just as important a role in providing a forum for political discussion on a daily basis throughout the

State, in the form of extended television news broadcasts, radio broadcasting of municipal hearings, issue oriented programming, the most expansive legislative coverage operating in the State and a host of other services. I cannot stand before you and state that every Alaskan benefits from these services on a daily basis. However, I can state with conviction that public broadcasting provides the only media forum for coverage and debate of Alaskan political issues on a daily basis. If that service were eliminated or severely curtailed, I believe that the quality of Alaskan life would be diminished.

Public broadcasting in Alaska is nothing more, or less, than a reflection of ourselves as Alaskans. At times it has been confused, disorganized and often controversial. More often, however, it has been progressive, daring and enlightened. For myself, I would like to see those qualities of Alaskan life preserved and am willing as an Alaskan to bear an increased tax burden to maintain public broadcasting services.

2-12-87

Meeting



PLEASE SIGN IN

LEGISLATIVE TELECONFERENCE NETWORK SIGN-IN SHEET

Date: **2/12 - THURS**

Site/Location: **JNU/C-17**

Sponsor/Subject: **H. Spec. Comm. ON TELECOMMUNICATIONS**

Name/Representing	Address	Phone	Here to Testify	Here to Observe
Don RINKO	KTOO	586-670	✓	
Charles Heathip	APBC	465-2846	✓	
R. B. "BOB" Blodgett	Teller	642-3333	✓	
Herb Holman	Juneau	465-2846		✓

2/12

Alaska State Legislature

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CHAIRMAN
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Telecommunications

MEMBER
Labor and Commerce
State Affairs
Finance—Subcommittee Administrator

Representative H. A. "Red" Boucher

HOUSE SPECIAL COMMITTEE ON TELECOMMUNICATIONS
FEBRUARY 12, 1987

AGENDA

- HB 5 AN ACT RELATING TO REGULATION OF TELECOMMUNICATIONS
 SERVICE
- HB 23 AN ACT RELATING TO REDUCED RATES AND DISCOUNTED SERVICE
 FOR LOW-INCOME TELECOMMUNICATIONS CUSTOMERS
-

CONTINUATION OF STATEWIDE TELECONFERENCE ON RATNET AND PUBLIC
BROADCASTING

AN ACT RELATING TO REGULATION OF TELECOMMUNICATION SERVICES

INTENT

The intent of the bill is to give the Alaska Public Utilities Commission policy direction in regulating telephone utilities in Alaska.

THE PROBLEM

The deregulation of long distance telephone utilities (AT&T) in 1984 and the resulting rise in private sector competition in the telephone and telecommunications industry requires that APUC now have policy guidelines.

POLICY GUIDELINES PROPOSED BY HB 5

The basic assumption of HB 5 is that the public interest must be protected in the current business climate of deregulation and competition.

It is also assumed that the state should set policy on this issue and not simply accept federal policy, even though it is similar.

The availability and affordability of telephone service are the key policy guidelines.

The definition of "communications" is expanded to include not only telephone service but also video and data communications.

SPECIFIC PROVISIONS

- (1) "Communications" is defined, and the need for universal (i.e., statewide) service at affordable rates is stated.
- (2) The importance of communication services to all Alaskan's is stressed by indicating that the communications services must be "reasonably" priced.
- (3) Deregulation and competition in the telephone industry has led to a situation where a telephone company could use revenues from one of its monopoly operations to subsidize an operation in which it is competing with another company.

PAST ACTION ON BILL

A similar bill (HB 701) was introduced in the last session but it died in the House Labor and Commerce Committee.

Several provisions of HB 701 that had "anti-competitive" connotations, and were therefore controversial, have been removed in HB 5.

FISCAL NOTE

The Alaska Public Utilities Commission attached a zero fiscal note to HB 701.

POSITIONS OF AFFECTED GROUPS

Both the Alaska Public Utilities Commission and the Alaska Telephone Association support the concept of the bill. Technical language changes may be necessary.

GCI and Alascom found HB 701 controversial due to the competition/market structure implications. Neither have presented positions on HB 5 at this point.

1 IN THE HOUSE

BY BOUCHER

2

HOUSE BILL NO. 5

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to regulation of telecommunication
7 services."

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

9 * Section 1. AS 42.05 is amended by adding a new section to read:

10 Sec. 42.05.145. TELECOMMUNICATIONS REGULATION POLICY. A utility
11 that provides local exchange or interexchange telecommunication ser-
12 vice in the state affects the public interest. Regulation of these
13 utilities shall, consistent with this chapter, seek to

14 (1) maintain and advance the efficiency, availability, and
15 affordability of universal communications service including voice,
16 video, and data communications;

17 (2) ensure that charges to customers for communication
18 services are reasonable; and

19 (3) ensure that rates for noncompetitive communication
20 services do not subsidize the competitive ventures of communication
21 companies.

HB 23

AN ACT RELATING TO REDUCED RATES AND DISCOUNTED SERVICE FOR
LOW-INCOME TELECOMMUNICATION CUSTOMERS

INTENT

The purpose of HB 23 is to allow telecommunications utilities (e.g., telephone companies) to initiate reduced rate service to its low-income customers.

THE PROBLEM

Alaska's low income residents could find their access to basic telephone service cut off if the current evolution (i.e., deregulation and competition) of Alaska's telephone service results in an increase in intrastate service rates.

Alaska law does not permit telephone companies to offer reduced rates or discounted service to low-income customers.

CHANGES PROPOSED BY HB 23

HB 23 modifies the Alaska Public Utilities Commission Act to permit a public utility to initiate a discounted service or a reduced rate for telephone service for low-income customers.

In other words, it remove the prohibition that currently prevents reduced rates or discount service.

Note that in no way does HB 23 require telephone utilities or the Alaska Public Utilities Commission to provide discounted service.

PAST ACTION ON BILL

An identical bill (HB 539) passed the House last session, but died in the Senate State Affairs Committee due to concern over whether telephone rates were going to rise.

Note that the primary concern of this bill is the "safety net" aspects of communication -- not concern with fluctuations in the market structure.

FISCAL NOTE

Zero fiscal notes were presented by the Alaska Public Utilities Commission and the Division of Public Assistance.

POSITIONS OF AFFECTED GROUPS

Both the Alaska Public Utilities Commission and the Alaska Telephone Association support this bill.

Note that the Federal Communications Commission supports this concept.

Alascom and GCI did not testify at the hearings last session. Alascom does not have a position on this bill at this time.

1 IN THE HOUSE

BY BOUCHER

2

HOUSE BILL NO. 23

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to reduced rates and discounted service for low-income telecommunication customers."

7

8

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

9

* Section 1. AS 42.05.301 is amended by adding a new subsection to read:

10

11

(b) Notwithstanding (a) of this section, a public utility may initiate a discounted service or a reduced rate for essential telecommunication services for the benefit of its low-income customers. The commission may not require a utility to provide a discounted service or reduced rate under this subsection. The commission may not require a telephone utility to incur uncompensated costs or administrative burdens that are not recoverable through an approved tariff if the utility provides a discounted service or reduced rate.

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* Sec. 2. AS 42.05.391 is amended by adding a new subsection to read:

20

(e) Notwithstanding (a) of this section, a public utility may initiate a discounted service or a reduced rate for essential telecommunication services for the benefit of its low-income customers. The commission may not require a utility to provide a discounted service or reduced rate under this subsection. The commission may not require a telephone utility to incur uncompensated costs or administrative burdens that are not recoverable through an approved tariff if the utility provides a discounted service or reduced rate.

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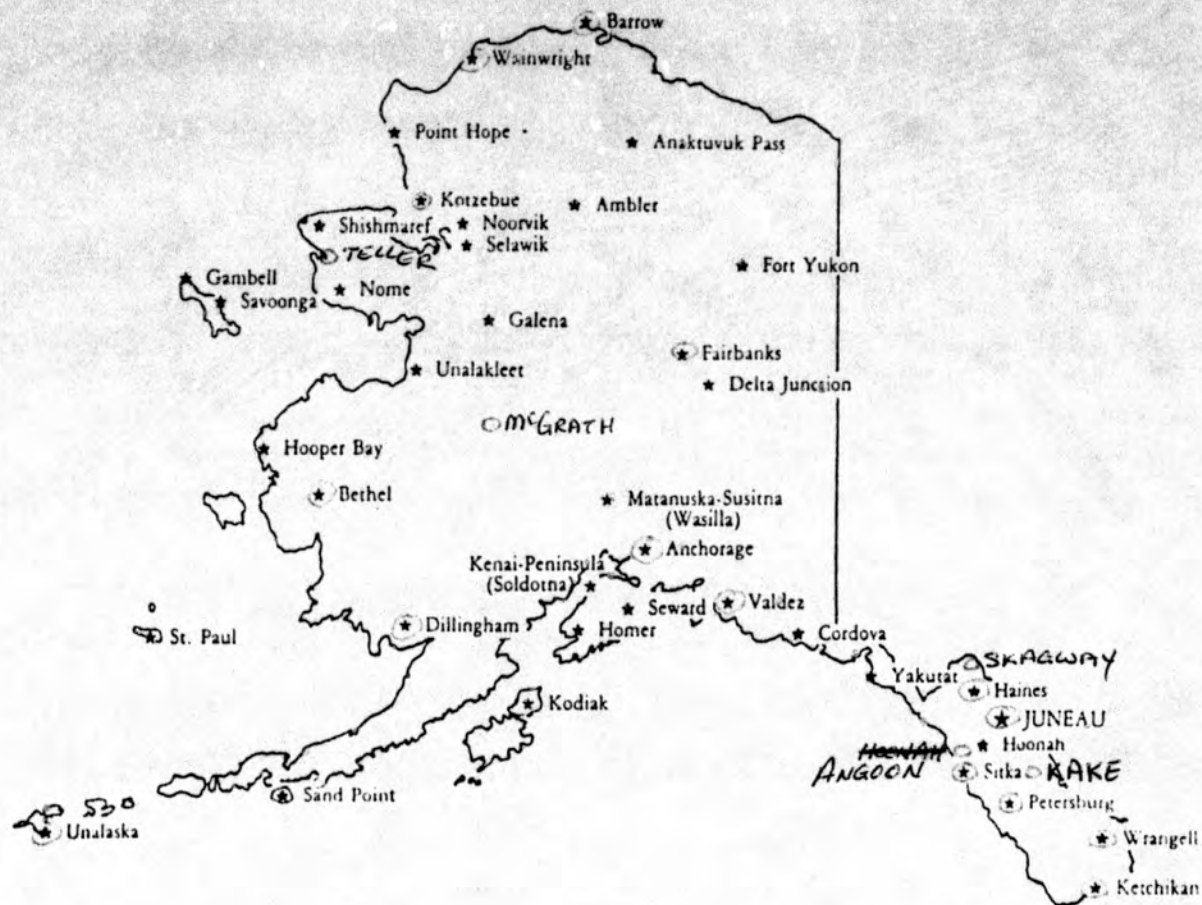
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PLC



COMMUNITIES INVOLVED IN TODAY'S TELECONFERENCE
FEBRUARY 12, 1987

Note:

All figures in this document were taken from "Inventory of Communications Facilities Serving Alaskan Communities", 1987 edition, compiled by the Dept. of Administration.

Anchorage:

Population: 243,829

Number of Telephones: 174,069

Election Districts:

Senate Districts: E-I

House Districts : 8-15

Anchorage receives:

RATNET	APBC-TV	CABLE-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO
-	X	X	X	X	X

Angoon:

Population: 470

Number of Telephones: 149

Election Districts:

Senate District: B

House District : 2

Angoon receives:

RATNET	APBC-TV	CABLE-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO
X	X	X	-	X	X

Dillingham:

Population: 2,004

Number of Telephones: 1,002

Election Districts:

Senate District: N
House District : 26

Dillingham receives:

RATNET	APBC-TV	CABLE-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO
X	-	X	-	X	-

Fairbanks:

Population: 27,103

Number of Telephones: 23,259

Election Districts:

Senate Districts: J-K
House Districts : 17-21

Fairbanks receives:

RATNET	APBC-TV	CABLE-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO
-	X	X	X	X	X

Kake:

Population: 574

Number of Telephones: 245

Election Districts:

Senate District: B

House District : 2

Kake receives:

RATNET	APBC-TV	CABLE-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO
X	X	X	-	X	X

Ketchikan:

Population: 7,633

Number of Telephones: 6,260

Election Districts:

Senate District: A

House District : 1

Ketchikan receives:

RATNET	APBC-TV	CABLE-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO
X	X	X	-	X	X

Petersburg:

Population: 3,137

Number of Telephones: 1,370

Election Districts:

Senate District: A

House District : 1

Petersburg receives:

RATNET	APBC-TV	CABLE-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO
X	X	X	-	X	X

Sitka:

Population: 7,611

Number of Telephones: 3,422

Election Districts:

Senate District: B

House District : 3

Sitka receives:

RATNET	APBC-TV	CABLE-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO
X	X	X	X	X	X

Unalaska:

Population: 1,630

Number of Telephones: 479

Election Districts:

Senate District: N

House District : 26

Unalaska receives:

RATNET	APBC-TV	CABLE-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO
X	X	X	-	X	-

Valdez:

Population: 3,687

Number of Telephones: 1,719

Election Districts:

Senate District: E

House District : 6

Valdez receives:

RATNET	APBC-TV	CABLE-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO
X	-	X	-	-	X

2-17-87

Meeting

Introduced: 1/19/87
Referred: House Special Committee on
Telecommunications and Labor & Commerce

1 IN THE HOUSE

BY BOUCHER

2

HOUSE BILL NO. 5

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to regulation of telecommunication
7 services."

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

9 * Section 1. AS 42.05 is amended by adding a new section to read:

10 Sec. 42.05.145. TELECOMMUNICATIONS REGULATION POLICY. A utility
11 that provides local exchange or interexchange telecommunication ser-
12 vice in the state affects the public interest. Regulation of these
13 utilities shall, consistent with this chapter, seek to

14 (1) maintain and advance the efficiency, availability, and
15 affordability of universal communications service including voice,
16 video, and data communications;

17 (2) ensure that charges to customers for communication
18 services are reasonable; and

19 (3) ensure that rates for noncompetitive communication
20 services do not subsidize the competitive ventures of communication
21 companies.

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 8672
1551 SCOMM 58: HOUSE SPEC. COMM. ON TELECOMMUNICATIONS, 1987-1988/8

Introduced: 1/19/87
Referred: House Special Committee on
Telecommunications and Labor & Commerce

1 IN THE HOUSE

BY BOUCHER

2 HOUSE BILL NO. 23

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to reduced rates and discounted
7 service for low-income telecommunication customers."

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

9 * Section 1. AS 42.05.301 is amended by adding a new subsection to
10 read:

11 (b) Notwithstanding (a) of this section, a public utility may
12 initiate a discounted service or a reduced rate for essential telecom-
13 munication services for the benefit of its low-income customers. The
14 commission may not require a utility to provide a discounted service
15 or reduced rate under this subsection. The commission may not require
16 a telephone utility to incur uncompensated costs or administrative
17 burdens that are not recoverable through an approved tariff if the
18 utility provides a discounted service or reduced rate.

19 * Sec. 2. AS 42.05.391 is amended by adding a new subsection to read:

20 (e) Notwithstanding (a) of this section, a public utility may
21 initiate a discounted service or a reduced rate for essential telecom-
22 munication services for the benefit of its low-income customers. The
23 commission may not require a utility to provide a discounted service
24 or reduced rate under this subsection. The commission may not require
25 a telephone utility to incur uncompensated costs or administrative
26 burdens that are not recoverable through an approved tariff if the
27 utility provides a discounted service or reduced rate.

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

Bill Version: HB 97 and SB 92
Publish Date: _____

REQUEST _____
Revision Date: _____
Title: "An Act relating to deregulation of cable television"
Sponsor: _____
Requestor: _____

Agency Affected: Comm. and Econ. Dev.
BRU: Alaska PUBLIC UTILITIES Commission
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

If this legislation is adopted, the decrease in regulatory activity will reduce a relatively insignificant amount of agency workload. Given the nearly 25% reduction in staff resources already absorbed by the Alaska Public Utilities Commission over the past three fiscal years, a further reduction in staffing would not be expected as a result of the changes proposed in this bill.

Prepared by: T.S. Moninski II, Executive Director Phone: 276-6222
Division: Alaska Public Utilities Commission Date: _____

Approved by Commissioner: [Signature] Date: 2/22/87
Agency: Commerce and Economic Development

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)
 - Senate Secretary

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

2-17-87

Meeting

Introduced: 1/19/87
Referred: House Special Committee on
Telecommunications and Labor & Commerce

1 IN THE HOUSE

BY BOUCHER

2

HOUSE BILL NO. 5

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to regulation of telecommunication
7 services."

8

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

9

* Section 1. AS 42.05 is amended by adding a new section to read:

10

Sec. 42.05.145. TELECOMMUNICATIONS REGULATION POLICY. A utility

11

that provides local exchange or interexchange telecommunication ser-

12

vice in the state affects the public interest. Regulation of these

13

utilities shall, consistent with this chapter, seek to

14

(1) maintain and advance the efficiency, availability, and

15

affordability of universal communications service including voice,

16

video, and data communications;

17

(2) ensure that charges to customers for communication

18

services are reasonable; and

19

(3) ensure that rates for noncompetitive communication

20

services do not subsidize the competitive ventures of communication

21

companies.

Introduced: 1/19/87
Referred: House Special Committee on
Telecommunications and Labor & Commerce

1 IN THE HOUSE

BY BOUCHER

2

HOUSE BILL NO. 23

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to reduced rates and discounted
7 service for low-income telecommunication customers."

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

9 * Section 1. AS 42.05.301 is amended by adding a new subsection to
10 read:

11 (b) Notwithstanding (a) of this section, a public utility may
12 initiate a discounted service or a reduced rate for essential telecom-
13 munication services for the benefit of its low-income customers. The
14 commission may not require a utility to provide a discounted service
15 or reduced rate under this subsection. The commission may not require
16 a telephone utility to incur uncompensated costs or administrative
17 burdens that are not recoverable through an approved tariff if the
18 utility provides a discounted service or reduced rate.

19 * Sec. 2. AS 42.05.391 is amended by adding a new subsection to read:

20 (e) Notwithstanding (a) of this section, a public utility may
21 initiate a discounted service or a reduced rate for essential telecom-
22 munication services for the benefit of its low-income customers. The
23 commission may not require a utility to provide a discounted service
24 or reduced rate under this subsection. The commission may not require
25 a telephone utility to incur uncompensated costs or administrative
26 burdens that are not recoverable through an approved tariff if the
27 utility provides a discounted service or reduced rate.

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

Bill Number: PA 97 and SB 92

REQUEST: _____

Publish Date: _____

Revision Date: _____

Agency Affected: Comm. and Econ. Dev.

Title: "An Act relating to deregulation of cable television"

BRU: Alaska Public Utilities Commission

Sponsor: _____

Components: _____

Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

If this legislation is adopted, the decrease in regulatory activity will reduce a relatively insignificant amount of agency workload. Given the nearly 25% reduction in staff resources already absorbed by the Alaska Public Utilities Commission over the past three fiscal years, a further reduction in staffing would not be expected as a result of the changes proposed in this bill.

Prepared by: T.S. Moninski II, Executive Director

Phone: 276-6222

Division: Alaska Public Utilities Commission

Date: _____

Approved by Commissioner: [Signature]

Date: 2/24/87

Agency: Commerce and Economic Development

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

Introduced: 2/2/87
Referred: House Special Committee
on Telecommunications and Labor &
Commerce

1 IN THE HOUSE

BY TAYLOR

2 HOUSE BILL NO. 97

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to deregulating cable television."

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

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

9 (k) A utility which furnishes cable television service is exempt
10 from the provisions of this chapter [OTHER THAN AS 42.05.221 - 42.05.-
11 281] unless 25 percent of the subscribers petition the commission for
12 regulation.
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2-26-87

Meeting

Original sponsor: Boucher

1 IN THE HOUSE

BY THE HOUSE SPECIAL COMMITTEE
ON TELECOMMUNICATIONS

2

CS FOR HOUSE BILL NO. 5 (Telecommunications)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to regulation of telecommunication
services."

7

8

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

9

* Section 1. AS 42.05 is amended by adding a new section to read:

10

Sec. 42.05.145. TELECOMMUNICATIONS REGULATION POLICY. A utility

11

that provides local exchange or interexchange telecommunication ser-

12

vice in the state affects the public interest. Regulation of these

13

utilities shall, consistent with this chapter, seek to

14

(1) maintain and advance the efficiency, availability, and

15

affordability of universal basic telecommunications service;

16

(2) ensure that charges to customers for telecommunication

17

services are reasonable; and

18

(3) ensure that revenue earned from noncompetitive telecom-

19

munication services is not used to subsidize the competitive ventures

20

of telecommunication companies.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

112

REQUEST: _____
Revision Date: _____
Title: "An Act relating to regulation
of telecommunication services
Sponsor: Boucher
Requestor: _____

Bill Version: CSHB 5 (Tele)
Publish Date: HOUSE 3/4/87

Agency Affected: Commerce & Econ. Dev.
BRU: Alaska Public Utilities Commission
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERS. ONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

This bill proposes a basis statement of telecommunications policy and is not expected to have any fiscal impact on this agency.

Prepared by: T.S. Moninski, II, Executive Director Phone: 276-6222
Division: Alaska Public Utilities Commission Date: _____

Approved by Commissioner: [Signature] Date: 2/26/87
Agency: Commerce and Economic Development

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)
Senate Secretary

Original sponsor: Boucher

1 IN THE HOUSE

BY THE HOUSE SPECIAL COMMITTEE
ON TELECOMMUNICATIONS

2

CS FOR HOUSE BILL NO. 23 (Telecommunications)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to reduced rates and discounted
7 service for low-income telecommunication customers."

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

9 * Section 1. AS 42.05.301 is amended by adding a new subsection to
10 read:

11 (b) Notwithstanding (a) of this section, a public utility may
12 propose a discounted service or a reduced rate for essential telecom-
13 munication services for the benefit of its low-income customers. The
14 commission may not require a utility to provide a discounted service
15 or reduced rate under this subsection. The commission may not require
16 a telephone utility to incur uncompensated costs or administrative
17 burdens that are not recoverable through an approved tariff if the
18 utility provides a discounted service or reduced rate.

19 * Sec. 2. AS 42.05.391 is amended by adding a new subsection to read:

20 (c) Notwithstanding (a) of this section, a public utility may
21 propose a discounted service or a reduced rate for essential telecom-
22 munication services for the benefit of its low-income customers. The
23 commission may not require a utility to provide a discounted service
24 or reduced rate under this subsection. The commission may not require
25 a telephone utility to incur uncompensated costs or administrative
26 burdens that are not recoverable through an approved tariff if the
27 utility provides a discounted service or reduced rate.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

116

REQUEST: _____

Bill Version: CSHB 25(Tele)
Publish Date: HOUSE 3/4/87

Revision Date: _____
Title: "An Act relating to reduced rates & discounted service for low-income tele. customers"

Agency Affected: Dept. of Commerce & Econ. Dev.
BRU: Alaska Public Utilities Commission

Sponsor: _____
Requestor: Becky Bear

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Although implementation of this proposed legislation could result in some new filings before this Commission, the number of proceedings should be fairly minimal and would not likely result in the need for additional fiscal resources.

Prepared by: T.S. Moninski, II, Executive Director Phone: 276-6222
Division: Alaska Public Utilities Commission Date: 2/26/87

Approved by Commissioner: [Signature] Date: 2/26/87
Agency: Commerce and Economic Development

- Distribution (by preparer): [Signature]
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)
 - Senate Secretary

INTRODUCTION OF BILLS (House)

HB 21, (cont'd)

14.17.170, whichever is greater. Additional state aid shall be obligated by the commissioner before June 30."

Effective July 1, 1987.

Introduced January 19 and referred to Health, Education & Social Services and Finance.

Hazardous
Physical Agents
in Workplace

HOUSE BILL NO. 22, by Reps. Pourchot, Boyer, Ellis, Davis, & Koponen. Identical to SB 24, page 12..

Introduced January 19 and referred to Labor & Commerce, and Finance.

Telecommuni-
cations
(discounts for
low-income)

HOUSE BILL NO. 23, by Rep. Boucher. Amends the Alaska Public Utilities Commission Act, sections on discrimination in service and discrimination in rates (AS 42.05.301 & 391) by adding: "...a public utility may initiate a discounted service or a reduced rate for essential telecommunication services for the benefit of its low-income customers." Prohibits the Alaska Public Utilities Commission from requiring a utility to provide discounted service. Also adds: "The commission may not require a telephone utility to incur uncompensated costs or administrative burdens that are not recoverable through an approved tariff if the utility provides a discounted service or reduced rate." Does not provide for an effective date (becomes law 90 days after being signed by the Governor).

Introduced January 19 and referred to the House Special Committee on Telecommunications after establishment of the committee by HR 1, and then to Labor & Commerce.

Bail
(remission
after for-
feiture)

HOUSE BILL NO. 24, by Reps. Boucher and Gruenberg. Adds to AS 12.30.060 (violation of release conditions that lead to forfeiture of bail): "(b) After entry of a judgment of forfeiture, the surety may apply to the court for a remission. If it appears that justice does not require the forfeiture, the court may grant the application and remit forfeiture, in whole or in part. The court may impose conditions of remission, including payment of the expenses incurred in the proceedings for the enforcement of the forfeiture and in securing the return of the defendant."

Does not provide for an effective date (becomes law 90 days after being signed by the Governor).

Introduced January 19 and referred to Judiciary.

Office of
Equal Employ.
Opportunity

HOUSE BILL NO. 25, by Rep. Martin. Expands the powers of the Office of Equal Employment Opportunity contained in AS 44.19.442(b) by adding that the Office may: "(2) require the division of personnel in the Department of Administration to purge records from an employee's personnel file if the records are the direct or indirect result of complaint of unlawful

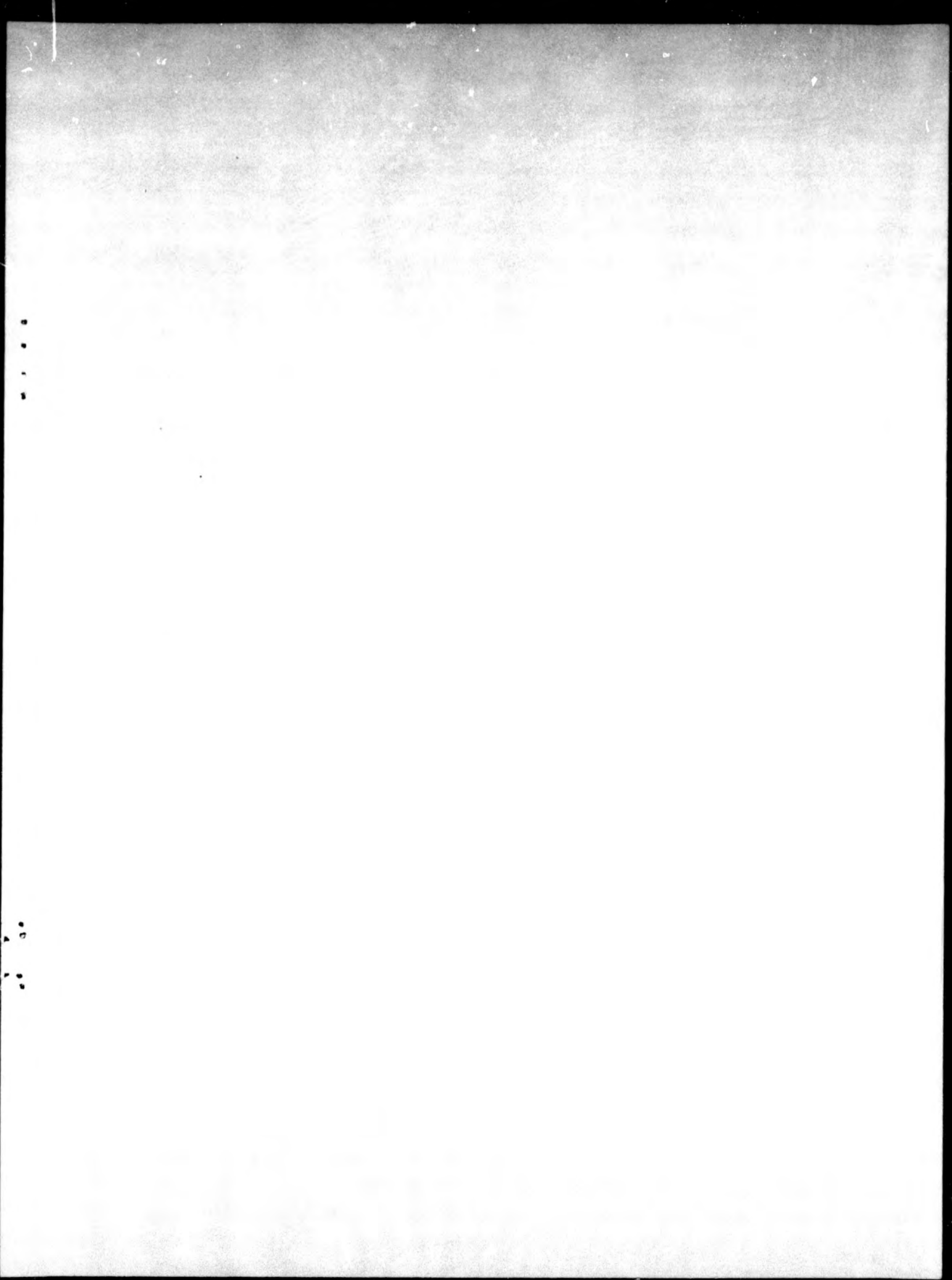
The Future of
State-Supported
Broadcasting
in Alaska

Final
recommendations

to the
House Special Committee
on Telecommunications

by
Larry L. Pearson

Assistant Professor
Department of Journalism and Public Communications
University of Alaska Anchorage



Committee Members

Rep. H.A. "Red" Boucher,
Chairman,

Rep. Bill Hudson,
Vice Chairman,

Rep. Fran Ulmer

Rep. Fritz Pettyjohn

Rep. Virginia M. Collins

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Executive Summary

This report is intended to provide the House Special Committee on Telecommunications with information so that it can help decide in the next few days the future of broadcast telecommunication in Alaska.

This report makes no recommendations about a level of support for broadcast telecommunication -- although it comes close to that. It does identify the main options and the central arguments relating to each of them. It also identifies what the author believes to be the two central -- and distinct -- policy questions that must be addressed in this debate:

1. Should the state maintain its commitment to assuring that all Alaskans have broadcast (as opposed to taped) radio and television service?
2. Should the state maintain its support of types of broadcast content that are not provided by the private sector?

The answers to these questions are political ones and therefore outside the scope of this report. It is the intent of this report to provide information that will promote better understanding of just what is at issue.

This report addresses one other issue: the policy-making process as it relates to telecommunication today. The state today has no telecommunication policy structure. The absence of such a structure made it difficult -- even impossible -- to collect information that was vital to this report. *The absence of such a structure made this report necessary.*

This report does make one recommendation:

That the State of Alaska establish an independent entity responsible for management and planning for all its telecommunication resources.

This recommendation is consistent with the committee's Information Resource Management Report and with HB 40, now before the committee.

This report is organized in three sections which are followed by several tables and, finally, an appendix that summarizes a private proposal for an alternative to state-supported broadcasting. The first section of the report addresses the issue of broadcast telecommunication management, the second looks from an economic perspective at the telecommunication options available to the state, and the third looks at telecommunication content and the ways it serves the state.

"You've got to have a system of communication if you're going to have a modern state."

-- Dr. William R. Wood, former president,
University of Alaska; former mayor,
Fairbanks

Management of Alaska's Broadcast System

The state of Alaska has spent tens of millions of dollars in the last 20 years to help develop and maintain a complex broadcast system. Its investment in the Rural Alaska Television Network channel alone is estimated at more than \$60 million.

Yet, today, when the value of the system is being challenged, there is no one within state government who can speak for that system. There are only two places within state government where the broadcast system is treated as a whole. One place is the House Special Committee on Telecommunications. The other is the office of the Governor.

It appears to this observer that both are operating with inadequate information, and that this is a weakness of the system. No matter how well intentioned the people within it may be, the system as it exists today is incapable of supporting well-informed decision making about broadcasting in Alaska. It is fragmented and suffers from a lack of direction.

There is a real danger that this lack of direction will prove costly to the long-term interests of the state in the coming weeks.

The state government entities with responsibilities for broadcast telecommunication are:

- the Alaska Public Broadcasting Commission,
- the Division of Telecommunications, Department of Administration, (formerly the Division of Telecommunications Services and the Division of Telecommunications Operations),
- the RATNET board of directors,
- the Office of Instructional Services, Department of Education,
- Instructional Telecommunications Services, University of Alaska.

The RATNET and APBC budgets are channeled through the Department of Administration. The Division of Telecommunications maintains state-owned equipment used by RATNET. In other respects, RATNET and the APBC are independent of DOA.

One of the ironies of the current debate over telecommunication is that the Department of Administration -- which controls the budget and maintains much of the equipment for state-supported broadcasting -- is advocating elimination of that funding. The Division of Telecommunications originally recommended elimination of the RATNET budget in an exercise conducted for then-Governor Bill Sheffield. The costs of RATNET are relatively fixed. To preserve its budget within a small division facing a 15 percent budget cut, the rest of the division's budget would have had to have been cut 40 percent.

DOA Deputy Commissioner John Andrews indicated in testimony before the DOA Budget Subcommittee in February and in a later interview that

elimination of broadcast funding is now recommended by the department because it believes the content of RATNET and public broadcasting is not important enough to deserve state support. The great flaw in that argument is that the Department of Administration is not charged with responsibility for the content of the channels it services. It made a content decision without having any expert advice available.

The Department of Administration, through its annual inventory of telecommunication services, has also provided the information on which many of the arguments in the current debate are based. This document has been cited by the chairman of the DOA Finance Subcommittee, the House Special Committee on Telecommunications, cable operators in their proposal for a substitute for RATNET, the Department of Administration itself, and this author.

Yet the accuracy of this document is questionable.

Its validity was challenged in a memo from APBC engineer Herb Holeman to the APBC executive director, and in teleconference testimony from around the state before the House Special Committee on Telecommunications. It appears from this that the DOA inventory is a highly optimistic estimate of radio coverage in Alaska.

The inventory contains information collected with limited resources by an agency that was given only general direction about what information to collect and how to go about it. As an agency charged mainly with maintenance of the telecommunications system, it has had little reason to do the more sophisticated analysis of coverage areas that was conducted by Holeman.

The inventory gives an inflated picture of broadcast coverage because it relies on the reports of station managers. It is in the interest of the commercial station managers to include in their service areas those communities where the signal is only occasionally and imperfectly received. Witnesses from several communities listed in the document as having both public and commercial radio testified that only public radio was available. These communities include Haines, Skagway, Angoon, Unalaska and McGrath. A witness from Angoon, for example, testified, "AM radio is available here only at certain times and only if we have good antennae."

Holeman's re-analysis was based on the FCC standards for determining service areas in Alaska. It found that 28 communities listed in the DOA inventory as receiving both public and commercial radio in actuality receive only public radio. More than 10,000 people who would appear from the inventory to have an alternative to public radio probably do not.

The only type of broadcasting that has been ably represented in the current debate is public broadcasting. The APBC director, Charles Northrip, has represented the interests of his client broadcast stations before the Legislature and is supporting a proposal that would turn the RATNET channel into a public broadcast channel.

RATNET and educational broadcasting have no such representation.

RATNET board members have testified individually before the House

Special Committee on Telecommunications, but there has been no organized defense of the RATNET mission. RATNET members see their duty as making program decisions about RATNET content. They take this duty very seriously; the minutes of their meetings are largely a record of lengthy discussions of whether particular programs are what RATNET viewers want. The RATNET board does not seem to have taken a larger view of the role of RATNET in Alaska, and there is no one to articulate such a view and present it on the board's behalf.

Similarly, the Department of Education and the University of Alaska have taken on responsibilities for instructional broadcasting throughout the state.

These responsibilities are part of the larger mission of both organizations. The efforts of both organizations to protect Learn Alaska when it was threatened in 1986 were weak and tardy, with the result that the only channel dedicated to the broadcast of instructional television was lost. The arguments that could have been presented in defense of instructional programming appear even now to be poorly understood by surviving members of the telecommunication community.

What is missing from the telecommunication infrastructure today -- and what is sorely needed -- is a place where telecommunication is treated as a whole. In the absence of such a place, what we have is a conglomeration of special interests that are by their actions weakening the structure they are a part of. Not all of them are unaware that this is happening. But they are powerless to do more than they are doing already. They are prisoners of a system which lacks a larger view.

"The state doesn't have any telecommunications policy."

-- Bill McCaughan, Anchorage
Community College, former director
of the Learn Alaska Network

Options for Alaskan Broadcasting

What follows is a brief discussion of the options available to the state as it considers whether to continue to fund broadcasting and, if so, at what level. This discussion addresses mainly the economic questions. More detailed discussion of the social issues is contained in the later descriptions of the services provided by the various media.

The complexity of the problem is well illustrated by the number of options presented here. Almost all of them have been proposed at some time during the current debate. And, of course, if the state decides to fund broadcasting at some reduced level, there are a number of possible permutations of these options.

I. A statewide TV channel

A. Keep RATNET in its present form at current funding level.

This would cost the state \$2.8 million a year.

B. Keep RATNET in its present form with reduced funding.

RATNET gets its programming free from commercial television and public television stations. There is no savings to be realized there. About 90 percent of the RATNET budget goes to ALASCOM to pay for transmission of the programming. There's some reason to believe a new contract at a somewhat reduced rate might be negotiated. The state now pays about \$900,000 for use of an Alascom transponder. Transponder space on other companies' satellites is now being sold for about \$600,000.

C. Substitute public broadcast content for RATNET content with reduced funding.

The FCC allows carriers to transmit public broadcasting at lower than commercial rates. Public broadcasting in Alaska is willing to provide content for a statewide TV channel. The thought is that Alascom might be persuaded to provide public broadcasting content on a statewide channel for the same amount of money -- \$1 million -- that it would get as a termination payment if the channel were shut down.

The projected saving is \$1.8 million. There is some question that it could be that large. In actuality it would be someplace between that figure and \$380,000.

Even if Alascom didn't reduce its rates, there would be a savings of about \$380,000 because the \$329,800 for the Anchorage tape delay center and \$50,000 for RATNET travel would no longer be needed.

This proposal involves several assumptions:

- a. That Alascom would be willing to provide service for \$1 million. Alascom's actual costs -- which are unknown -- are the same regardless of content. They may or may not be more than \$1 million.
- b. That state funding for public television -- about \$3 million -- will be continued. If that funding is eliminated, or even sharply reduced, public television probably couldn't provide this service.
- c. That rural audiences will accept this programming as a substitute for the current programming mix.

D. Eliminate budget for a statewide channel

This would involve some costs. The most significant is a \$975,000 shutdown payment to Alascom. Others would be for retrieval and continued maintenance of equipment now located in 248 villages, and for provision in alternative ways of services regarded as essential.

Maintenance costs are not included in the \$2.8 million RATNET budget. Therefore it is not easy to see how much it will cost the state to maintain equipment in 248 villages that will no longer be used. But this cost is included in the FY '88 budget as part of the budget of DOA's Division of Telecommunications. Maintenance costs for more than 90 state-owned earth stations are said to be negligible; the costs for 248 RATNET transmitters are estimated at \$1,000 apiece annually (a significant portion of this cost is for travel to the sites). In addition to the RATNET transmitters, Learn Alaska transmitters remain in most villages (they are being removed as technicians visit communities to work on other equipment). Thus it appears that about 450 transmitters will continue to be maintained. Since they would no longer be operating, maintenance costs should be minimal once they have been prepared for storage.

RATNET is part of the statewide emergency broadcasting network and was scheduled to soon become the means of alerting the radio stations within the network in statewide emergencies. Costs of providing a substitute for it are unknown, but the director of the telecommunications division said they "would not be trivial." Before RATNET, 100 of the 248 villages it serves had single-sideband receivers for emergency messages. Many of these are still in the villages and some of them have been maintained. The cost of

re-establishing single-sideband service for those 100 villages is estimated at \$30,000. The cost of extending such service to another 148 villages is not known. There would also, of course, be maintenance costs. Other solutions might prove more economical than restoration of single-sideband service.

There would be some economic impact on the commercial television stations that provide programming for it. These stations provide programming on condition that advertisements be retained. This allows the stations to charge advertisers more for those ads that will be shown on RATNET as well as on the originating station. The general manager of the Anchorage TV station which covers the Iditarod said coverage would be sharply reduced if it could no longer be shown on a statewide channel. He said the Anchorage market is too small to meet the costs of the extensive coverage his station now provides.

Thus, the shutdown of RATNET would necessitate one-time and continuing costs. It was not possible for this investigator to determine in the time available how close these costs might come to the \$2.8 million budget for a fully funded RATNET channel.

There are no other short-term options. Private industry could not provide statewide television service by the start of the next fiscal year. Even in the long run, private industry could not provide statewide service without state assistance. It appears that the cost to Alaska of a privately operated statewide service would be much greater than the cost of the present RATNET service (see Appendix A, "The North Star Concept").

There has been some discussion of turning over state-owned facilities to villages so that they could provide community access programming. This would not be a viable substitute for a statewide channel, and would involve substantial costs for transfer of FCC licenses, purchase and maintenance of equipment, and training of users. Community-access programming could eventually become an important component of a statewide channel, however.

II. Public television

A. Maintain funding at its current level.

The cost to the state would be \$2.1 million for the three stations that receive state money through the Alaska Public Broadcasting Commission. An additional \$600,000 goes to the University of Alaska for KUAC-TV in Fairbanks. The KUAC-TV funding is not dependent on whether the APBC budget is approved.

B. Continue funding, but at a reduced level.

The key question here is: How much does it cost to operate a public

TV station in Alaska? The 1987 operating budgets ranged from \$1,093,100 for KYUK-TV in Bethel to \$2,461,100 for KAKM-TV in Anchorage. The Bethel station was most dependent on state support -- it got 62 percent of its income from the state -- while Anchorage was least dependent on the state -- it got 31 percent of its income from that source.

A good answer to the question would require close analysis of each station. Costs may vary greatly depending on the costs and condition of its physical plant and equipment. Local variations in salaries may be expected. (The number of full-time TV employees ranges from 16 at KTOO to 25 at KAKM. The number of volunteers ranges from 32 -- some of whom help with the radio rather than the TV station -- at KYUK to 200 at KAKM.) The amount of locally originated programming is another factor as is long-term contracts for other programming.

If every station was to be assured an operating income of \$1.1 million, the state would need to contribute somewhat more than \$1 million for the three TV stations funded through the APBC, compared with the \$2.1 million they received in 1987. (An exact estimate of the state funding necessary is difficult to arrive at because federal money is provided only if certain requirements are met. These include income of \$300,000 from other sources, a minimum of 10 full-time staff, 3,000 hours of programming and the production and broadcast of locally originated programming. State funding would need to be great enough to enable the stations to meet these requirements. And the costs of meeting these requirements are likely to vary from station to station.)

The APBC has indicated that the stations actually need considerably more than \$1.1 million. A budget of \$1.8 million to \$1.9 million would make more sense as an austerity budget in the absence of more detailed information about operating costs. This would mean a savings for the state of \$210,000 to \$300,000.

C. Continue funding, but only for a single, statewide station.

The Alaska Public Broadcasting Commission estimates that it would cost the state an additional \$75,000 a year if it chose to support only one public TV station. Costs would include the loss of 33 jobs at stations, the loss of 43 jobs in the private sector, loss of \$1.2 million in federal revenue. There would also be the loss of regional program content -- and this would be most evident in the area served by the Bethel station. There would be additional expenses for uplink/downlink facilities and for technical staff, for acquisition of programming to be broadcast statewide, and so forth.

This information suggests that a single statewide public television station wouldn't make economic sense as a substitute for the four

more locally oriented stations. However, it appears to make economic sense if it were also intended to replace the RATNET channel. The state might then expect to save about half the money it now spends on television broadcasting.

The biggest question raised by this option is how well it would be accepted by, first, the public television audience and, second, by rural Alaskans who would receive it instead of RATNET.

D. Eliminate funding.

The Anchorage station should survive. The Bethel station would not. Survival of the Juneau and Fairbanks stations is doubtful. APBC's executive director, Charles M. Northrip, says neither station could survive without state support. Hours of operation of any surviving stations and the amount of locally-originated programming would be significantly reduced.

KYUK-TV in Bethel depends on state funding. It gets only \$80,000 of the \$300,000 it needs to qualify for federal funding from private sources. Without state support, it would have to try to operate on \$80,000 a year -- a clear impossibility.

KTOO-TV in Juneau would still have an operating budget of about \$380,000, enough to meet the federal requirement for income. However, according to its general manager, it would be unable to meet the other requirements to qualify for federal funding. It would cease operation, he says.

KAKM-TV in Anchorage would qualify for federal funding even without state assistance. KAKM's operating income without state funding (\$1.7 million before adjustment for reduced federal funding) might still be larger than is KYUK's today.

There would be some costs for the state in finding other ways to distribute educational programming now carried by these stations. (The state film library, which could have responded to schools' requests for videotapes, has also been a victim of budget cuts.) The state might also want to increase its tourism promotion budget to counter any effects on tourism of the loss of Alaskan programming carried on the national PBS system. (No information is available on the contribution such programming has made to tourism in the state.) If it eliminated funding for public television but kept the RATNET channel, it might have to provide RATNET with funds to purchase PBC programs such as Sesame Street, NOVA and the National Geographic Specials.

III. Public Radio

A. Continue funding at the current level.

The state now spends \$4 million annually to fund 15 full-service and five repeater public radio stations (repeater stations basically relay programming that originates elsewhere; they are capable, however, of originating some local programming). Two additional repeater stations are scheduled to go into service soon.

B. Continue funding, but at a reduced level.

To qualify for federal funding, public radio stations must receive \$150,000 annually from non-federal sources, have at least five full-time staff members and provide a significant amount of locally produced programming. The repeater stations are not eligible for federal funding. State funding, if it is to preserve the system, must be at the level that allows the full service stations to continue to qualify for federal funding and that meets the expenses of the repeater stations. (The operating costs of a repeater station are reported to be 25 percent of the costs of a full-service station.)

C. Continue funding, but only for stations reaching rural areas that otherwise would not be served.

The difficulty is that even the urban stations reach some areas that have no alternative radio service (see Table III, Page 29). If this proposal is strictly interpreted, it would require that funding be continued for nearly all the public radio stations.

A second difficulty, discussed in more detail later in this report, is that much of the content carried by the rural stations is originated by reporters working for the urban stations. There would be significant costs in providing that content if there were no longer urban public radio stations in Alaska.

The administration's revised budget for public radio in Alaska would provide \$1.3 million for stations in Barrow, Bethel, Dillingham and Kotzebue. These stations reach 77 communities that receive no other radio station. Twenty-four rural communities would no longer receive any radio service if this plan were adopted. The surviving stations would provide little, if any, of the statewide public radio programming now available.

D. Fund a single, statewide public radio station.

This would be costly if all but one of the now-existing radio stations were converted to repeater stations. That would mean 19 stations would no longer qualify for federal funding. They would no longer be in a position to solicit local contributions. They would still require

maintenance. Their operating costs, as noted above, are about 25 percent of those of full-service stations. Costs to the state of maintaining such a system would exceed the costs of maintaining five full-service public radio stations.

The costs would appear to be much less if 19 stations were shut down and the signal of the remaining station were carried on a subchannel of a statewide TV channel (see the North Star Concept in Appendix A). However, it would be necessary to install low-power radio transmitters in the communities served by the statewide channel. The capital cost is estimated by the APBC at \$2.5 million. There would also be maintenance and operation costs.

An additional major cost would be the creation of a statewide news staff to duplicate the activities of the Alaska Public Radio Network. That network, which is funded by dues from the Alaska public radio stations and relies on news reports from member stations, could not survive if only one station was left. The new network would need to be operated in such a way that it was assured independence of the state government in making content decisions.

The greatest difficulties with this proposal, however, are non-economic ones. Radio is a local medium. The muskeg message service, for example, wouldn't be possible on a single statewide channel, nor would coverage of village council meetings. This proposal would turn Alaska public radio into something far different from what it is today.

E. Eliminate funding.

KSKA radio in Anchorage would survive. KSKA's manager said in an interview that he believed his station is the only one that could survive and that even the programming of his station would be dramatically altered by the loss of state funding. Several public radio station managers have testified that they could not survive without state funding.

There would be a cost for the state. Several of the public radio stations provide the only means of broadcasting emergency warnings in the areas they serve. The director of the Division of Telecommunications has said this would not be a trivial cost. It might be necessary to provide ways of transmitting other types of messages such as weather information and fisheries information now carried by public radio.

Conclusion

Only two of the combinations of options listed above provide any likelihood of preserving a statewide telecommunication system resembling

the one the state now has. Other options significantly reduce broadcast coverage areas as well as types of content offered -- and some of them offer no assurance of significant savings for the state.

The most cautious course of action -- if preservation of the system is the goal -- is to continue to fund broadcasting at the present level: \$10 million.

The second course would be to reduce funding for telecommunications by up to 15 percent -- on the assumption that all of the telecommunications services, including RATNET, could survive at that level. Even this course of action would likely have some negative effects on content, but it might make survival of the telecommunications infrastructure possible.

Any course of action requiring sharper reductions in funding will necessitate a weighing of the value of broadcasting against that of other services provided by the state. There will be real social costs in such cuts, and these non-economic costs are outlined in some detail in the following section.

"It doesn't sound complicated when you first start to talk about it -- but it is."

Mel Hoversten, director, DOA
Division of Telecommunications

How State-Supported Broadcasting Serves Alaska

Alaska's broadcast system is complex and the media within it are interconnected. The nature of these interconnections is far from obvious at a casual glance. For many Alaskans, because of geographical isolation or physical handicaps, radio and television are the only window opening onto a larger world. In many communities newspapers, if they arrive at all, arrive days late. But the broadcast media in Alaska are more than simply a window on the world.

The different media within this system serve different functions and are only imperfectly substitutable for each other. Radio is a more local medium than television; television can show types of cultural and educational programming such as Native dances that radio cannot. A survey for this committee conducted last fall found that television was preferred by a 4-to-1 ratio as the source of some kinds of information. This is consistent with equally recent national findings that, if people were limited to just one medium, they'd pick television.

Within the media, the commercial, public supported and state operated sectors serve separate functions and, again, one sector is unlikely to fill gaps created by the loss of another. The loss of Learn Alaska, for example, led to no shifts in the types of programming offered by either public-supported or commercial TV. Managers of Anchorage commercial TV and radio stations said in recent interviews that they would not adjust their programming if public broadcasting were to disappear.

Within sectors of the media such as public broadcasting, the urban and rural components are interconnected. Rural audiences of public radio, for example, depend for their reports of governmental and other activities in Juneau, Anchorage and Fairbanks on the public radio stations in those cities. Similarly, the urban stations depend on the rural public radio stations to provide their listeners accounts of life in the Bush.

The following pages provide a sketch of how RATNET, public television and public radio serve the interests of the State of Alaska.

The RATNET television channel serves many communities that would otherwise have no television. Similarly, public radio reaches many communities that would otherwise not have radio service.

Communities reached by public television have alternative television channels available. However, these alternative channels do not -- and are unlikely to -- provide the type of programming carried on public television. Some of RATNET's content is there only because it was made available at no cost by public television.

The Department of Education and the University of Alaska produce instructional programming. The only outlets for this programming that exist today are RATNET, public television and Anchorage's Cable Channel 10.

Thus, there are two major issues in a discussion of state-supported broadcasting:

1. Whether the state should maintain its commitment to assuring that all Alaskans have radio and television service.
2. Whether the state should maintain its commitment to types of broadcast content that would otherwise be unavailable.

These issues are distinct. However, decisions that fail to take both of them into account may have unforeseen consequences. For example: Elimination of RATNET on the grounds that a statewide channel is unnecessary would mean loss of the only means of broadcasting instructional programs across the state.

"What is it necessary for the state to do that no one else can or will do?"

-- Ted Lehne, executive director, Alaska Telephone Association

"I see this as a great emotional issue. People get very emotional about television because it becomes sort of like a member of the family."

-- Al Bramstedt Jr., general manager of KTUU-TV, an Anchorage commercial station

RATNET - An Overview

The statewide RATNET channel of the Satellite Television Project is made possible by funding from the state and free programming from commercial and public television. Special consent from the three national networks and the Federal Communications Commission was required before the system could begin broadcasting in January 1977. Content selections are made by a 17-member board of directors who meet four to six times a year and make recommendations based on their understanding of viewer desires.

RATNET is of value to the state because:

- *It is Alaska's only statewide television channel,
- *It reaches thousands of Alaskans who receive no other channel,
- *Even for Alaskans who receive other channels, it may provide programming not otherwise available,
- *In areas where cable television is the only alternative, it provides programming for those who cannot afford cable,
- *The channel can be used as a carrier for other types of information such as radio signals and teletext.

RATNET is primarily an entertainment channel -- its entertainment offerings include national network programming as well as programs about Alaska as they become available -- but it also provides a variety of information services. These include:

- *Alaskan and national news
- *Alaska weather
- *state legislative news
- *congressional delegation report
- *instructional programming for downloading to schools during the early morning hours
- *emergency tone. It is scheduled to become the connection for the 15 regional radio stations in the emergency broadcasting system.
- *textual information and graphics. The system is being used by the University of Alaska, Fairbanks, library for transmission of data in its Gnosis project. It could be used for statewide delivery rapidly and at low cost of a wide variety of textual information.

In addition, RATNET subchannels are being used to carry the audio signal for KSKA public radio to Valdez, Galena and Seward. The KSKA signal, the emergency tone and the textual information now can be carried at virtually no extra cost to the state. These services would be eliminated if RATNET was shut down. The textual information can be transmitted over phone lines but graphics could not be transmitted in this way. In addition, villages

without local access to the University of Alaska Computer Network would have to pay long distance charges for getting their information.

How RATNET operates

RATNET does not originate its own programming.

At their meetings, RATNET board members discuss individual programs with representatives of commercial channels and other program sources. Often film clips are viewed. Board members make their decisions based on their understanding of what the majority of the viewers they represent want to see. The board has expressed reluctance to accept programs in any of the Native languages or to accept instructional programming for transmission during the daytime hours. It is receptive to programs about Alaska and Alaskans, though proposals to air these programs can generate heated discussions if they are on such controversial subjects as the Arctic National Wildlife Refuge.

Two Anchorage TV stations provide news programs that are transmitted over RATNET. Both of these programs are oriented toward Anchorage news. KTUU-TV attempted to provide a statewide news program for RATNET beginning in the fall of 1982. It increased its staff by seven full-time employees to provide the program. However, the station was unable to get the necessary advertising support and took the program off the air in April 1983. (An attempt to establish a statewide commercial radio news network in the early 1980s was equally unsuccessful.)

Almost half of the 248 communities that RATNET serves have no other source of television. RATNET is still meeting one of the goals that was originally stated for it in 1976: to distribute television programming to small communities. RATNET remains the only television channel available to about 18,000 Alaskans in 121 communities (Table I at end of report).

The communities that remain dependent on RATNET for television are the smaller ones; their population averages 155. Economic considerations discourage cabling of smaller villages. Cabling on poles costs \$20,000 to \$25,000 a mile, underground cabling costs \$30,000 to \$40,000 a mile. The head end charges for a village, regardless of its size, are approximately \$100,000. Use of village transmitters by commercial broadcasters to transmit over-the-air signals would be somewhat cheaper (see Appendix A). Just four RATNET-only villages, with a total population of 800, got cable systems in 1986. But, however slowly, more will inevitably follow.

In the long run -- if the concern is simply to make television available to all Alaskans -- it might be cheaper for the state to cable the remaining villages than to continue to fund RATNET. High monthly cable charges, however, will still deny some Alaskans access to television. If RATNET costs were calculated in this way, they would come to \$2.35 per month apiece for each of its 124,000 viewers. And it would not be cheaper to turn to cable if the state also accepted the obligation to pay the monthly charges for users. Witnesses at a House Finance Committee hearing Feb. 25, 1987, estimated charges for providing cable programs to rural Alaskans would be \$91 million a year, and

more than half of that money would go to cable companies in the Lower 48.

Alascom owns much of the RATNET resources. Its property includes:

- *The TV Operations Center
- *Juneau, Anchorage and Kotzebue uplinks
- *Space satellite transponder
- *149 downlinks (earth station satellite dishes)

State equipment includes:

- *More than 90 TV receive-only satellite dishes that have been used in areas where the Alascom dishes were not available
- *248 RATNET transmitters
- *Anchorage Tape Delay Center
- *NW Arctic ITV production facility, Kotzebue

The transmitters are licensed by the FCC as low power television stations.

A total of \$60.6 million has been spent by the state on the RATNET program since it began. This includes \$1.5 million in capital expenditures, \$41.7 million in operating expenditures and \$17.4 million in unidentified capital and operating expenditures.

RATNET's future

Despite its strengths, RATNET is vulnerable.

Before Learn Alaska went on the air in the early 1980s, RATNET's content was somewhat different than it is today. The entertainment programming was shown between 5 p.m. and 1 a.m., with a number of daytime hours being set aside for instructional programming. The RATNET directors were asked to return to that format after Learn Alaska was shut down in the summer of 1986. They refused. Since then they have considered instructional programs during the day on a case by case basis and have expressed unwillingness to make a regular day-time slot available for instructional programs.

The loss of instructional programming has increased the resemblance between RATNET's content and that offered by public and commercial stations.

Unlike most of the cable systems that have appeared in Alaska today, RATNET has been able to offer network programming. But it would appear to be a direct competitor -- and therefore an inhibitor -- of services such as the North Star Concept which would provide network programs. Thus, unless it offers programming different from commercial services, it could be seen as slowing the spread of commercial television to villages. (The author believes that, even without RATNET, the spread would not be very rapid in the short run. Commercial broadcasters have indicated that the smaller villages are not a very attractive market.)

RATNET, clearly, is vulnerable from several quarters. As a state-supported service it must be seen as something that contributes to telecommunication in the state -- not as something that could inhibit its growth. Today, it is a unique channel that provides a number of valuable services. However, these services are widely perceived as rather peripheral benefits of RATNET.

The implications of this for RATNET are clear: If RATNET is to long survive, it must provide an alternative to the programming from other sources that is being offered to a steadily increasing number of its viewers. This unique content, not entertainment programs, will provide the justification for its continued existence.

Public Television -- Overview

There are four public television stations in Alaska: KAKM in Anchorage, KYUK in Bethel, KUAC in Fairbanks and KTOO in Juneau. The Fairbanks station is University operated; the others receive state funds through the Alaska Public Broadcasting Commission. All receive significant portions of their funding from the federal government and from private donors.

Alaskan public television provides:

- *Programming to 90 percent of the state's population,
- *Alaskan Aviation Weather. This is a nightly half-hour show produced by KAKM in Anchorage and broadcast on RATNET. Annual costs of this program are estimated at \$96,000 even though the meteorologist's time is donated by the National Weather Service.
- *Free programming for RATNET. Public broadcasting programs that have been picked up by RATNET include National Geographic specials, the MacNeil-Lehrer news hour, Mystery and Masterpiece Theater.
- *Television service to some Alaskans who would otherwise have none. The signals of even the Anchorage station reaches -- through translators -- some Alaskans who have no other television service.
- *Types of programs not offered -- or likely to be offered -- by commercial TV. Two Anchorage TV station operators said the disappearance of public TV would have no effect on their programming.

Benefits of public television include:

- *Production of programs about Alaska that are broadcast in the Lower 48 and presumably encourage tourism. Examples include the just-completed half-hour documentary, "Denali Flyers," and a series of seven programs on cooking Alaskan seafood that has been aired by 33 stations in 27 states. The general manager of KUAC in Fairbanks testified that her station provided two series and five documentaries to the national networks in the last three years.
- *Information about the political process. This includes voter information such as the 44-hour "Running" series last year and coverage on political debates and individual candidates. Even this year, when the legislative TV program is being produced by a commercial station, it is being shown

on public rather than commercial channels in cities other than Juneau.

*Instructional programming. KAKM, for example, provides air time for Anchorage Community College, the Mat-Su Community College, Kenai Community College, the University of Alaska and the Anchorage, Kenai and Mat-Su school districts.

*Information about Native cultures. A teleconference witness, for example, credited KYUK-TV in Bethel with helping the Yupik culture to survive. Another witness said KYUK radio and TV were the only bilingual media available in the Bethel area.

*Health information. The same witness credited the public stations in Bethel with broadcasting programs that helped that region to deal with its infant mortality rate, which had been the highest in the nation. (Nine public information messages and 10 radio messages on perinatal health care were produced by Instructional Media Production Services; the people who made them lost their jobs when Learn Alaska was shut down.)

*Programming that can be simultaneously broadcast by public radio stations. KFSK in Petersburg, for example, has simulcast KTOO-TV broadcasts of governors' speeches and legislative events.

How public television operates

Public television in Alaska enjoys strong public support. It has loyal viewers whose contributions per capita are among the highest in the country. A total of 569 volunteers help the four stations with fund-raising and production. That support has put public TV in a strong position *vis a vis* commercial television. Public television is unusually strong relative to commercial television in Alaska because of the state's small and scattered population.

However, public TV does not compete with commercial TV except for audience share. Even there it is not a real competitor as a look at last November's Nielsen ratings for the prime-time, 8-10 p.m. slot makes clear. The public channel in Anchorage, KAKM, ranked fifth of the five stations with a 5 percent share of the audience, compared with 32 percent, 30 percent, 25 percent and 6 percent for the commercial stations.

What public TV offers is an alternative type of programming; programming that has social value but is too expensive for commercial stations to provide. Public TV does not try to attract large, homogeneous audiences but to provide a variety of programming that will include material of interest to a wide variety of viewers over the course of a typical week. (KAKM's general manager testified that more than 50 percent of the Southcentral residents watch that channel every week.) Commercial TV cannot afford to operate in this way.

This is the rationale for state support of public TV programming in Alaska. Three of the four public TV stations in the state are in urban areas. They do not reach audiences that have no other source of television. They do address audience needs, however, that would otherwise go unmet.

The state lacks the economic base to support commercial operations large enough to generate a large amount of state-oriented programming. Only public television is strong enough today to be able to provide this type of programming. A decline in state support of public TV would quickly lead to a

decline in this type of programming; severance of state support could mean the loss of most or all of it.

As Alaska's population grows, public TV should become increasingly less dependent on state funding. Evidence of this is contained within KAKM's budget figures for the last decade. As Anchorage's population has grown, the proportion of KAKM's budget met by the state has steadily declined -- from 43.8 percent in FY '76 to 30.6 percent in FY '87. (The dollar amount has increased, although at a lower rate than the increases from other sources of income.)

The future of public television

The survival of public television is in doubt. If state funding is lost, the stations will also lose some or all of their federal funding which is contingent on the amount of funds raised from other sources.

If any stations survive they will almost certainly provide little of the programming that differentiates public television from commercial television. Locally produced programs cost far more than do programs purchased from networks even if they are produced with the help of volunteers. Local production is inevitably the first victim of budget cuts, as KAKM manager Elmo Sackett indicated in his testimony about the effects of previous cuts in state funding on his station's operations. His staff was reduced from 32 to 25 full-time employees following a 14 percent cut in state funding last year; two of those who left were producer-directors, one was a cinematographer. Only one producer remains at the station.

Loss of public television stations would mean loss of the state's investment in equipment. Public stations have purchased equipment under the Public Telecommunication Facilities Program, with two-thirds of the money coming from the federal government and one-third from the state government. Equipment purchased under this program would revert to the federal government. KTOO's general manager argues that the state will never have the money to replace this equipment if it is lost.

It is clear that public television is popular in Alaska and that it satisfies a variety of needs that would otherwise go unmet. Two of the three most viewed public television stations in the United States are KUAC in Fairbanks and KAKM in Anchorage.

The immediate question is: How well does public television satisfy the needs that are important to the state?

The FCC has long required of applicants for commercial licenses information about number of broadcast hours and percentage of total broadcast time that are devoted to the following types of programming: news, public affairs, local programming, all other programs exclusive of sports and entertainment. Despite the easing of broadcast regulation in recent years, commercial licensees continue to maintain logs of this type. If a commercial license is challenged, such logs can prove invaluable in defending it. Even though the state is supporting public television presumably because it is better able than commercial television to provide programming in these categories, it does not make use of this sort of information from the public stations. The

public stations do file with the APBC copies of all the reports required of public stations by the FCC; they also provide copies of all program schedules.

Without review of this type of information, it is hard to see whether the state is getting good value for its money. Such a review would not move the state government into the sensitive area of program content decisions. It would, however, act as an incentive for Alaskan public television stations to provide programming in the categories the state regards as important.

The state's interest in public television appears to be justifiable so long as public television continues to show the type of programming relevant to Alaskans that is unlikely to be offered by other media. This programming can help preserve Native cultures and make urban Alaskans more aware of them, it can advertise Alaska to the rest of the country, it can enable Alaskans to participate more fully in the political and economic life of their state. It appears that this programming can be produced at least cost to the state by public television (the most expensive way of producing it is through the letting of contracts by agencies such as the Division of Tourism; that does not assure that the programming thus produced will be televised, unless the state also buys television time).

Public Radio -- Overview

There are nine FM and six AM public radio stations in Alaska. Six of the stations are in Southeast Alaska, one is on the North Slope (Barrow), two are in the Interior, three are on the west coast, three are in Southcentral Alaska. In addition there are repeater stations at Sand Point, St. Paul Island, Galena, Unalaska and Valdez. Repeater stations are nearly ready at Unalakleet and Chevak.

The benefits of public radio are:

- *It reaches some Alaskans reached by no other radio station. The residents of St. Paul Island, for example, could receive only Radio Moscow until a public radio repeater station was installed there. (See Tables II and III at end of report.)
- *Many of the public radio stations are part of Alaska's emergency broadcasting system. A witness from Kotzebue testified: "Radio is part of our survival gear when we travel."
- *It provides message services for Alaskans not easily reached by other media including newspapers and mail. A Barrow attorney testified: "When I go on a village trip I can put a message on radio . . . so people are ready to see us."
- *It is a local medium. It provides coverage of local events in depth not rivalled by commercial stations.
- *It provides types of specialized programming -- such as Spanish-language, Native and black programming -- that would not otherwise be available in even the most populated parts of the state.
- *It provides public service programming. "Staying Alive, 60 Seconds That Could Save Your Life," was broadcast in Yupik and English by the Barrow radio station, for example.

Supporters of public radio say that elimination of state funding will mean the elimination of public radio. The manager of KSKA says that station could stay on the air but that it would have to adopt a format much like that of commercial stations which provide little local programming and no specialized programming. If most public radio stations disappeared, so would the Alaska Public Radio Network (APRN) which depends not on state government funding but on dues from member radio stations.

Public radio content

The public radio stations provide local programming and, through APRN, they exchange programming so that public radio listeners are kept aware the occurrences in other parts of the state. Much of the news of statewide interest is provided for APRN by reporters at the stations in Anchorage, Fairbanks and Juneau. A survey conducted in January 1986 for the Alaska Public Radio Network found that 49 percent of the adults statewide listened to its Alaska News Nightly program. In Fairbanks, the figure was 45 percent; in Barrow it was 93 percent. APRN is now originating a national Native news program. Its other offerings include a fishing show produced by KMXT in Kodiak.

Eight of the public radio stations and three of the repeaters are part of the Alaska emergency broadcasting network. These are the stations that have been designated to warn of imminent disasters such as tsunamai waves or the storm last fall in the Mat-Su Borough. There is no alternative broadcasting source to seven of these stations (the ones in Barrow, Bethel, Dillingham, Galena, Kotzebue, McGrath and Wrangell).

The vulnerability of public radio to funding cuts was indicated in recent testimony by the general manager of Raven Radio in Sitka. He said the loss of state funding would mean not simply the shutting down of the station, but the loss of its equipment and its facilities. Its facilities are leased. Much of the equipment was purchased under an arrangement with the federal government which required the station to pay only 25 percent of the costs. If it stops operating, the federal government will reclaim the equipment.

If the public radio system ceases to operate, more than 100 full-time employees, 40 part-time employees, and 700 volunteers will lose their jobs.

Witnesses at teleconference hearings testified that information carried on public radio has an effect on their ability to do business. Several fishermen said they depended on public radio for information about closings and openings, and price information. A judge said he used public radio to notify prospective jurors when they would be called for jury duty.

The future of public radio

The future of public radio, like that of public television, appears to be in the hands of the state government. The state now supports 15 stations that provide local information in most parts of the state. Public radio's content is different from that of commercial radio; in areas where both exist, public radio

offers viewers types of programming that would otherwise be unavailable. In some areas of the state, commercial radio is not available. In those areas, public radio is important not only for the types of content it provides but as the only radio link to the larger world.

"It seems like we re-invent the wheel every year in telecommunications. The need for stability is to me the most critical."

-- Edie Lynch, assistant vice chancellor for instructional technology, Anchorage Community College

Table I

Communities Receiving Television Only From RATNET

Community	Households	Population	Community	Households	Population
Akhiok	27	107	Kaltag	58	262
Akutan	17	185	Karluk	21	90
Aleknagik	38	201	Kasaan	9	70
Allakaket	46	175	King Cove	114	521
Ambler	48	262	Kivalina	37	294
Arctic Village	35	109	Klukwan	40	239
Atka	22	80	Kobuk	16	97
Beaver	23	65	Kokhanok	20	80
Bettles	20	60	Koliganek	24	112
Birch Creek	13	31	Koyuk	48	211
Cantwell	29	87	Koyukuk	26	98
Cape Pole	4	30	Labouchre Bay	75	300
Central	19	35	Larsen Bay	41	214
Chalkytsik	29	98	Lime Village	13	33
Chignik Bay	38	141	McGrath	129	499
Chignik Lagoon	14	46	Mekoryuk	44	182
Chistochina	15	43	Mentasta Lake	12	72
Chitina	19	33	Meshik (Pt. Heiden)	29	87
Circle	18	101	Meyers Chuck	21	52
Circle Hot Springs	12	36	Minchumina	7	20
Clark's Point	22	75	Mosquito Lake		
Coffman Cove	62	199	Naukati Bay	42	140
Cold Bay	49	246	Nelson Lagoon	18	64
Cooper Landing	49	346	New Stuyahok	65	246
Council	8	23	Newhalen	18	157
Crooked Creek	25	75	Nightmute	24	134
Diomedea	30	153	Nikolai*	22	109
Eagle	48	171	Nikolaief	23	100
Eagle Village	20	56	Noatak	59	355
Egegik	32	72	Nondalton	42	231
Eight Fathom Bight			Noorvik	91	517
Ekuk	2	7	Northway	30	116
Ekwok	20	80	Nulato	71	388
English Bay	28	172	Old Harbor	88	405
False Pass	21	76	Ouzinkie	57	240
Freshwater Bay	13	50	Pedro Bay	11	32
Golovin	31	122	Pelican	64	206
Goodnews Bay	42	230	Perryville	31	107
Grayling	52	220	Pilot Point	16	63
Gustavus	44	218	Point Baker	45	93
Halibut Cove	23	52	Port Alice	34	135
Holy Cross	63	191	Port Alsworth	19	75
Hughes	22	97	Port Graham	53	174
Huslia	59	283	Port Moller	9	37
Hyder	29	79	Portage Creek	13	46
Iliamna	22	90	Rampart	14	49
Ivanof Bay	9	38			

Community	Households	Population
Red Devil	10	27
Rowan Bay	13	50
Ruby	63	283
Saint George	40	172
Saint Paul	126	541
Sand Point	186	870
Shaktoolik	43	186
Slana	16	39
Sleetmute	36	74
Stevens Village	30	94
Stoney River	17	43
Takotna	17	47
Tanana	118	444
Tatitlek	23	54
Telida	8	32
Teller	39	257
Tenakee Springs	70	156
Tetlin	27	110
Tolsona		
Trappers Creek	112	350
Twin Hills	17	67
Venetie	36	129
Wales	37	136
Whale Pass	25	93
White Mountain	36	150
Whittier	77	268
Woman's Bay		
Yakutat	139	453
Total	4,415	18,223+

Four communities that received only RATNET television in 1985 began receiving a second service in 1986. They are:

Brevig Mission population 151
community television

Deering 150
community television

Elim 248
corporation television

Shungnak 238
community television

In December 1986, the only television that 121 Alaskan communities were receiving was RATNET. The average population of the 117 communities for which information is available was 155.

Compiled with the assistance of Richard Taylor, assistant professor, University of Alaska, Anchorage, Department of Journalism and Public Communications.

Sources:

"Alaska Population Overview." Department of Labor. Juneau: State of Alaska, September 1985.

"Alaska's Cable Television." Department of Administration. Juneau: State of Alaska, February 1986.

"Inventory of Communications Facilities Serving Alaska Communities, 1986 Edition." Division of Telecommunications Services, Department of Administration. Juneau: State of Alaska, 1986.

"Inventory of Communications Facilities Serving Alaska Communities, 1987 Edition." Division of Telecommunications Services, Department of Administration. Juneau: State of Alaska.

Table II
Communities Receiving Radio
Only From Public Radio

Community Population	Community Population	Community Population	
Akhiok	107	Sand Point	870
Aleknagik	201	Selawik	635
Anaktuvuk Pass	233	Shishmaref	493
Angoon	470	Shungnak	238
Aniak	476	Skagway	761
Atkasook	214	South Naknek	185
Barrow	2,943	Talkotna	47
Birch Creek	31	Togiak	554
Buckland	249	Toksook Bay	365
Chefornak	268	Tuntutuliak	203
Chuathalik	98	Tununak	333
Circle	101	Twin Hills	67
Clark's Point	75	Unalaska	1,630
Cold Bay	246	Wainwright	507
Craig	881		
Deadhorse	63	Total Pop.	33,122+
Deering	150		(population figures
Dillingham	2,004		unavailable for four
Dutch Harbor			communities)
Eek	259		
Egegik	72		
Ekuk	7		
Ekwok	80		
Elim	248		
Goodnews Bay	230		
Haines	1,154		
Hollis			
Huslia	283		
Hydaburg	371		
Igiugig	32		
Iliamna	90		
Ivanof Bay	38		
Kaktovik	207		
Kalskag	145		
Kaltag	262		
Karluk	90		
Kasigluk	355		
Kiana	402		
King Cove	521		
Kipnuk	350		
Kivalina	294		
Klawock	508		
Klukwan	239		
Kokhanok	80		
Koliganek	112		
Kongiganak	166		
Kotzebue	2,345		
Koyukuk	98		
Kwigillingok	246		
Levelock	76		
Lower Kalskag	270		
Manokotak	302		
Marshall	281		
McGrath	499		
Medfra			
Meshik	87		
Meyers Chuck	52		
Mosquito Lake			
Naknek	405		
Nelson Lagoon	64		
New Stuyahok	246		
Newhalen	157		
Newtok	187		
Nightmute	134		
Nikolai	109		
Noatak	355		
Nondalton	231		
Noorvik	517		
Nuiqsut	305		
Nulato	388		
Nunapitchuk	357		
Pelican	206		
Perryville	107		
Pilot Point	63		
Pilot Station	372		
Pitkas Point	67		
Platinum	64		
Point Hope	582		
Point Lay	67		
Port Heiden	87		
Port Moller	37		
Portage Creek	46		
Quinhagak	424		
Ruby	283		
Russian Mission	195		
Saint George	172		
Saint Mary's	566		
Saint Paul	541		

This table is based on a reanalysis by Herb Holeman, APBC engineer, of the "Inventory of Communications Facilities Serving Alaska Communities -- 1987," Department of Administration, Division of Telecommunications.

The DOA inventory, based on station reports, indicated 73 communities with a total population of 20,183+ receive only public radio. Holeman's analysis, based on FCC standards for determining service areas, indicates 102 communities get their only clear radio signal from a public radio station.

It appears that some people in communities excluded from the DOA list receive commercial radio when the atmospheric conditions are right or with special equipment.

Table III

Public Radio Stations That Provide Sole Radio Service for Communities

Station	# Communities	Population
KDLG, Dillingham	33	7,963
KYUK, Bethel	24	6,411
KOTZ, Kotzebue	11	6,260
KBRW, Barrow	9	5,721
KHNS, Haines	4	2,154+
KRBD, Ketchikan	4	1,760+
KIAL, Unalaska	2	1,630
KSDP, Sand Point	2	1,391
KIYU, Galena (translating from KSKA, Anchorage)	4	1,031
KSKO, McGrath	5	938+
KUHB, Saint Paul	2	713
KCAW, Sitka	2	676
KMXT, Kodiak	2	197
KUAC, Fairbanks	2	132
KSTK, Wrangell	1	52
?	1	248

Notes: Total of communities exceeds 102 because six communities receive two public radio stations (four of the six receive both KYUK and KDLG). Stations that do not appear on this list are KBBI, Homer; KTOO, Juneau; and KFSK, Petersburg. The community listed under "?" is on Norton Sound. Although it is not shown on the table, KTOO's general manager says four communities with a total population of 1,050 receive radio only from that station. The table is based on information from the same sources as Table II.

Table IV
**Communities That Do Not Receive
 Any Radio Stations**

Community	Population	Community	Population
Akutan	185	Kobuk	97
Allakaket	175	Lime Village	33
Ambler	262	Long Island	
Anvik	82	Mentasta Lake	72
Arctic Village	109	Minchumina	20
Atka	80	Nikolski	54
Bettles	60	Northway	116
Cape Pole	30	Port Alexander	162
Chalkytsik	98	Port Alice	135
Chignik Bay	141	Port Alsworth	75
Chignik Lagoon	46	Red Devil	27
Chignik Lake	153	Shageluk	148
Crooked Creek	75	Sleetmute	74
Dot Lake	69	Sparrevohn	28
Eagle	171	Stoney River	43
Eagle Village	56	Tanacross	148
False Pass	76	Tanana	444
Freshwater Bay	50	Telida	32
Grayling	220	Tetlin	110
Holy Cross	191	Venetie	129
Hyder	79		
		Total population	4,355+

People in some of the 41 communities on the above list may receive radio transmissions if the atmospheric conditions are right or if they have equipment capable of picking up weak signals.

This table is based on a re-analysis by Herb Holeman, APBC engineer, of the "Inventory of Communications Facilities Serving Alaska Communities -- 1987," Department of Administration, Division of Telecommunications. The DOA inventory is based on station reports. Holeman's analysis is based on FCC standards for determining service areas in Alaska.

Appendix A

the North Star Concept

In response to a request, two members of the Alaska Cable Association recently prepared a plan for a commercial television network for Alaska. The plan, which they called the North Star Concept, was intended to show how commercial broadcasters could fill the gap left by the loss of RATNET and other state-supported broadcast services.

The plan was prepared on the assumption that there would be no state funding in the next fiscal year for RATNET or public broadcasting.

The North Star Concept would provide television service to 61 of the 121 communities that now get television only from RATNET. Thirty of these communities would receive six television channels, including the network channels, a PBS channel, an independent station, and an Alaska channel. The other thirty-one communities would receive only a single channel: the Alaska channel. A number of communities that have other television services would also receive the North Star programming. The North Star Concept also calls for transmission of one FM public radio station's programming.

This would not be a cable service. Local transmitters would be used to rebroadcast satellite signals in the way they are now used to broadcast RATNET programming. The capacity of the system would be seven channels. It would take assistance from the state to get the North Star system into operation in a short time. Even with state assistance, the plan's authors estimated it would take six months to a year to get the necessary FCC licenses. This means that a number of villages would have no broadcast services for several months, at a minimum.

Although this would be a commercial service, it would require a state subsidy. The cost of the North Star service is estimated at \$5.2 million a year for five years. The state would be expected to guarantee that amount. It was suggested the state could recover some of these costs by billing the villages.

The 60 communities that would lose television service under this plan are those with fewer than 50 households. It was judged uneconomic to provide service to these communities. If service was provided to these

communities, the cost to the state of the plan would jump to \$10.4 million annually for the five years.

This proposal -- by its limitations -- strongly indicates that the private sector can not provide at a reasonable cost services comparable to those now supported by the state. Even with a subsidy equal to half of what the state now spends on broadcasting, the North Star Concept offers sharply reduced services to Alaskans.

This proposal serves to underline a comment about RATNET made in a recent interview by Augie Hiebert, owner of Channel 11 in Anchorage: "They'll never have a more efficient means of bringing the outside world to the villages."

Appendix B

Sources

This report is based on a number of interviews conducted in February and March 1987 and on a number of documents. Professor Sylvia Broady, chair of the Department of Journalism and Public Communications, University of Alaska Anchorage, and Assistant Professor Doug Barry, also of the department, reviewed and provided comments on some parts of the report.

Interviews

Bob Allison, Alaska Cable Association
John Andrews, deputy commissioner, Department of Administration
Dr. William Bramble, Department of Education
Clyde Bloker, Alaska Division of Emergency Services
Al Bramstedt Jr., general manager, KTUU-TV, Anchorage
Richard Fineberg, Office of Management and Budget
Augie Hiebert, owner, KTVA-TV, Anchorage
Mel Hoversten, director, Division of Telecommunications, Department of Administration
Henry Ivanoff, chairman, RATNET directors
Diane Kaplan, Alaska Public Radio Network
Ted Lehne, executive director, Alaska Telephone Association
Edie Lynch, assistant vice chancellor for instructional technology, Anchorage Community College
William McCaughan, Anchorage Community College, former director, Learn Alaska
Arnold Melsheimer, RATNET board member
Charles Northrip, director, Alaska Public Broadcasting Commission
Michael Roberge, general manager, Cablevision, and president of Alaska Cable Association
Roy Robinson, general manager, KFQD-AM and KWHL-FM, Anchorage, and president of Alaska Broadcasters Association
Brian Rogers, University of Alaska, Fairbanks, chairman of budget transition team
Elmo Sackett, general manager, KAKM public TV, Anchorage
Bruce Smith, general manager, KSKA public radio, Anchorage
Ted Sokoloff, chief engineer, Alaska Public Utilities Commission

Documents

"FY '88 Capital Budget Request, Brief Description of Capital Projects," Alaska Public Broadcasting Commission,

Cable Television Primer, prepared by the engineering staff of Rock Associates, March 1987.

"Comments on Professor Larry Pearson's Final Recommendations on the Future of State Supported Public Broadcasting in Alaska as Submitted to the House Special Committee on Telecommunications," Charles M. Northrip, April 3, 1987.

"Employment/Volunteer Information From Public Broadcast Stations in Alaska," a handout, APBC, Feb. 9, 1986.

"FCC314, Application for Consent to Assignment of Broadcast Station Construction Permit or License," Federal Communications Commission.

Letter regarding RATNET and public broadcasting to Rep. H.A. "Red" Boucher from Jerry Brigham, general manager of KYUK AM/TV and RATNET Council member, March 17, 1987.

Letters to the House Special Committee on Telecommunications regarding proposed elimination of broadcast funding. A listing of the letters and some summary information about them are contained in Appendix C.

Letter and attachment regarding RATNET/APBC to Rep. Mike Davis from Commissioner Garrey Peska, Department of Administration, March 13, 1987.

"Measuring the Concept of Credibility," Journalism Quarterly, by Cecile Gaziano and Kristin McGrath, Autumn 1986.

Memorandum to Charles Northrip, executive director, APBC, from Herb Holeman, APBC engineer, re Station Coverage, Feb. 24, 1987.

Memorandum describing Ratnet, by Russell Nelson, Bristol Bay RATNET representative, Feb. 12, 1987.

Memorandum in response to "Final Recommendations of the Future of State Supported Broadcasting in Alaska," by Don Rinker, president and general manager, KTOO, March 31, 1987.

Memorandum to Doug Humes, aide to Rep. H.A. "Red" Boucher, regarding effect of the loss of RATNET on statewide data delivery by Steve Smith, Rasmuson Library, University of Alaska, Fairbanks, Feb. 23, 1987.

Minutes, RATNET board meetings of July 17, 1986; Sept. 11, 1986; and Nov. 13, 1986.

North Star Plan, a proposal presented by Michael Roberge and Bob Allison, March 1987

Public Broadcasting in Alaska: A Long-Range Plan, by the Alaska Public Broadcasting Commission, 1986 and 1987 editions.

Report of Budget Transition Team, Subcommittee on General Government, Brian Rogers, chairman.

"Satellite Television Project," presented to the House Special Committee on Telecommunications by the Department of Administration, Feb. 4, 1987.

SECC/Alaska EBS (Emergency Broadcasting Service) Plans, January 1987 (one page).

State of Alaska Emergency Broadcast System Developmental Plan, Revised January 1987.

State of Alaska Telecommunications Operations and Services Annual Reports, January 1987.

State Sponsored Television in Alaska. Alternative for Delivery and Distribution, by Richard Rainery, Rural Research Agency for the Alaska State Senate Community and Regional Affairs Committee, August 1984.

Talking to Each Other, Talking to Machines: Alaska's Telecommunication Future, by Larry Pearson and Doug Barry, report to the Joint Committee on Telecommunications, January 1987.

Transcripts of testimony at hearings held by the House Special Committee on Telecommunications, Feb. 5, 10 and 12, and March 26, 1987.

"The Value and Need for State Funding for Alaskan Public Broadcasting Stations: A Perspective from KTOO-FM & TV," by Don Rinker, March 23, 1987.

Appendix C

Letters

Following is a list of letters regarding funding for the Rural Alaska Television Network channel and public broadcasting that were received by Rep. H.A. "Red" Boucher during January, February, March and April 1987 and read during the preparation of the preceding report.

A total of 128 letters are listed. Almost all of these (120 letters) called for continued funding for public broadcasting and/or RATNET. Forty-three letters called for continued funding of RATNET and 91 called for continued funding of public broadcasting. Some of the letters were in the form of resolutions from city councils and other groups; 353 signatures were attached to one of these letters.

More than a third of the public broadcast supporters called specifically for funding of public radio. Three supporters called for an income tax if necessary to assure continued funding while one endorsed a lottery, one called for a special tax and one called for use of the income from the Permanent Fund.

Types of programming that were described as especially valuable were news, public affairs and other informational programs (mentioned in 64 letters), entertainment (22 letters), educational programs (25 letters), message services (20 letters), and emergency warnings (12 letters). Six letter writers said state-supported broadcasting promotes rural-urban understanding. Several writers said it has mental health benefits for citizens in isolated areas.

Several of the letter writers were critical of cable as an alternative to state supported broadcasting, saying it is too expensive. One said its content isn't Alaska oriented.

Eight letters opposed continued funding of some part of the state supported broadcast system. Four letters -- three of them from commercial broadcasters in the Kenai Peninsula -- opposed funding for public radio in communities where commercial radio is available. One of these commercial broadcasters opposed any state funding for public radio. Three letters called for reduced funding for public radio. Two of these letters were from supporters of public radio in rural areas who felt that funding could be cut for urban public radio stations. The eighth letter called for the elimination of state funding for RATNET.

One letter writer, a commercial broadcaster in Southeast Alaska, did not take a position for or against continued funding for public broadcasting.

From public broadcasters

Mary K. Barsdate, chairman, KUAC Policy Advisory Board, College, Feb. 12
Deb Boetcher, KFSK, Petersburg, Feb. 11
Jerry Brigham, general manager, KYUK AM/TV and RATNET council member, March 17
Frances M. Chauvin, member, KUAC Policy Advisory Council, Fairbanks, March 26
Sharon Gaipman, chairman of the board, Capital Community Broadcasting, Feb. 16
LaVern Garton, general manager, KIYU-AM, Big River Public Broadcasting Corporation, Galena, March 12
Michael C. Harrington, president, KSKO-AM, Kuskokwim Public Broadcasting Corporation, Feb. 12
Barbara Karl, member, Alaska Public Broadcasting Commission, Anchorage, Feb. 18
Rich McClear, general manager, KCAW, Raven Radio, Sitka, March 18
Su Rappleye, acting general manager, KFSK, Narrows Broadcasting Corporation, Petersburg, Feb. 22
Brad Reeve, general manager, KOTZ, Kotzebue, March 20
Les Robinson, general manager, KDLG, Dillingham, March 20
Krista Schaefer, KSTK, Wrangell Radio Group, March 24
Alan L. Schmitt, president, Kodiak Public Broadcasting Corporation, Kodiak, Feb. 10
Bruce Smith, general manager, KSKA, Anchorage, Feb. 5
Gary R. Thomas, general manager, KBBI, Kachemak Bay Broadcasting, Inc., Homer, March 19

From RATNET members

Jerry Brigham (see under public broadcasters)
Linda Davidovics, Feb. 12
Harold E. Hopper, Haines, March 22
Russell Nelson, Dillingham, Feb. 16 (copy of letter to Gov. Cowper)
Nellie Vale, Yakutat, March 25

From commercial broadcasters

David F. Becker, owner and general manager, KPEN and KGTL, Homer, March 16
David Headley, manager and news director, KRXA, Seward
John Lindauer, KKEN, Kenai
Bill Schwartz, KRSA, Petersburg, March 24

From other organizations, businesses

Marie Adams, public information officer in mayor's office, Barrow, Feb. 18
Doris Bailey, director, Alaska Arts Southeast, Sitka, March 26

Bill Brady, executive director, Sitka Council on Alcoholism and Other Drug Abuse, Sitka, Feb. 12
 Terry A. Chase, mayor, McGrath, Feb. 17 (resolution in support of continued funding for public radio)
 Jerry Covey, acting superintendant, Northwest Arctic School District, Kotzebue, Feb. 10
 Marjorie W. Dunaway, program coordinator, Aleutians East Coastal Resource Service Area, Sand Point, April 3
 Andy Durny, treasurer, Nulato City Council, March 27 (copy of letter sent to Gov. Cowper)
 Bruce Finke, United Brotherhood of Carpenters and Joiners of America, Kodiak, Feb. 12
 Oscar Frank Jr., community resources coordinator, Yukon-Tanana Subregion, Tanana Chiefs Conference, Inc.
 Patty A. Glackin, Electronic Design & Development, Inc., Haines, Feb. 20
 Jim Gove, economic development director, City of Wrangell, Feb. 18
 Jean K. Graves, library/media coordinator, Iditarod Area School District, McGrath, Feb. 12
 Bob Greene, executive director, Association of Alaska School Boards, Juneau, Feb. 2
 Sarah Hanuske-Hamilton, superintendent, and Byron R. Walton, 1st vice-chairman, Iditarod Area School District, McGrath, Feb. 18 (resolution in support of KSKO)
 R.E. Henderson, mayor, Haines, Feb. 19
 R.S. "Dick" Hindman, director, Petersburg Council on Alcoholism, Feb. 17
 Gail Holzmuller, president, Fairbanks Council for the Social Studies, Fairbanks, March 24 (letter with attached signatures of 353 teachers and administrators)
 Ann D. Kirkwood, co-publisher, Wrangell Sentinel and Weekly Dial, Wrangell, March 16
 April S. Lapham, mayor, Haines, March 20 (copy of letter sent to Gov. Cowper)
 Urtha S. Lenharr and Alan Paradise, correspondence study teachers, Kotzebue, Feb. 10
 Mary Lukens, correspondence teacher, McGrath, Feb. 12
 Lon Matheson, principal, Kotzebue Middle School, Feb. 10
 Nancy McGuire, editor, the Nome Nugget, Nome, March 19
 Walter Sampson, NANA Regional Search and Rescue, Feb. 12
 Shageluk City Council, resolution calling for continued funding for RATNET and APBC, accompanied by petition with 40 signatures, March 29
 Charles E. Slajer, director, Hyder Community Association, Hyder, Feb. 10
 Lois A. Stiegemeier, ITV education specialist, Instructional Center, Educational Program Support, Department of Education, March 19
 Kenneth L. Suel, mayor, Chuathbaluk, and Beth A. Suel, March 27
 Chow Taylor, local government specialist, Municipal and Regional Assistance Division, Department of Community and Regional Affairs, Feb. 16
 Margaret K. Wood, director, Bristol Bay Rural Education Program, UAA, Dillingham, Feb. 20
 Dr. William R. Wood, executive director, Festival Fairbanks, Feb. 10

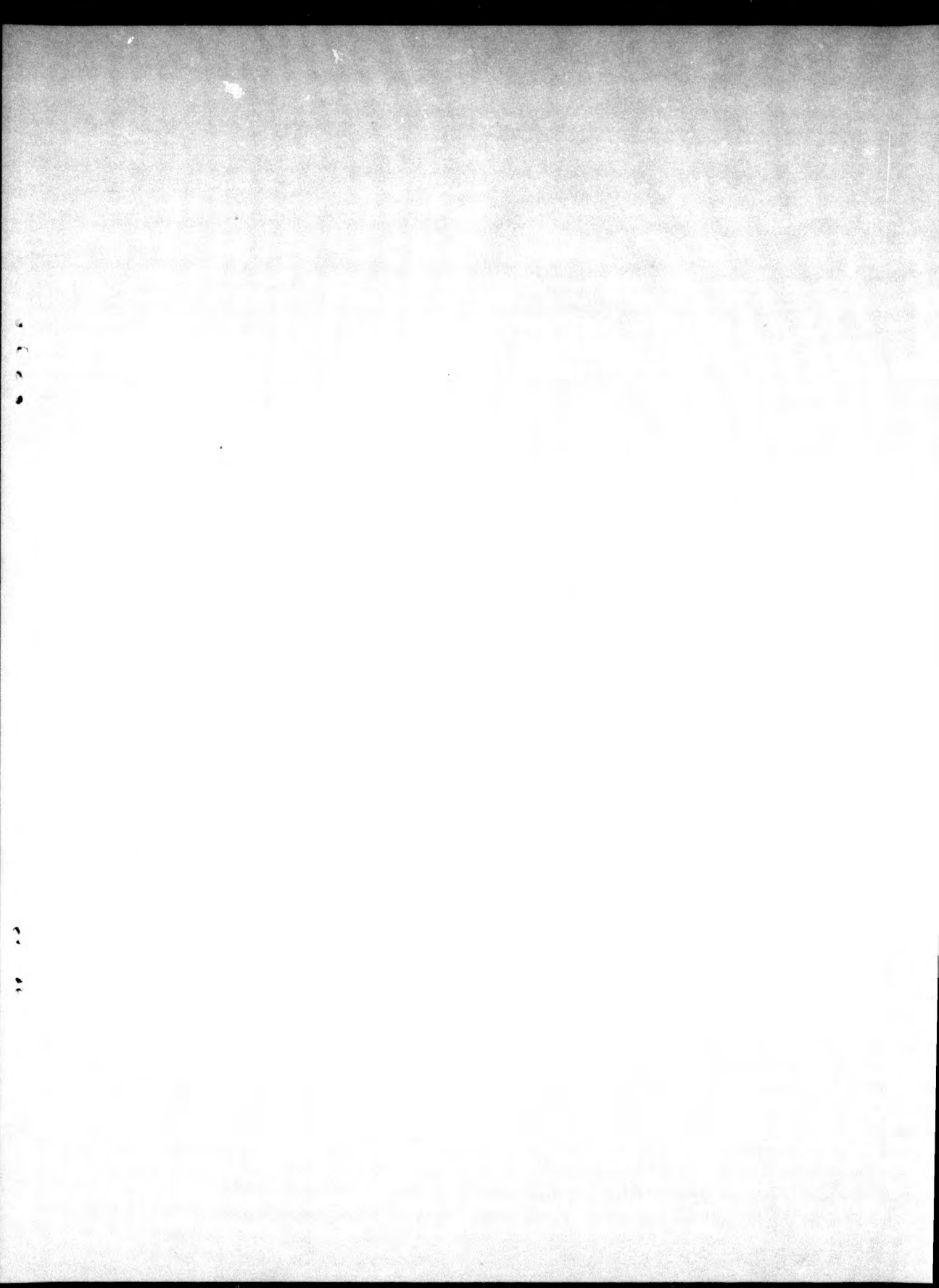
From state legislators

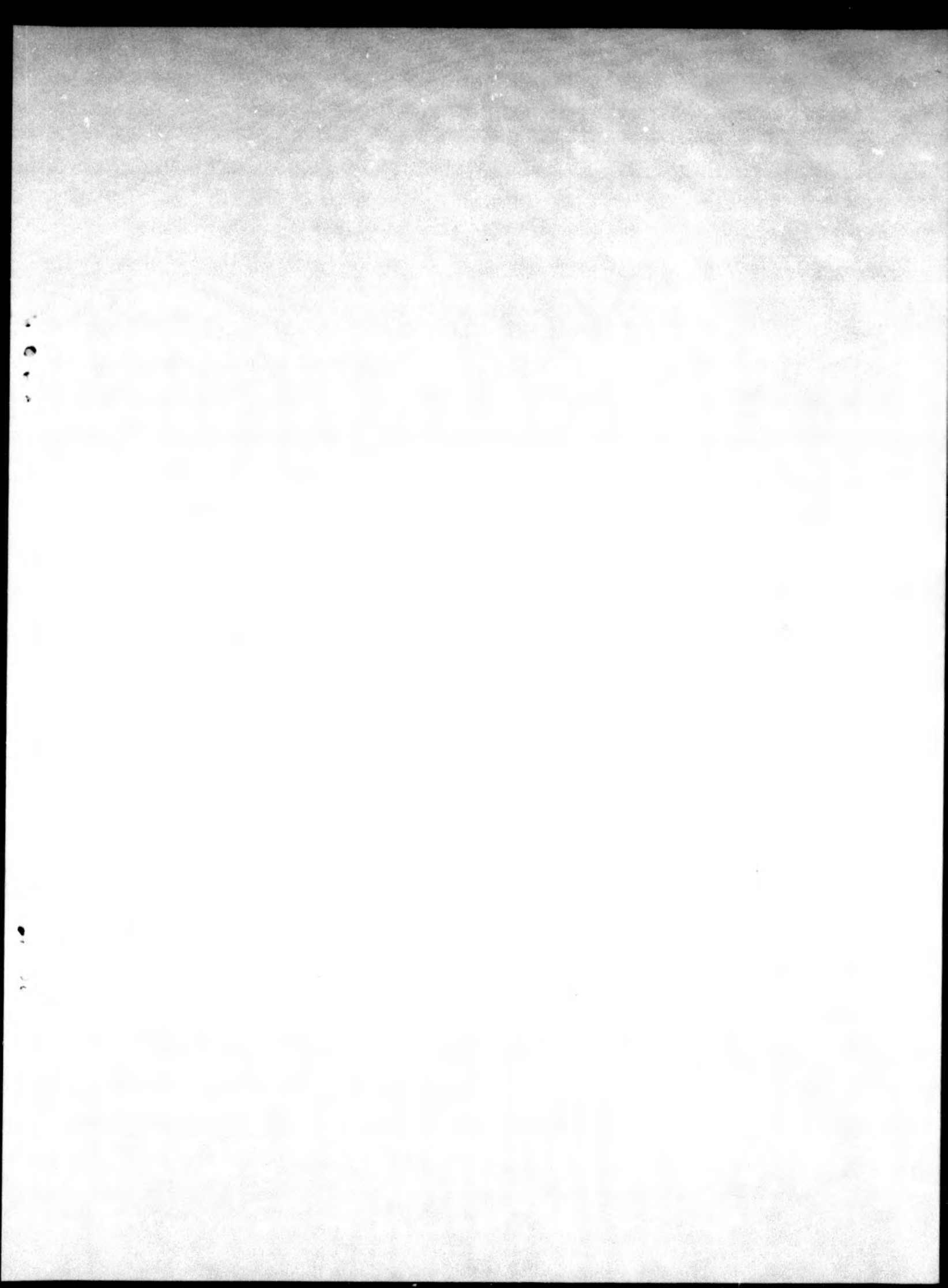
Rep. Peter Goll, March 28

From private individuals

Kay Agnew, Anchorage, March 19
Len Anderson, Kotzebue, Feb. 17
Robert F. Balivet, Anchorage, Feb. 27
Michel Baylor, Anchorage, Feb. 17
Billie Benedict, Dillingham, Feb. 16
Mark Berger, Cordova, Jan. 28 (forwarded by Rep. Betty Cato)
Paul M. and Maria L. Crowl, Ketchikan, Feb. 10
Nina K. Dahl and Barbara J. Janitscheck, Kotzebue, March 12
Lloyd DeWilde, Huslia, March 5
Joe Doerr, Petersburg
Horace F. Drury, North Pole, Feb. 25
Michale Edgington, Petersburg, Feb. 19
Randolph Erickson, Haines, March 19
Mrs. Robert Evanson, Kenny Cove, March 8 (letter to Rep. Betty Cato)
Helen Finney, Ward Cove, Feb. 17
Susan Fredricks, Skagway, Feb. 10
Robert Fudge, Wrangell, Feb. 20
Reginald E. Gates, Barrow, Feb. 19
William and Marilyn George, Petersburg, March 27
Judith Grau, North Pole, Feb. 23
Constance F. Griffith, Ketchikan, Feb. 10
Patricia Hand, Klawock
Kent Hanson, Sitka, Feb. 10
Stephen Haycox, Anchorage, Feb. 16
Joanna Hearn, Sitka, Feb. 10
Kurt Hoelting, Petersburg, March 3
Karen Hofstad, Petersburg, March 5
Constance Huber, Fairbanks, Feb. 23
Billy J. Huffman, McGrath
Barbara D. Kalen, Skagway, Feb. 12
Mary Ann and Leo B. Kondro, Kake, March 15
William C. Kurz, Haines, March 25
Catherine LaRiviere, Sitka, Feb. 17
Janice Latta, Whittier, March 27
Dorcas Loudermilk, Kotzebue, March 4
Laurene Madson, Kodiak, Feb. 20
Lawrence Mark, Hyder, Feb. 10
Brian McClear, Sitka, Feb. 28
Doug McCoy, Galena, Feb. 10
Sheila McFadden, Petersburg, Feb. 13 (with supplementary letters from
Iolaire and Gabriel McFadden)
John S. McGrath, Douglas, March 8
Nan McNutt, Petersburg, Feb. 20

Don Morgan, Kotzebue, March 6
Anthony Mueller, Healy, Feb. 19
Al Near, Fairbanks, Feb. 24
Marjorie Rees, College, March 3 (copy of letter sent to Gov. Cowper)
Libby Riddles, Teller
Drew J. Rudgear, Fort Yukon, March 28
Richard and Sue Sant, Mary Louise Molenda, Fletcher and Jerry Burrus,
Anchorage (open letter to the Legislature)
David C. Schmitt, Petersburg, Feb. 22
Eleanor Smith, Sitka, Feb. 12
William A. Stelling, Anchorage, Feb. 9
Students in Dillingham (individual letters):
 Everette Anderson
 Kerrie Ingram
 Larry Kiana
 Julia Rogers
 Gail Stelling
 Alesha Daugherty
 Missy Johansen
 Claude R. Kuyukin Jr.
 Tim Smith
John E. Svenson, Haines, March 22
Bob Taylor, Kotzebue, Feb. 12
Joseph Trubacz, North Pole, Feb. 23
Curtis E. Weiss, Klawock, Feb. 14
Mary A. Wilson, Kotzebue
Kirk Wollin, Sitka, Feb. 19
Minnie Woods, Klawock, Feb. 18
Karen Wright, Wrangell, March 27
Yvonne Yarber, Manley Hot Springs, Feb. 18
Nick Zerbinos, Glennallen, March 5
Bob Zorich, Petersburg, Feb. 17





COMMUNITIES WITH RADIO, TV, OR TELECONFERENCING

December, 1986

COMMUNITY	POPULATION	RAT- NET	APBC TV	OTHER TV	APBC RADIO	OTHER RADIO	TELE- CONF.	CABLE TV
ADAK	3,169	1				1	1	1
AKHIOK	107	1			1	1	1	
AKIACHAK	378		1		1		1	1
AKIAK	277	1	1		1		1	1
AKUTAN	185	1			1		1	
ALAKANUK	461	1			1	1	1	1
ALEKNAGIK	201	1			1	1	1	
ALLAKAKET	175	1				1	1	
AMBLER	262	1			1		1	
ANAKTUVUK PASS	233	1			1	1	1	1
ANCHOR POINT	317	1	1	1		1	1	
ANCHORAGE	243,829		1	1	1	1	1	1
ANDERSON	468	1	1	1	1	1	1	1
ANGOON	470	1	1		1	1	1	1
ANIAK	476	1	1		1		1	
ANNETTE	143				1	1		
ANVIK	82	1	1		1	1	1	
ARCTIC VILLAGE	109	1				1	1	
ATKA	80	1					1	
ATKASOOK	214	1			1		1	1
ATMAUTLUAK	261	1	1		1		1	
BARROW	2,943	1			1		1	1
BEAVER	65	1				1	1	
BETHEL	3,681	1	1		1	1	1	1
BETLES	60	1				1	1	
BIG DELTA	294		1	1	1	1		
BIG LAKE	684	1	1	1	1	1	1	
BIRCH CREEK	31	1				1	1	
BREVIK MISSION	151	1				1	1	1
BUCKLAND	249	1			1		1	1
BUTTE	448				1	1	1	
CANTWELL	87	1				1	1	
CAPE POLE	30	1				1		
CENTRAL	35	1			1	1	1	
CHALKYTSIK	98	1				1	1	
CHEFORNAK	268	1	1		1	1	1	
CHENEGA BAY							1	
CHEVAK	532	1	1		1	1	1	1
CHIGNIK BAY	141	1			1		1	
CHIGNIK LAGOON	46	1			1		1	
CHIGNIK LAKE	153	1		1	1		1	
CHRISTOCHINA	43	1				1	1	
CHITINA	33	1				1	1	
CHUATHBALUK	98	1	1		1			
CHUGIAK	5224		1	1	1	1		1
CIRCLE	101	1			1	1	1	
CIRCLE HOT SPRINGS	36	1			1	1		
CLAM GULCH	141					1		
CLARK'S POINT	75	1			1		1	
CLEAR	468	1	1	1	1	1	1	
CLEARY SUMMIT						1		
COFFMAN COVE	199	1				1	1	
COHOE	500		1	1				

COMMUNITIES WITH RADIO, TV, OR TELECONFERENCING

December, 1986

COMMUNITY	POPULATION	RAT- NET	APBC TV	OTHER TV	APBC RADIO	OTHER RADIO	TELE- CONF.	CABLE TV
COLD BAY	246	1			1	1	1	
COOPER LANDING	346	1				1	1	
COPPER CENTER	219	1		1	1	1	1	
CORDOVA	2,108	1				1	1	1
CORNER BAY		1						
COUNCIL	23	1				1		
CRAIG	881	1			1	1	1	1
CROOKED CREEK	75	1			1	1		
DEADHORSE	63				1			
DEERING	150	1			1	1	1	1
DELTA JUNCTION	1,163	1	1	1	1	1	1	1
DILLINGHAM	2,004	1			1		1	1
DIOMEDE	153	1				1	1	
DOT LAKE	69	1	1	1		1	1	
DUTCH HARBOR		1			1			
EAGLE	171	1				1	1	
EAGLE RIVER	5817		1	1	1	1	1	1
EAGLE VILLAGE	56	1				1		
EEK	259	1	1		1		1	
EGEGIK	72	1			1	1	1	
EIELSON AFB	7837		1	1	1	1	1	1
EIGHT FATHOM BIGHT		1						
EKUK	7	1			1			
EKWOK	80	1			1		1	
ELIM	248	1				1	1	1
ELMENDORF AFB	6020		1	1	1	1		1
EMMONAK	559	1	1		1	1	1	1
ENGLISH BAY	172	1			1	1	1	
ERNESTINE		1		1		1		
FAIRBANKS	27103		1	1	1	1	1	1
FALSE PASS	76	1					1	
FT. GREELY	1832		1	1	1	1	1	1
FT. RICHARDSON	8960		1	1	1	1		1
FT. WAINWRIGHT	9097		1	1	1	1		1
FORT YUKON	665	1				1	1	1
FRESHWATER BAY	50	1						
GAKONA	70	1		1	1	1	1	
GALENA	894	1				1	1	1
GAMBELL	498	1				1	1	1
GIRDWOOD	150	1	1	1	1	1	1	1
GLENALLEN	477	1		1	1	1	1	
GOLOVIN	122	1				1	1	
GOODNEWS BAY	230	1			1		1	
GRAYLING	220	1			1	1	1	
GULKANA	82			1	1	1		
GUSTAVUS	218	1			1	1	1	
HAINES	1,154	1			1	1	1	1
HALIBUT COVE	52	1			1	1		
HEALY	327	1	1	1	1	1	1	
HOBART BAY		1				1	1	
HOLLIS		1						
HOLY CROSS	191	1			1	1	1	
HOMER	3,373	1	1	1	1	1	1	

COMMUNITIES WITH RADIO, TV, OR TELECONFERENCING

December, 1986

COMMUNITY	POPULATION	RAT- NET	APBC TV	OTHER TV	APBC RADIO	OTHER RADIO	TELE- CONF.	CABLE TV
HOONAH	803	1			1	1	1	1
HOOPER BAY	578	1	1		1	1	1	1
HOPE	195	1	1	1	1	1	1	
HOUSTON	668		1	1	1	1		
HUGHES	97	1				1	1	
HUSLIA	283	1					1	
HYDABURG	371	1			1	1	1	1
HYDER	79	1				1	1	
IGIUGIG	32	1			1	1	1	1
ILIAMNA	90	1			1			
IVANOF BAY	38	1			1		1	
JUNEAU	23729		1	1	1	1	1	1
KACHEMAK	320				1	1		
KAKE	574	1	1		1	1	1	1
KAKTOVIK	207	1			1		1	1
KALSKAG	145	1	1		1			
KALTAG	262	1				1	1	
KARLUK	90	1			1	1	1	
KASAAN	70	1			1	1		
KASIGLUK	355	1	1		1		1	1
KASILOF	567	1	1	1	1	1	1	
KENAI	6,072	1	1	1	1	1	1	1
KENNY LAKE	143	1		1		1	1	
KETCHIKAN	7,633	1	1		1	1	1	1
KIANA	402	1			1		1	1
KING COVE	521	1			1	1	1	
KING SALMON	434	1			1	1	1	1
KIPNUK	350	1			1		1	1
KIVALINA	294	1			1		1	
KLAWOCK	508	1			1	1	1	1
KLUKWAN	239	1			1		1	
KOBUK	97	1			1		1	
KODIAK	6,069	1			1	1	1	1
KOKHANOK	80	1			1		1	
KOLIGANEK	112	1			1		1	
KONGIGANAK	166	1	1		1		1	
KOTLIK	412	1			1	1	1	1
KOTZEBUE	2,345	1			1	1	1	1
KOYUK	211	1				1	1	
KOYUKUK	98	1				1	1	
KWETHLUK	509	1	1		1		1	
KWIGILLINGOK	246		1		1		1	
LABOUCHRE BAY	300	1				1		
LARSEN BAY	214	1			1	1	1	
LEVELOCK	76	1			1	1	1	1
LIME VILLAGE	33	1			1	1	1	
LONG ISLAND		1						
LOWER KALSKAG	270	1	1		1			
MANLEY HOT SPRINGS	99	1	1		1	1	1	
MANOKOTAK	302	1			1	1	1	1
MARSHALL	281	1	1		1	1	1	
MCGRATH	499	1			1	1	1	
MEKORYUK	182	1				1	1	

COMMUNITIES WITH RADIO, TV, OR TELECONFERENCING

December, 1986

COMMUNITY	POPULATION	RAT- NET	APBC TV	OTHER TV	APBC RADIO	OTHER RADIO	TELE- CONF.	CABLE TV
MENTASTA LAKE	72	1				1	1	
MESHIK	87	1			1			
METLAKATLA	1,089	1	1		1	1	1	1
MEYERS CHUCK	52	1			1	1		
MINCHUMINA	20	1			1			
MINTO	153	1	1		1	1	1	
MOOSE PASS	143	1	1	1		1	1	
MOSQUITO LAKE		1					1	
MOUNTAIN VILLAGE	610	1	1		1	1	1	1
MT. EDGE CUMBE	835		1	1	1	1		
NAKNEK	405	1			1	1	1	1
NAPAKIAK	319	1	1		1		1	1
NAPASKIAK	289	1	1		1		1	
NAUKATI BAY	140	1				1		
NELSON LAGOON	64	1			1		1	
NENANA	544	1	1	1	1	1	1	
NEW STUYAHOK	246	1			1	1	1	
NEWHALEN	157	1			1		1	
NEWTOK	187	1	1		1		1	
NIGHTMUTE	134	1			1		1	
MIKOLAEVSK	100				1	1	1	
NIKOLAI	100	1			1	1	1	1
NIKOLSKI	54	1			1		1	
NINILCHIK	427	1	1	1	1	1	1	
NOATAK	355	1			1		1	
NOME	3,184	1				1	1	1
NONDALTON	231	1			1		1	
NOORVIK	517	1			1		1	
NORTH KENAI	3489		1	1	1	1	1	
NORTH POLE	1005		1	1	1	1	1	1
NORTHWAY	116	1				1	1	
NUIGSUT	305	1			1		1	1
NULATO	388	1				1	1	
NUNAPITCHUK	357		1		1		1	1
OLD HARBOR	405	1			1	1	1	
OSCARVILLE	39	1	1		1		1	
OUZINKIE	240	1			1	1	1	
PALMER	2772		1	1	1	1	1	1
PAXSON	24	1		1	1	1		
PEDRO BAY	32	1			1	1	1	
PELICAN	206	1					1	
PERRYVILLE	107	1			1		1	
PETERSBURG	3,137	1	1		1	1	1	1
PILOT POINT	63	1			1	1	1	
PILOT STATION	372	1			1	1	1	1
PITKAS POINT	67	1	1		1	1	1	
PLATINUM	64				1		1	
POINT BAKER	93	1			1	1	1	
POINT HOPE	582	1			1		1	1
POINT LAY	67	1			1		1	1
PORT ALEXANDER	162				1	1	1	
PORT ALICE	135	1				1		
PORT ALSWORTH	75	1					1	

COMMUNITIES WITH RADIO, TV, OR TELECONFERENCING

December, 1980

COMMUNITY	POPULATION	RAT- NET	APBC TV	OTHER TV	APBC RADIO	OTHER RADIO	TELE- CONF.	CABLE TV
PORT GRAHAM	174	1			1	1	1	
PORT HEIDEN	87	1			1		1	
PORT LIONS	301	1			1	1	1	1
PORT MOLLER	37	1			1			
PORT PROTECTION						1		
PORTAGE CREEK	46	1			1			
PRUDHOE BAY	49				1	1		
QUINHAGAK	424	1	1		1		1	1
RAMPART	49	1				1	1	
RED DEVIL	27	1			1	1		
ROWAN BAY	50	1				1		
RUBY	283	1			1	1	1	
RUSSIAN MISSION	195	1	1		1	1	1	
SAINT GEORGE	172	1			1	1	1	
SAINT MARY'S	566	1	1		1	1	1	1
SAINT MICHAEL	279	1			1	1	1	1
SAINT PAUL	541	1			1	1	1	
SAND POINT	870	1				1	1	
SAVOONGA	470	1				1	1	1
SCAMMON BAY	296	1	1		1	1	1	
SELAWIK	635	1			1		1	1
SELDOVIA	435	1	1	1	1	1	1	
SEWARD	2,038	1	1	1	1	1	1	1
SHAGELUK	148	1	1		1	1	1	
SHAKTOOLIK	186	1				1	1	
SHELDON POINT	135				1	1	1	
SHISHMAREF	493	1			1		1	1
SHUNGNAK	238	1			1		1	1
SITKA	7,611	1	1	1	1	1	1	1
SKAGWAY	761	1			1	1	1	1
SLANA	39	1				1	1	
SLEETMUTE	74	1			1			
SOLDOTNA	3,538	1	1	1	1	1	1	1
SOUTH NAKNEK	185				1			1
SPARREVOHN	28	1				1		
STEBBINS	327	1				1	1	1
STERLING	1,530	1	1	1	1	1	1	
STEVENS VILLAGE	94	1				1	1	
STONEY RIVER	43	1			1		1	
SUTTON	304	1	1	1	1	1	1	
TAKOTNA	47	1			1	1	1	
TALKEETNA	441		1	1	1	1	1	
TANACROSS	148			1		1		
TANANA	444	1				1	1	
TATITLEK	54	1				1	1	
TELIDA	32	1			1		1	
TELLER	257	1				1	1	
TENAKEE SPRINGS	156	1					1	
TETLIN	110	1					1	
THORNE BAY	392	1			1	1	1	1
TIN CITY						1		
TOGIAK	554	1			1		1	1
TOK	608	1		1		1	1	

COMMUNITIES WITH RADIO, TV, OR TELECONFERENCING

December, 1986

COMMUNITY	POPULATION	RAT- NET	APBC TV	OTHER TV	APBC RADIO	OTHER RADIO	TELE- CONF.	CABLE TV
TOKSOOK BAY	365	1	1		1	1	1	1
TOLSONA		1				1		
TRAPPERS CREEK	350	1			1		1	
TULUKSAK	272	1	1		1		1	
TUNTUTULIAK	203	1	1		1		1	
TUNUNAK	333	1			1	1	1	1
TWIN HILLS	67	1			1		1	
TYONEK	302	1	1	1	1	1	1	
UNALAKLEET	784	1				1	1	1
UNALASKA	1,630	1	1	1	1	1	1	1
VALDEZ	3,687	1				1	1	1
VENETIE	129	1				1	1	
WAINWRIGHT	507	1			1		1	1
WALES	136	1				1	1	
WASILLA	3459		1	1	1	1	1	1
WHALE PASS	93	1			1	1		
WHITE MOUNTAIN	150	1				1	1	
WHITTIER	268	1				1	1	
WILLOW	232	1	1	1	1	1	1	
WOMANS BAY		1			1	1		
WOODY ISLAND	5				1	1		
WRANGELL	2,376	1	1		1	1	1	1
YAKUTAT	453	1				1	1	
(288 communities)	479,918	248	85	53	404	433	233	91

Data extracted from: "Inventory of Communications Facilities
Serving Alaska Communities -- 1987 Edition"

COMMUNITIES RECEIVING RATNET

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	COMMUNITIES		ANNUAL COST	POPULATION	
	=====	=====	=====	=====	=====
and also receiving commercial TV	32	12.9%	451.6	34,281	27.7%
no commercial TV but have cable TV	67	27.0%	945.6	66,754	53.8%
no commercial or cable TV but commercial radio	89	35.9%	1,256.0	14,298	11.5%
no commercial or cable TV no commercial radio but Teleconferencing	44	17.7%	621.0 (*)	7,724	6.2%
none of the above	16	6.5%	225.8 (#)	924	0.7%
	-----	-----	-----	-----	-----
	248	100.0%	3,500.0	123,981	100.0%

(*)

AKUTAN	185
AMBLER	262
ANIAK	476
ATKA	80
ATMAUTLUAK	261
CHIGNIK BAY	141
CHIGNIK LAGOON	46
CLARK'S POINT	75
EEK	259
EKWOK	80
FALSE PASS	76
GOODNEWS BAY	230
HUSLIA	283
IVANOF BAY	38
KIVALINA	294
KLUKWAN	239
KOBUK	97
KOKHANOK	80
KOLIGANEK	112
KONGIGANAK	166
KWETHLUK	509
MOSQUITO LAKE	
NAPASKIAK	289
NELSON LAGOON	64
NEWHALEN	157
NEWTOK	187
NIGHTMUTE	134
NIKOLSKI	54
NOATAK	355
NONDALTON	231
NOORVIK	517
OSCARVILLE	39
PELTON	206

PERRYVILLE	107
PORT ALSWORTH	75
PORT HEIDEN	87
STONEY RIVER	43
TELIDA	32
TENAKEE SPRINGS	156
TETLIN	110
TRAPPERS CREEK	350
TULUKSAK	272
TUNTUTULIAK	203
TWIN HILLS	67

	7,724

(#)

CHUATHBALUK	98
CORNER BAY	
DUTCH HARBOR	
EIGHT FATHOM BIGHT	
EKUK	7
FRESHWATER BAY	50
HOLLIS	
ILIAMNA	90
KALSKAG	145
LONG ISLAND	
LOWER KALSKAG	270
MESHIK	87
MINCHUMINA	20
PORT MOLLER	37
PORTAGE CREEK	46
SLEETMUTE	4

	224

COMMUNITIES RECEIVING PUBLIC TV

	COMMUNITIES		ANNUAL COST	POPULATION	
	=====	=====	=====	=====	=====
and also receiving commercial TV	43	50.6%	1,416.5	385,498	92.9%
no commercial TV but have cable TV	19	22.4%	625.9	24,380	5.9%
no commercial or cable TV but commercial radio	9	10.6%	296.5	1,589	0.4%
no commercial or cable TV no commercial radio but Teleconferencing	11	12.9%	362.4	(*) 2,907	0.7%
none of the above	3	3.5%	98.8	(#) 513	0.1%
	-----	-----	-----	-----	-----
	85	100.0%	2,800.6	414,887	100.0%

(*)

ANI AK	476
ATMAUTLUAK	261
EEK	259
KONGIGANAK	166
KWETHLUK	509
KWIGILLINGOK	246
NAPASKIAK	289
NEWTOK	187
OSCARVILLE	39
TULUKSAK	272
TUNTUTULIAK	203
-----	-----
	2,907

(#)

CHUATHBALUK	98
KALSKAG	145
LOWER KALSKAG	270
-----	-----
	513

COMMUNITIES RECEIVING PUBLIC RADIO

=====

	COMMUNITIES		ANNUAL COST	POPULATION	
	=====	=====	=====	=====	=====
and also receiving commercial radio	131	64.2%	2,247.5	433,357	95.5%
no commercial radio but commercial TV	1	0.5%	17.2	153	.0%
no commercial radio or TV but cable TV	22	10.8%	377.5	12,045	2.7%
no commercial or cable TV no commercial radio but Teleconferencing	38	18.6%	652.0 (*)	7,048	1.6%
none of the above	12	5.9%	205.9 (*)	937	0.2%
	-----	-----	-----	-----	-----
	204	100.0%	3,500.0	453,540	100.0%

(*)

AKUTAN	185
AMBLER	262
ANIAK	476
HIMAUTLUAK	261
CHIGNIK BAY	141
CHIGNIK LAGOON	46
CLARK'S POINT	75
EEK	259
EKWOK	80
GOODNEWS BAY	230
IVANOF BAY	38
KIVALINA	294
KLUKWAN	239
KOBUK	97
KOKHANDOK	80
KOLIGANEK	112
KONGIGANAK	166
KWETHLUK	509
KWIGILLINGOK	246
NAPASKIAK	289
NELSON LAGOON	64
NEWHALEN	157
NEWTOK	187
NIGHTMUTE	134
NIKOLSKI	54
NOATAK	355
NONDALTON	231
NOURVIK	517
OSCARVILLE	39
PERRYVILLE	107
PLATINUM	64
PORT HEIDEN	87
STONEY RIVER	42

TELIDA	32
TRAPPERS CREEK	350
TULUKSAK	272
TUNTUTULIAK	203
TWIN HILLS	67

	7,048

(#)

CHUATHBALUK	98
DEADHORSE	63
DUTCH HARBOR	
EKUK	7
ILIAMNA	90
KALSKAG	145
LOWER KALSKAG	270
MESHUK	87
MINCHUMINA	20
PORT MOLLER	37
PORTAGE CREEK	46
SLEETMUTE	74

	937

COMMUNITIES WITH NO OTHER RADIO OR TV
EXCEPT FOR RATNET AND/OR APBC

	POPULATION		POPULATION
AKUTAN	185	PORT ALSWORTH	75
AMBLER	262	PORT HEIDEN	87
ANIAK	476	PORT MOLLER	37
ATKA	80	PORTAGE CREEK	46
ATMAUTLUAK	261	SLEETMUTE	74
CHIGNIK BAY	141	STONEY RIVER	43
CHIGNIK LAGOON	46	TELIDA	32
CHUATHBALUK	98	TENAKEE SPRINGS	156
CLARK'S POINT	75	TETLIN	110
CORNER BAY		TRAPPERS CREEK	350
DEADHORSE	63	TULUKSAK	272
DUTCH HARBOR		TUNTUTULIAK	203
EEK	259	TWIN HILLS	67
EIGHT FATHOM BIGHT			-----
EKUK	7	63 communities	9,021
EKWOK	80		
FALSE PASS	76		
FRESHWATER BAY	50		
GOODNEWS BAY	230		
HOLLIS			
HUSLIA	283		
ILIAMNA	90		
IVANOF BAY	38		
KALSKAG	145		
KIVALINA	294		
KLUKWAN	239		
KOBUK	97		
KOKHANOK	80		
KOLIGANEK	112		
KONGIGANAK	166		
KWETHLUK	509		
KWIGILLINGOK	246		
LONG ISLAND			
LOWER KALSKAG	270		
MESHIK	87		
MINCHUMINA	20		
MOSQUITO LAKE			
NAPASKIAK	289		
NELSON LAGOON	64		
NEWHALEN	157		
NEWTOK	187		
NIGHTMUTE	134		
NIKOLSKI	54		
NOATAK	355		
NONDALTON	231		
NOORVIK	517		
OSCARVILLE	39		
PELICAN	206		
PERRYVILLE	107		
PLATINUM	64		

COMMUNITIES WITH NO OTHER RADIO OR TV
EXCEPT FOR RATNET AND/OR APBC
AND WITHOUT TELECONFERENCING FACILITY

	POPULATION
CHUATHBALUK	98
CORNER BAY	
DEADHORSE	63
DUTCH HARBOR	
EIGHT FATHOM BIGHT	
EKUK	7
FRESHWATER BAY	50
HOLLIS	
ILIAMNA	90
KALSKAG	145
LONG ISLAND	
LOWER KALSKAG	270
MESHIK	87
MINCHUMINA	20
PORT MOLLER	37
PORTAGE CREEK	46
SLEETMUTE	74

17 communities	987

3-24-87

Meeting

Alaska State Legislature

POUCH V
JUNEAU, ALASKA 99811
(907) 465-4931

DISTRICT 10
BOX 111038
ANCHORAGE, ALASKA 99511
(907) 349-2192



CHAIRMAN
Special Committee on
Telecommunications

MEMBER
Labor and Commerce
State Affairs
Finance—Subcommittee Administration

Representative H. A. "Red" Boucher

PRESS RELEASE

MARCH 24, 1987

FOR FURTHER INFORMATION
DOUG HUMES 465-4931

FOR IMMEDIATE RELEASE

STATE SUPPORTED BROADCASTING SUBJECT OF TELECOMMUNICATIONS COMMITTEE TV/RADIO CALL-IN HEARING

Representative H.A. "Red" Boucher, Chairman of the House Special Committee on Telecommunications, announced today that the Committee would hold a special hearing on the subject of state-supported broadcasting. The format of the hearing will be a statewide call-in program which will be produced at the KTOO TV station in Juneau. The hearing will be held on Thursday, March 26, from 8 to 9 PM, and will be broadcast live over RATNET, Public TV and Public radio.

TV viewers and radio listeners across the state will be able to call the Committee with testimony or questions using a toll free number, 1-800-478-3636. In Juneau, the number is 586-3636. People with questions can call between 4-7 PM on Thursday, or during the hearing.

The Committee will use the statewide broadcast network to take testimony from people who were not able to testify during previous teleconference hearings. This will be the last public hearing prior to the Committee submitting final recommendations to the Governor and the Legislature.

Alaska State Legislature

POUCH V
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CHAIRMAN
Special Committee on
Telecommunications

MEMBER
Labor and Commerce
State Affairs
Finance—Subcommittee Administration

Representative H. A. "Red" Boucher

HOUSE SPECIAL COMMITTEE ON TELECOMMUNICATIONS
MARCH 24-26, 1987
(* Indicates First Public Hearing)

COURT 603
465-4931

3:30 PM
Tues, Thurs

Tuesday, March 24, 1987

Joint Meeting with House Finance Subcommittee on Department
of Labor

The use of data processing within the department, and
tie-in with the state data network.

Thursday, March 26, 1987

Committee review of Professor Pearson's final
recommendations on state supported broadcasting.

Other Committee business.

Thursday, March 26, 1987
KTOO Recording Studio, 224 4th St., Juneau.
8-9 PM

State-wide call-in on state supported broadcasting.
Simulcast on RATNET, Public TV and radio.

Alaska State Legislature

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CHAIRMAN
Special Committee on
Telecommunications

MEMBER
Labor and Commerce
State Affairs
Finance—Subcommittee Administration

Representative H. A. "Red" Boucher

TO: TELECOMMUNICATIONS COMMITTEE MEMBERS

**FROM: H.A. "RED" BOUCHER
CHAIRMAN**

DATE: MARCH 24, 1987

SUBJECT: STATE-SUPPORTED BROADCASTING / STATEWIDE CALL-IN

* This will be an official committee meeting.

* The meeting will be carried live, statewide, on the RATNET, Public TV and Public Radio stations.

* The program will last from 8 to 9 PM, Thursday, March 26.
PLEASE BE AT THE STUDIO 15 MINUTES EARLY TO BECOME FAMILIAR WITH THE EQUIPMENT.

* The program will be broadcast from the KTOO studio at 224 4th St., Juneau (586-1695).

* Listeners and viewers will have the opportunity to call-in with questions or comments, using a toll free telephone number.

- The calls will be screened for geographic and content diversity.

- There will time for only 15-20 questions.

* Committee members will be fitted with a lapel microphone and an ear piece. If you have a preference for either a left or right ear piece, please contact Jim Mayhem at KTOO, 586 1695.

3-31-87

Meeting

1 IN THE SENATE

BY FISCHER, BINKLEY
AND KERTULA

2

SENATE BILL NO. 36

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to Amateur Radio Week."

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

8 * Section 1. AS 44.12 is amended by adding a new section to read:

9 Sec. 44.12.200. OBSERVANCE OF AMATEUR RADIO WEEK. To increase
10 public awareness of the vital importance of amateur radio to the life
11 and safety of the citizens of the state, each year the governor shall
12 issue a proclamation designating as Amateur Radio Week the week in
13 June that includes the fourth Saturday of the month.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

SENATE
BILL VERSION: SB 36
PUBLISH DATE: 2/3/87

REQUEST

Revision Date: _____ Agency Affected: A11
 Title: An Act relating to Amateur BRU: _____
Radio Week
 Sponsor: P. Fischer Components: _____
 Requestor: P. Fischer

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: Attach a separate page if necessary

Prepared By: Michael P. McMillan Phone: 465-2200
 Division: Commissioner's Office Date: 1/30/87

Approved by Commissioner: Garrey Peska Date: 1/31/87
 Agency: Department of Administration

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)
 Senate Secretary

4-2-87

Meeting

Introduced: 1/19/87
 Referred: House Special Committee
 on Telecommunications and Finance

1 IN THE HOUSE

BY BOUCHER

2

HOUSE BILL NO. 40

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act creating the Telecommunications Information
 Agency in the Office of the Governor; and providing
 for an effective date."

7

8

9

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

10

* Section 1. PURPOSE. The purpose of this Act is to establish an
 agency to develop and implement a cost-effective policy for managing the
 state's information and information technology resources in a comprehensive
 and coordinated manner so that state government may better serve the people
 of the state.

15

* Sec. 2. AS 44.19 is amended by adding new sections to read:

16

ARTICLE 16. TELECOMMUNICATIONS INFORMATION AGENCY.

17

Sec. 44.19.502. TELECOMMUNICATIONS INFORMATION AGENCY. There is
 created within the Office of the Governor the Telecommunications
 Information Agency.

18

19

20

Sec. 44.19.504. INFORMATION TECHNOLOGY PROCUREMENTS. (a) A
 department or agency in the executive or legislative branches may not
 make a procurement for information technology that exceeds \$25,000
 unless the Telecommunications Information Agency approves.

21

22

23

24

(b) The Telecommunications Information Agency shall develop a
 procurement policy consistent with the State Procurement Code (AS 36.-
 30) for procurement, contracting, construction, and maintenance of
 information technology. The procurement policy must seek to achieve
 the maximum benefit to the public, and methods of procurement, includ-
 ing lease, purchase, rental, or combinations of lease, purchase, and

25

26

27

28

29

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 8672
1552 SCOMM 58: HOUSE SPEC. COMM. ON TELECOMMUNICATIONS, 1987-1988/9

1 rental, must be selected on the basis of factors such as the ratio of
2 long-range costs versus benefits, life-cycle costing, and the costs to
3 the communications industry to the extent that these costs may affect
4 local and long distance basic telephone rates.

5 (c) Procurements by state agencies involving information tech-
6 nology shall be conducted according to regulations adopted by the
7 Telecommunications Information Agency.

8 (d) Whenever feasible, the Telecommunications Information Agency
9 shall procure services from private enterprise or certified and fran-
10 chised utilities and contract with them for the construction, manage-
11 ment, operation, and maintenance of telecommunications systems.

12 Sec. 44.19.506. OTHER POWERS AND DUTIES. (a) The Telecommuni-
13 cations Information Agency shall also

14 (1) determine what information state agencies have, ascer-
15 tain where the information is located and who needs the information,
16 and coordinate public access to information;

17 (2) assist and educate state agencies and, if requested,
18 private noncommercial entities and political subdivisions of the
19 state, including the University of Alaska, in the use of information
20 technology and systems analysis;

21 (3) establish evaluation criteria for state-funded programs
22 that use information technology;

23 (4) obtain economical information technology equipment and
24 services;

25 (5) represent the state, when requested by the governor, in
26 information resource management and technology matters;

27 (6) provide for the disposal of all information technology
28 property that is surplus to the needs of a using state agency;

29 (7) advise the governor on matters of policy and

1 comprehensive state planning for telecommunications information sys-
2 tems;

3 (8) make an annual report to the governor and to the legis-
4 lature on the activities of the Telecommunications Information Agency;

5 (9) coordinate, manage, and supervise programs of state
6 agencies in information technology, including the management of those
7 telecommunication services for the state obtained from common carriers
8 and from the communications industry;

9 (10) prepare and maintain both short-range and long range
10 telecommunications information systems plans to further state informa-
11 tion systems development and to meet state needs, provide managerial
12 leadership in the use of telecommunications information systems, and
13 prepare and maintain a comprehensive inventory of all communications
14 facilities of state agencies;

15 (11) maintain a central staff of systems analysts and other
16 staff members sufficient to provide systems analysis support required
17 by the executive and legislative branches of state government;

18 (12) review all budget requests for telecommunications
19 information systems services and recommend to the governor approval,
20 modification, or disapproval;

21 (13) apply for and accept federal and private money, proper-
22 ty, or assistance, that may be appropriated, granted, or otherwise
23 made available to the state for information technology and use and
24 disburse money and property for purposes consistent with AS 44.19.-
25 502 - 44.19.519, subject to reasonable limitations imposed by the
26 grantor;

27 (14) assist, through design, development, and promotion,
28 local school districts or other local and regional education agencies
29 in the regionalization of instructional telecommunications services;

1 (15) establish operational policies for public telecommu-
2 nications services other than public broadcasting; and

3 (16) assist the Alaska Public Broadcasting Commission and
4 any commission-designated subcommittees, to perform assigned agency
5 functions; the Telecommunications Information Agency shall cooperate
6 with the commission and subcommittees in order to develop policies
7 that are responsive to the user groups that are represented on the
8 commission.

9 (b) The Telecommunications Information Agency may

10 (1) recommend implementation priorities of requested tele-
11 communications information systems;

12 (2) for state agencies, determine and satisfy their data
13 processing equipment and supply requirements that exceed \$25,000;

14 (3) review state automatic data processing systems to
15 encourage effectiveness, measure performance, and assure adherence to
16 the standards developed under this section;

17 (4) charge a state agency or other governmental agency for
18 the cost of the automatic data processing services provided or pro-
19 cured by the Telecommunications Information Agency for the using
20 agency;

21 (5) coordinate the Telecommunications Information Agency's
22 functions with local, regional, state, and federal officials, private
23 groups and individuals, and with officials of other countries, prov-
24 inces, and states;

25 (6) enter into contracts and subcontracts on behalf of the
26 state to carry out the provisions of AS 44.19.502 - 44.19.519; and

27 (7) hold public hearings to obtain information to carry out
28 the provisions of AS 44.19.502 - 44.19.519.

29 Sec. 44.19.508. DATA PROCESSING. (a) The Telecommunications

1 Information Agency may develop and implement a plan for the inte-
2 gration of automatic data processing facilities of the University of
3 Alaska with the facilities of state agencies. The integration plan
4 authorized by this subsection may not be put into operation until
5 approved by the president of the University of Alaska.

6 (b) The Telecommunications Information Agency shall provide or
7 procure automatic data processing services under this section for the
8 judicial branch to the extent requested by that branch, and may charge
9 the branch for the services.

10 (c) The director of the Telecommunications Information Agency
11 shall deposit the data processing services fees charged to political
12 subdivisions in the general fund. The commissioner of administration
13 shall separately account for all fees that are collected and deposited
14 under this section. The legislature may use the annual estimated
15 balance in the account to make appropriations to the Telecommunica-
16 tions Information Agency to carry out AS 44.19.502 - 44.19.519.

17 Sec. 44.19.510. TELECOMMUNICATIONS. (a) Subject to available
18 funds, the Telecommunication Information Agency may make grants to
19 educational and public telecommunication users, except grants for
20 public broadcasting purposes.

21 (b) The Telecommunications Information Agency shall study, plan,
22 and develop integrated instructional telecommunications services for
23 all residents of the state, and shall annually report on current
24 fiscal year instructional telecommunications activities. After public
25 hearings, the agency shall submit to the governor and the legislature
26 an annually updated long-term development plan prepared in consulta-
27 tion with the Department of Education, the University of Alaska, local
28 school districts, and other local and regional education areas.

29 (c) The Telecommunications Information Agency shall, after

1 public hearings, submit to the governor an annually updated long-term
2 development plan for teleconferencing facilities and services, includ-
3 ing facilities and services used both by state agencies and groups
4 other than state agencies.

5 (d) The Telecommunications Information Agency may not own,
6 operate, or be the licensee of a public noncommercial broadcast sta-
7 tion or production center.

8 (e) This section does not imply Telecommunications Information
9 Agency responsibility for programming content. Program design, pro-
10 duction, and use are the responsibility of the program-sponsoring
11 agency or other entity, not the Telecommunications Information Agency.

12 (f) This section does not prohibit a state agency from devel-
13 oping telecommunications systems within its own agency if the director
14 of the Telecommunications Information Agency gives written authoriza-
15 tion for the user agency to engage in its own design, development,
16 management, or operation. The director may authorize independent
17 development only upon a showing of necessity. A description of au-
18 thorization under this subsection shall be included in the annual
19 report required under AS 44.19.506.

20 (g) A state agency authorized to develop an internal telecommu-
21 nications system shall, whenever feasible, coordinate its design
22 development, management, and operation with the Telecommunications
23 Information Agency.

24 Sec. 44.19.519. DEFINITIONS. In AS 44.19.502 - 44.19.519,

25 (1) "public broadcasting" means the delivery of radio or
26 television noncommercial programming intended for the general public
27 by any method of telecommunications;

28 (2) "public telecommunications" means telecommunications
29 that serve public broadcasting, general educational, instructional,

1 medical, safety, emergency, or public participation functions;

2 (3) "state agencies" means all departments, divisions, and
3 offices in the executive and legislative branches of state government;
4 it does not mean an agency of the judicial branch of government or the
5 University of Alaska;

6 (4) "telecommunications" means the transmission and recep-
7 tion of messages, impressions, pictures, and signals with or without
8 benefit of a closed transmission medium including all instrumentali-
9 ties, facilities, apparatus, and services, whether conveyed by cable
10 or wire, radiated through space, or transmitted through other media
11 within a specified area or between designated points;

12 (5) "telecommunications systems" means those systems in
13 which the principal service and functions are telecommunications.

14 * Sec. 3. AS 18.07.111(9) is amended to read:

15 (9) "health care facility" means a private, municipal,
16 state or federal hospital, psychiatric hospital, tuberculosis hospi-
17 tal, skilled nursing facility, kidney disease treatment center
18 (including freestanding hemodialysis units), intermediate care facil-
19 ity, and ambulatory surgical facility; the term excludes

20 (A) an Alaska Pioneers' Home administered by the
21 Department of Administration under AS 44.21.020 [AS 44.21.020-
22 (10)] and AS 47.25.010 - 47.25.100; and

23 (B) the offices of private physicians or dentists
24 whether in individual or group practice;

25 * Sec. 4. AS 36.30.850(b) is amended to read:

26 (b) This chapter applies to every expenditure of state funds
27 irrespective of their sources, including federal assistance except as
28 otherwise specified in AS 36.30.890, by the state, acting through an
29 agency, under a contract, except that this chapter does not apply to

- 1 (1) grants;
- 2 (2) contracts for professional witnesses to provide for
3 professional services or testimony relating to existing or probable
4 lawsuits in which the state is or may become a party;
- 5 (3) contracts of the University of Alaska where the work is
6 to be performed substantially by students enrolled in the university;
- 7 (4) contracts for medical doctors and dentists;
- 8 (5) acquisitions or disposals of real property or interest
9 in real property, except as provided in AS 36.30.080;
- 10 (6) disposals under AS 38.05;
- 11 (7) contracts for the preparation of ballots under AS 15.-
12 15.030;
- 13 (8) acquisitions or disposals of property and other con-
14 tracts relating to airports under AS 02.15.070, 02.15.090, and 02.-
15 15.091;
- 16 (9) disposals of obsolete property under AS 19.05.060;
- 17 (10) disposals of obsolete material or equipment under
18 AS 35.20.060;
- 19 (11) agreements with providers of services under AS 47.07;
20 AS 47.08; AS 47.10; AS 47.17; AS 47.24; AS 47.25.195, and 47.25.310;
- 21 (12) contracts of the Department of Fish and Game for
22 flights that involve specialized flying and piloting skills and are
23 not point-to-point;
- 24 (13) purchases of income-producing assets for the state
25 treasury or a public corporation of the state;
- 26 (14) procurements of information technology that exceed
27 \$25,000 and disposals of information technology under AS 44.19.502 -
28 44.19.519.

29 * Sec. 5. AS 44.21.020 is amended to read:

1 Sec. 44.21.020. DUTIES OF DEPARTMENT. The Department of Admin-
2 istration shall

3 (1) [REPEALED

4 (2)] make surveys and studies to improve administrative
5 procedures, methods, and organization;

6 (2) [(3)] keep general accounts;

7 (3) [(4)] approve vouchers and disburse funds for all
8 purposes;

9 (4) [(5)] operate centralized purchasing and supply ser-
10 vices, and necessary storerooms and warehouses;

11 (5) [(6)] allot space in state buildings to the various
12 departments according to need and available space;

13 (6) [(7)] supervise telephone, mailing, messenger, dupli-
14 cating, and similar services adaptable to centralized management;

15 (7) [(8)] administer the public employees' retirement
16 system and teachers' retirement system;

17 (8) [(9)] administer a statewide personnel program, includ-
18 ing central personnel services such as recruitment, examination,
19 position classification, and pay administration;

20 (9) [(10)] administer the Alaska Pioneers' Homes;

21 (10) [(11)] administer and supervise a statewide automatic
22 data processing program;

23 (11) [(12)] REPEALED

24 (13) STUDY, DESIGN,] implement [, AND MANAGE] the telecommu-
25 nications systems and services of the state under AS 44.21.300 -
26 44.21.330.

27 * Sec. 6. AS 44.21.150 is amended to read:

28 Sec. 44.21.150. DECLARATION OF PURPOSE. It is the purpose of
29 AS 44.21.150 - 44.21.170 to designate the Department of Administration

1 as the department responsible for the operation [AND MANAGEMENT] of
2 automatic data processing resources and activities of the executive
3 and legislative branches of state government and the judicial branch
4 to the extent requested by that branch, to provide for cooperation
5 between the department and the Telecommunications Information Agency
6 in the Office of the Governor, and to provide for periodic review of
7 state automatic data processing procedures and mechanisms. It is
8 further the purpose of these sections to encourage cooperation between
9 the state government and local governments in the use of automatic
10 data processing systems.

11 * Sec. 7. AS 44.21.160(a) is amended to read:

12 (a) Except as otherwise provided in (g) of this section, the
13 department shall cooperate with the Telecommunications Information
14 Agency in the Office of the Governor to provide automatic data pro-
15 cessing services responsive to the needs of state government and to
16 procure, operate, and staff all automatic data processing equipment
17 facilities used by state government.

18 * Sec. 8. AS 44.21.160(b) is repealed and reenacted to read:

19 (b) To carry out (a) of this section the department may

20 (1) maintain a central staff of computer programmers and
21 other staff members sufficient to provide systems analysis and com-
22 puter programming support required by the executive, legislative and
23 judicial branches of state government;

24 (2) provide all facilities, equipment and staff required to
25 convert data to a form suitable for processing on automatic data
26 processing equipment;

27 (3) develop and publish systems analysis, computer program-
28 ming and computer operations standards;

29 (4) develop and conduct an automatic data processing

1 training program designed to serve the technical and managerial needs
2 of state government;

3 (5) require each state agency to procure its automatic data
4 processing services from the department if the procurement does not
5 exceed \$25,000;

6 (6) charge a state agency or other governmental agency for
7 the cost of the automatic data processing services provided or pro-
8 cured by the department for the agency.

9 * Sec. 9. AS 44.21.160(e) is amended to read:

10 (e) [NOTHING IN THIS SECTION PRECLUDES THE DEPARTMENT FROM
11 AUTHORIZING RECRUITMENT AND EMPLOYMENT OF DATA PROCESSING PERSONNEL BY
12 OTHER DEPARTMENTS OF THE EXECUTIVE BRANCH WHEN THE COMMISSIONER DETER-
13 MINES THAT THE NEEDS OF THE OTHER DEPARTMENTS WILL BE BEST SERVED BY
14 THE AUTHORIZATION.] Nothing in this section precludes the department
15 from obtaining necessary contractual assistance for automatic data
16 processing activities if the amount does not exceed \$25,000. Nothing
17 in this section precludes the legislature or judicial system from
18 recruiting and employing data processing personnel or from obtaining
19 necessary contractual assistance for automatic data processing activ-
20 ities.

21 * Sec. 10. AS 44.21.160(f) is amended to read:

22 (f) The Department of Administration [DIVISION OF DATA PROCESS-
23 ING] shall coordinate with the Telecommunications Information Agency
24 in the Office of the Governor [DIVISION OF TELECOMMUNICATIONS] in
25 providing for the effective transfer of information by telecommu-
26 nications through the establishment of compatible systems and common
27 standards.

28 * Sec. 11. AS 44.21.266 is amended to read:

29 Sec. 44.21.266. DUTIES OF THE COMMISSION. The commission shall

1 (1) [REPEALED
2 (2) REPEALED
3 (3) REPEALED
4 (4)] apply for federal and private funds for public broad-
5 casting purposes and receive all federal, state or private funds,
6 property or assistance that may be appropriated, granted or otherwise
7 made available to the commission for public broadcasting purposes, and
8 use and disburse funds and property for purposes consistent with the
9 terms of AS 44.21.256 - 44.21.290, subject to reasonable limitations
10 imposed by the grantor;
11 (2) [(5)] provide consultative services in all aspects of
12 public broadcasting to all public or private agencies in the state
13 which request them;
14 (3) [(6)] serve as a library and clearinghouse for public
15 broadcasting information;
16 (4) [(7) REPEALED
17 (8) REPEALED
18 (9)] through grants to qualified entities, develop an inte-
19 grated public broadcasting network for the state;
20 (5) [(10) REPEALED
21 (11)] through grants to qualified entities, develop and
22 distribute public broadcasting programming in the state;
23 (6) [(12)] prepare and submit to the governor and the
24 legislature, in consultation with the Telecommunications Information
25 Agency in the Office of the Governor [TELECOMMUNICATIONS DIVISIONS IN
26 THE DEPARTMENT OF ADMINISTRATION], a long term plan for the develop-
27 ment of public broadcasting stations and systems in the state, and
28 annually update the plan; and
29 (7) [(13)] perform all other functions necessary to ensure

1 the orderly and coordinated development of public broadcasting in the
2 state.

3 * Sec. 12. AS 44.21.310 is repealed and reenacted to read:

4 Sec. 44.21.310. POWERS AND DUTIES OF THE DEPARTMENT CONCERNING
5 TELECOMMUNICATIONS. (a) The department shall

6 (1) make an annual report to the governor and to the legis-
7 lature on the activities of the department concerning telecommunica-
8 tions;

9 (2) provide that all activities of the department related
10 to telecommunications are responsive to state statutes and regula-
11 tions, and to the regulations and rulings of the Federal Communica-
12 tions Commission;

13 (3) provide technical consultation to educational and
14 public telecommunications users;

15 (4) assist the Alaska Public Broadcasting Commission and
16 any commission-designated subcommittees to perform assigned depart-
17 mental functions; the department shall cooperate with the commission
18 and subcommittees in order to develop policies that are responsive to
19 the user groups that are represented on the commission; and

20 (5) assure that departmental activities in no way con-
21 stitute an influence on the content or airing of programming, and
22 report to the governor, the commissioner, and the Alaska Public Broad-
23 casting Commission any request or attempt by an employee of the state
24 to influence the content or airing of program material.

25 (b) The department may

26 (1) coordinate its functions with local, regional, state,
27 and federal officials, private groups and individuals, and with offi-
28 cials of other jurisdictions; and

29 (2) enter into contracts and subcontracts on behalf of the

1 state if the amount does not exceed \$25,000 to carry out the provi-
2 sions of AS 44.21.300 - 44.21.330.

3 (c) The department may not attempt to influence or affect the
4 content or airing of program material.

5 (d) The department may not own, operate, or be the licensee of a
6 public noncommercial broadcast station or production center.

7 (e) Nothing in this section implies departmental responsibility
8 for programming content. Program design, production, and use are the
9 responsibility of the program-sponsoring agency or other entity, not
10 the department.

11 * Sec. 13. AS 44.21.320(b) is amended to read:

12 (b) Except as provided in (e) of this section, the department
13 [DIVISION OF TELECOMMUNICATIONS OPERATIONS] may [, CONSISTENT WITH THE
14 PROVISIONS OF AS 44.21.310(a)(6)]

15 (1) plan, design, construct, manage, and operate all tele-
16 communications systems owned or leased by state agencies;

17 (2) manage centrex and other telephone-related services of
18 state agencies;

19 (3) be responsible generally for telecommunications systems
20 and design for state agencies; and

21 (4) coordinate with state agencies in performing their data
22 and word processing tasks.

23 * Sec. 14. AS 44.21.320(c) is amended to read:

24 (c) Within the limits of available financing, the department
25 [DIVISION OF TELECOMMUNICATIONS OPERATIONS] shall administer and
26 operate the satellite television project, by

27 (1) coordinating with the satellite television user groups
28 and entities; and

29 (2) providing liaison, management support, and technical

1 assistance for the satellite television project.

2 * Sec. 15. AS 44.21.320(d) is amended to read:

3 (d) Decisions and policies relating to programming under the
4 satellite television project, including scheduling and allocation
5 policies, may not be made by the [DIVISIONS OF TELECOMMUNICATIONS OR
6 THE] department, but may only be made by a network that is representa-
7 tive of participating rural television users, by commercial broadcast
8 users or by other affected participating user groups and entities
9 under procedures provided by statute or, if no statute applies, then
10 by agreement of the affected user networks or groups. The department
11 shall assist users in preparing agreements that may be required under
12 this subsection.

13 * Sec. 16. AS 44.21.320(e) is amended to read:

14 (e) The [DIVISIONS OF TELECOMMUNICATIONS AND THE] department may
15 not engage in any activity which interferes with a contract or program
16 right relating to commercial television programming, including but not
17 limited to any right protected by copyright.

18 * Sec. 17. TRANSITION. All litigation, hearings, investigations and
19 other proceedings pending under a law amended or repealed by this Act, or
20 in connection with functions transferred by this Act, continue in effect
21 and may be continued and completed notwithstanding a transfer or amendment
22 or repeal provided for in this Act. Certificates, orders, and regulations
23 issued or adopted under authority of a law amended or repealed by this Act
24 remain in effect for the term issued, or until revoked, vacated, or other-
25 wise modified under the provisions of this Act. All contracts, rights,
26 liabilities, and obligations created by or under a law amended or repealed
27 by this Act, and in effect on July 1, 1987, remain in effect notwithstand-
28 ing this Act's taking effect. Records, equipment, and other property of
29 agencies of the state whose functions are transferred under this Act shall

1 be transferred commensurate with the provisions of this Act.

2 * Sec. 18. NAME CHANGE. To be consistent with the changes made by this
3 Act, wherever in the Alaska Statutes and in regulations adopted under those
4 statutes "division of telecommunications services," "division of telecommu-
5 nications operations," and other terms identifying the divisions are used,
6 they must be read as referring to the Department of Administration or the
7 Telecommunications Information Agency as appropriate under the provisions
8 of this Act. Under AS 01.05.031, the revisor of statutes shall implement
9 this section in the statutes and under AS 44.62.125(b)(6), the regulations
10 attorney shall implement this section in the administrative regulations.

11 * Sec. 19. AS 44.21.160(d), 44.21.300, 44.21.305, 44.21.315, 44.21.-
12 320(a), 44.21.320(f), 44.21.320(g), and 44.21.330(3) are repealed.

13 * Sec. 20. This Act takes effect July 1, 1987.

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STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST:
Revision Date: _____
Title: An Act creating Telecommuni-
cation Information Council
Sponsor: Boucher
Requestor: House Special Committee
on Telecommunications

Bill Version: CSHB 40(Fin)
Publish Date: HOUSE 5/4/87

Agency Affected: Office of the Governor
BRU: Office of Management & Budget

Components: Division of Policy

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		-0-				
TRAVEL		-0-				
CONTRACTUAL		-0-				
SUPPLIES		-0-				
EQUIPMENT		-0-				
LAND & STRUCTURES		-0-				
GRANTS, CLAIMS		-0-				
MISCELLANEOUS		-0-				
TOTAL OPERATING		-0-				

CAPITAL		-0-				
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REVENUE		-0-				
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FUNDING: (Thousands of Dollars)

GENERAL FUND		-0-				
FEDERAL FUNDS		-0-				
OTHER		-0-				
TOTAL		-0-				

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Professional and clerical support is to be provided by existing staff within the Office of the Governor and by agencies represented on the Telecommunication Information Council.

Prepared by: Representative Al Adams, Chair Phone: _____
Division: House Finance Committee Date: May 1, 1987

Approved by Commissioner: _____ Date: _____
Agency: _____

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)
 - Senate Secretary

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STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

No. 4

Bill Version: CSHB 40(Fin)
Publish Date: HOUSE 5/4/87

REQUEST: _____

Revision Date: _____
Title: An Act creating Telecommuni-
cation Information Council
Sponsor: Boucher
Requestor: House Special Committee
on Telecommunications

Agency Affected: Administration
BRU: _____

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: Attach a separate page if necessary

It is assumed that the Council will replace the need for the Information Systems Committee (ISC) as it exists today. The Department of Administration would devote the minimal resources currently used in support of the ISC to support the Council.

AKA

Prepared by: Representative Al Adams, Chair
Division: House Finance Committee

Phone: _____
Date: May 1, 1987

Approved by Commissioner: _____
Agency: _____

Date: _____

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

Original sponsor: Boucher

1 IN THE HOUSE
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BY THE HOUSE SPECIAL COMMITTEE
ON TELECOMMUNICATIONS

CS FOR HOUSE BILL NO. 40 (Telecommunications)

IN THE LEGISLATURE OF THE STATE OF ALASKA

FIFTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act creating the Telecommunications Information Council in the Office of the Governor; and providing for an effective date."

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

* Section 1. PURPOSE. The purpose of this Act is to establish a council to develop and implement a cost-effective policy for managing the state's information and information technology resources in a comprehensive and coordinated manner so that state government may better serve the people of the state.

* Sec. 2. AS 44.19 is amended by adding new sections to read:

ARTICLE 16. TELECOMMUNICATIONS INFORMATION COUNCIL.

Sec. 44.19.502. TELECOMMUNICATIONS INFORMATION COUNCIL. (a)

There is created within the Office of the Governor the Telecommunications Information Council.

(b) The council is composed of the governor, the commissioner from each principal department of the executive branch, the president of the University of Alaska, the executive director of the Legislative Affairs Agency, and the executive director of the Alaska Public Broadcasting Commission. The chief justice of the supreme court may appoint a member to serve on the council.

(c) The governor shall preside over the council. The council shall meet at least four times each year. The council may meet more frequently at the call of the chair or if requested by a majority of the council's members.

1 (d) The Office of the Governor shall provide professional and
2 clerical staff for the council.

3 Sec. 44.19.504. POWERS AND DUTIES. (a) The council shall

4 (1) establish guidelines and prepare a state short-range
5 and long-range information systems plan to meet state needs;

6 (2) establish guidelines and direct state agencies to
7 prepare agency information systems plans;

8 (3) establish guidelines for the accessing of information
9 by the public;

10 (4) publish in the first quarter of each calendar year a
11 report on the activities of the council.

12 (b) In addition to its duties under (a) of this section, the
13 council may establish policies and engage in activities it considers
14 necessary or appropriate.

15 (c) This section does not grant council responsibility for
16 broadcast programming content. Program design, production, and use
17 are the responsibility of the program-sponsoring agency or other
18 entity.

19 (d) This section does not prohibit a state agency from devel-
20 oping information systems that are inconsistent with the guidelines
21 established in (a) of this section if the council gives written au-
22 thorization for the user agency to engage in the independent design,
23 development, management, or operation. The council may authorize
24 independent development only upon a showing of necessity. A descrip-
25 tion of authorization under this subsection shall be included in the
26 annual report required under this section.

27 (e) A state agency, including an agency authorized to develop an
28 independent system under (d) of this section, shall coordinate the
29 design, development, management, and operation of its information

1 systems with the council.

2 Sec. 44.19.519. DEFINITIONS. In AS 44.19.502 - 44.19.519

3 (1) "council" means the Telecommunications Information
4 Council;

5 (2) "state agencies" means all departments, divisions, and
6 offices in the executive and legislative branches of state government
7 and the University of Alaska; it does not mean the Alaska Railroad
8 Corporation or an agency of the judicial branch of government.

9 * Sec. 3. AS 44.21.150 is amended to read:

10 Sec. 44.21.150. DECLARATION OF PURPOSE. It is the purpose of
11 AS 44.21.150 - 44.21.170 to designate the Department of Administration
12 as the department responsible for the operation and management of
13 automatic data processing resources and activities of the executive
14 and legislative branches of state government and the judicial branch
15 to the extent requested by that branch, to provide for cooperation
16 between the department and the Telecommunications Information Council
17 in the Office of the Governor, and to provide for periodic review of
18 state automatic data processing procedures and mechanisms. It is
19 further the purpose of these sections to encourage cooperation between
20 the state government and local governments in the use of automatic
21 data processing systems.

22 * Sec. 4. AS 44.21.160(a) is amended to read:

23 (a) Except as otherwise provided in (g) of this section, the
24 department shall comply with the state information systems plan adopt-
25 ed by the Telecommunications Information Council in the Office of the
26 Governor in providing [PROVIDE] automatic data processing services
27 responsive to the needs of state government [AND PROCURE, OPERATE AND
28 STAFF ALL AUTOMATIC DATA PROCESSING EQUIPMENT FACILITIES USED BY STATE
29 GOVERNMENT].

1 * Sec. 5. AS 44.21.160(b) is amended to read:

2 (b) To carry out (a) of this section the department may, consis-
3 tent with the state information systems plan adopted by the Telecommu-
4 nications Information Council and with the departmental information
5 systems plan,

6 (1) maintain a central staff of systems analysts, computer
7 programmers and other staff members sufficient to provide systems
8 analysis and computer programming support required by the executive,
9 legislative, and judicial branches of state government;

10 (2) develop and maintain both short-range and long-range
11 data processing plans for state government and provide managerial
12 leadership in the use of automatic data processing;

13 (3) review all budget requests for automatic data process-
14 ing services and recommend to the Telecommunications Information
15 Council and the governor approval, modification, or disapproval;

16 (4) recommend implementation priorities of requested data
17 processing systems;

18 (5) determine and satisfy the data processing equipment and
19 supply requirements of the branches, departments and agencies of state
20 government;

21 (6) provide all facilities, equipment, and staff required
22 to convert data to a form suitable for processing on automatic data
23 processing equipment;

24 (7) develop and publish systems analysis, computer program-
25 ming and computer operations standards;

26 (8) review state automatic data processing systems to
27 encourage effectiveness, measure performance, and assure adherence to
28 the standards developed under AS 44.21.150 - 44.21.170;

29 (9) develop and conduct an automatic data processing

1 training program designed to serve the technical and managerial needs
2 of state government;

3 (10) [REQUIRE EACH STATE AGENCY TO PROCURE ITS AUTOMATIC
4 DATA PROCESSING SERVICES FROM THE DEPARTMENT;

5 (11)] charge a state agency or other governmental agency for
6 the cost of the automatic data processing services provided or pro-
7 cured by the department for the agency.

8 * Sec. 6. AS 44.21.160(d) is amended to read:

9 (d) In accordance with the state information systems plan adopt-
10 ed by the Telecommunications Information Council, the [THE] department
11 and the University of Alaska may develop and implement a plan for the
12 integration of automatic data processing facilities of the university
13 [UNIVERSITY OF ALASKA] with the state facilities. [HOWEVER, THE
14 INTEGRATION PLAN AUTHORIZED BY THIS SUBSECTION MAY NOT BE PUT INTO
15 OPERATION UNTIL APPROVED BY THE PRESIDENT OF THE UNIVERSITY OF ALASKA
16 AND THE DEPARTMENT.]

17 * Sec. 7. AS 44.21.160(e) is repealed and reenacted to read:

18 (e) If the action is not contrary to the state information
19 systems plan adopted by the Telecommunications Information Council,
20 this section does not prohibit

21 (1) the department from obtaining necessary contractual
22 assistance for automatic data processing activities;

23 (2) the legislature or judicial system from recruiting and
24 employing data processing personnel or from obtaining necessary con-
25 tractual assistance for automatic data processing activities.

26 * Sec. 8. AS 44.21.266 is amended to read:

27 Sec. 44.21.266. DUTIES OF THE COMMISSION. The commission shall

28 (1) [REPEALED

29 (2) REPEALED

1 (3) REPEALED

2 (4)] apply for federal and private funds for public broad-
3 casting purposes and receive all federal, state, or private funds,
4 property or assistance that may be appropriated, granted or otherwise
5 made available to the commission for public broadcasting purposes, and
6 use and disburse funds and property for purposes consistent with the
7 terms of AS 44.21.256 - 44.21.290, subject to reasonable limitations
8 imposed by the grantor;

9 (2) [(5)] provide consultative services in all aspects of
10 public broadcasting to all public or private agencies in the state
11 which request them;

12 (3) [(6)] serve as a library and clearinghouse for public
13 broadcasting information;

14 (4) [(7) REPEALED

15 (8) REPEALED

16 (9)] through grants to qualified entities, develop an inte-
17 grated public broadcasting network for the state;

18 (5) [(10) REPEALED

19 (11)] through grants to qualified entities, develop and
20 distribute public broadcasting programming in the state;

21 (6) [(12)] prepare and submit to the governor and the
22 legislature, in compliance with the state information systems plan
23 adopted by [CONSULTATION WITH] the Telecommunications Information
24 Council in the Office of the Governor [TELECOMMUNICATIONS DIVISIONS IN
25 THE DEPARTMENT OF ADMINISTRATION], a long term plan for the develop-
26 ment of public broadcasting stations and systems in the state, and
27 annually update the plan; and

28 (7) [(13)] perform all other functions necessary to ensure
29 the orderly and coordinated development of public broadcasting in the

1 state.

2 * Sec. 9. AS 44.21.310(a) is amended to read:

3 (a) In accordance with the state information systems plan adopt-
4 ed by the Telecommunications Information Council and with the depart-
5 mental information systems plan, the [THE] department shall

6 (1) advise the council and the governor on matters of
7 policy and comprehensive state planning for telecommunications ser-
8 vices;

9 (2) make an annual report to the governor and to the legis-
10 lature on the activities of the department;

11 (3) coordinate, manage, and supervise state programs in
12 telecommunications, including the management of those telecommunica-
13 tion services for the state obtained from common carriers and from the
14 communications industry;

15 (4) when requested, provide technical and consulting assis-
16 tance to the executive, judicial, and legislative branches of state
17 government, to the University of Alaska, and to private noncommercial
18 entities which request that assistance in facility procurement and
19 leasing and in identifying long-range goals and objectives for the
20 state and its political subdivisions in all aspects of telecommunica-
21 tions, including public, educational, and instructional telecommunica-
22 tions;

23 (5) prepare and maintain a state comprehensive telecommu-
24 nications development plan to further state telecommunications devel-
25 opment and to meet state telecommunications needs and prepare and
26 maintain a comprehensive inventory of all state communications facil-
27 ities;

28 (6) whenever feasible, procure services from private enter-
29 prise or certified and franchised utilities and contract for the

1 construction, management, operation, and maintenance of telecommunica-
2 tions systems, and develop a procurement policy consistent with
3 AS 36.30 (State Procurement Code); the procurement policy must seek to
4 achieve the maximum benefit to the public, and methods of procurement,
5 including lease, purchase, rental, or combinations of lease, purchase,
6 and rental, must be selected on the basis of factors such as the ratio
7 of long-range costs versus benefits, life cycle costing, and the costs
8 to the communications industry to the extent that these costs may
9 affect local and long distance basic telephone rates; procurement,
10 contracting, construction, and maintenance under this paragraph is
11 governed by AS 36.30;

12 (7) provide information and assistance to state agencies to
13 promote governmental coordination and unity in the preparation of
14 agency plans and programs involving the use of telecommunications;

15 (8) apply for and accept federal and private money, proper-
16 ty, or assistance, that may be appropriated, granted, or otherwise
17 made available to the department and use and disburse money and prop-
18 erty for purposes consistent with AS 44.21.300 - 44.21.330 and AS 44.-
19 21.256 - 44.21.290, subject to reason-able limitations imposed by the
20 grantor;

21 (9) participate with other governmental units in planning,
22 and assist local governments and governmental conferences and councils
23 in the state in planning and coordinating their activities relating to
24 telecommunications;

25 (10) provide for the orderly transition to new telecommu-
26 nications services and systems by state agencies;

27 (11) serve as a clearinghouse for information, data, and
28 other materials which may be necessary or helpful to federal, state,
29 or local governmental agencies in the development of telecommunication

1 systems;

2 (12) coordinate department services and activities with
3 those of other state departments and agencies to the fullest extent
4 possible to avoid unnecessary duplication; and

5 (13) provide that all activities of the department are
6 responsive to state statutes and regulations, and to the regulations
7 and rulings of the Federal Communications Commission.

8 * Sec. 10. AS 44.21.315(a) is amended to read:

9 (a) In accordance with the state information systems plan adopt-
10 ed by the Telecommunications Information Council and with the depart-
11 mental information systems plan, the [THE] department shall provide

12 (1) technical consultation to educational and public tele-
13 communications users;

14 (2) coordination and support to telecommunications services
15 for instruction, including technical assistance and assistance in
16 preparation of applications for grants related to program development
17 as may be requested by

18 (A) public school districts and the Department of
19 Education;

20 (B) the University of Alaska; and

21 (C) other state agencies as approved by the [DEPUTY]
22 commissioner;

23 (3) coordination and support for health and safety-related
24 functions, including the administrative and client services provided
25 by state, federal, and private agencies;

26 (4) coordination and support to telecommunications services
27 for public participation in state-financed services, including the
28 public hearing process, as may be statutorily required or otherwise
29 appropriate;

1 (5) assistance, through design, development, and promotion,
2 to local school districts or other local and regional education agen-
3 cies for the regionalization of instructional telecommunications
4 services;

5 (6) establishment of operational policies for public tele-
6 communications services other than public broadcasting; and

7 (7) assistance to the Alaska Public Broadcasting Commission
8 and any commission-designated subcommittees, as necessary to perform
9 assigned department functions; the department shall cooperate with the
10 commission and subcommittees in order to develop policies which are
11 responsive to the user groups which are represented on the commission.

12 * Sec. 11. AS 44.21.320(e) is amended to read:

13 (e) Nothing in AS 44.21.300 - 44.21.330 prohibits a state agency
14 from developing telecommunications systems within its own agency if
15 the agency is in compliance with the state information systems plan
16 adopted by the Telecommunications Information Council and with the
17 agency's own information systems plan and if the commissioner gives
18 written authorization for the agency to engage in its own design,
19 development, management, or operation. The commissioner may authorize
20 independent development only upon a showing of necessity. A descrip-
21 tion of all authorization under this subsection must be included in
22 the annual report required under AS 44.21.310(a)(2).

23 * Sec. 12. This Act takes effect July 1, 1987.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

268

REQUEST: _____

Bill Version: CSHB 40(Tele)
Publish Date: HOUSE 4/10/87

Revision Date: _____
Title: An Act Creating Telecommuni-
cation Information Council
Sponsor: Boucher
Requestor: House Special Committee

Agency Affected: Office of the Governor
BRU: Office of Management and Budget
Components: Division of Policy

on Telecommunications

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		52.5				
TRAVEL		5.0				
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		57.5				

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		57.5				
FEDERAL FUNDS						
OTHER						
TOTAL		57.5				

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Michael A. Nizich, Director
Division: Division of Administrative Services

Phone: 465-3616
Date: 4/6/87

Approved by Commissioner: Carol P. Kastelic
Agency: Office of the Governor

Date: 4/6/87

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

269

Bill Version: CSHB 40(Tele)
Publish Date: HOUSE 4/10/87

REQUEST _____

Revision Date: April 7, 1987

Agency Affected: Administration

Title: Telecommunications

BRU: _____

Sponsor: Boucher

Components: _____

Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: Attach a separate page if necessary

It is assumed that the Council will replace the need for the Information Systems Committee (ISC) as it exists today. The Department of Administration would devote the minimal resources currently used in support of the ISC to support the Council.

Prepared By: Karen Morgan *Karen R. Morgan*

Phone: 465-2220

Division: Data Resources Management

Date: April 7, 1987

Approved by Commissioner: Garrey Peska *[Signature]*

Date: 4/7/87

Agency: Department of Administration

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

4-7-87

Meeting

Alaska State Legislature

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CHAIRMAN
Special Committee on
Telecommunications

MEMBER
Labor and Commerce
State Affairs
Finance—Subcommittee Administration

Representative H. A. "Red" Boucher

HOUSE SPECIAL COMMITTEE ON TELECOMMUNICATIONS

AGENDA

APRIL 7, 1987

CS HB 40: AN ACT CREATING THE TELECOMMUNICATIONS INFORMATION COUNCIL IN THE OFFICE OF THE GOVERNOR.

THE COMMITTEE PACKET CONTAINS THE FOLLOWING:

1. CSHB 40 (4/7 draft)
2. Amendments to CSHB 40
3. Letter of Intent, CSHB 40
4. Fiscal Note

Original sponsor: Boucher

4-7-87

1 IN THE HOUSE

BY THE HOUSE SPECIAL COMMITTEE
ON TELECOMMUNICATIONS

2 CS FOR HOUSE BILL NO. 40 (Telecommunications)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Telecommunications Information
7 Council in the Office of the Governor; and providing
8 for an effective date."

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

10 * Section 1. PURPOSE. The purpose of this Act is to establish a coun-
11 cil to develop and implement a cost-effective policy for managing the
12 state's information and information technology resources in a comprehensive
13 and coordinated manner so that state government may better serve the people
14 of the state.

15 * Sec. 2. AS 44.19 is amended by adding new sections to read:

16 ARTICLE 16. TELECOMMUNICATIONS INFORMATION COUNCIL.

17 Sec. 44.19.502. TELECOMMUNICATIONS INFORMATION COUNCIL. (a)

18 There is created within the Office of the Governor the Telecommunica-
19 tions Information Council.

0 (b) The council is composed of the governor, the commissioner
1 from each principal department of the executive branch, the president
2 of the University of Alaska, the executive director of the Legislative
3 Affairs Agency, and the executive director of the Alaska Public Broad-
4 casting Commission. The chief justice of the supreme court may
5 appoint a member to serve on the council.

6 (c) The governor shall preside over the council. The council
7 shall meet at least four times each year. The council may meet more
8 frequently at the call of the chair or if requested by a majority of
9 the council's members.

1 (d) The Office of the Governor shall provide professional and
2 clerical staff for the council.

3 Sec. 44.19.504. POWERS AND DUTIES. (a) The council shall

4 (1) establish guidelines and prepare a state short-range
5 and long-range information systems plan to meet state needs;

6 (2) establish guidelines and direct state agencies to
7 prepare agency information systems plans;

8 (3) establish guidelines for the accessing of information
9 by the public;

10 (4) publish in the first quarter of each calendar year a
11 report on the activities of the council.

12 (b) In addition to its duties under (a) of this section, the
13 council may establish policies and engage in activities it considers
14 necessary or appropriate.

15 (c) This section does not grant council responsibility for
16 broadcast programming content. Program design, production, and use
17 are the responsibility of the program-sponsoring agency or other
18 entity.

19 (d) This section does not prohibit a state agency from devel-
20 oping information systems within its own agency if the council gives
21 written authorization for the user agency to engage in its own design,
22 development, management, or operation. The council may authorize
23 independent development only upon a showing of necessity. A descrip-
24 tion of authorization under this subsection shall be included in the
25 annual report required under AS 44.19.504.

26 (e) A state agency authorized to develop an internal information
27 system shall coordinate its design, development, management, and
28 operation with the council.

29 Sec. 44.19.519. DEFINITIONS. In AS 44.19.502 - 44.19.519

1 (1) "council" means the Telecommunications Information
2 Council;

3 (2) "state agencies" means all departments, divisions, and
4 offices in the executive and legislative branches of state government
5 and the University of Alaska; it does not mean the Alaska Railroad
6 Corporation or an agency of the judicial branch of government.

7 * Sec. 3. AS 44.21.150 is amended to read:

8 Sec. 44.21.150. DECLARATION OF PURPOSE. It is the purpose of
9 AS 44.21.150 - 44.21.170 to designate the Department of Administration
10 as the department responsible for the operation and management of
11 automatic data processing resources and activities of the executive
12 and legislative branches of state government and the judicial branch
13 to the extent requested by that branch, to provide for cooperation
14 between the department and the Telecommunications Information Council
15 in the Office of the Governor, and to provide for periodic review of
16 state automatic data processing procedures and mechanisms. It is
17 further the purpose of these sections to encourage cooperation between
18 the state government and local governments in the use of automatic
19 data processing systems.

20 * Sec. 4. AS 44.21.160(a) is amended to read:

21 (a) Except as otherwise provided in (g) of this section, the
22 department shall comply with the state information systems plan adopt-
23 ed by the Telecommunications Information Council in the Office of the
24 Governor in providing [PROVIDE] automatic data processing services
25 responsive to the needs of state government [AND PROCURE, OPERATE AND
26 STAFF ALL AUTOMATIC DATA PROCESSING EQUIPMENT FACILITIES USED BY STATE
27 GOVERNMENT].

28 * Sec. 5. AS 44.21.160(b) is amended to read:

29 (b) To carry out (a) of this section the department may,

1 consistent with the state information systems plan adopted by the
2 Telecommunications Information Council and with the departmental
3 information systems plan,

4 (1) maintain a central staff of systems analysts, computer
5 programmers and other staff members sufficient to provide systems
6 analysis and computer programming support required by the executive,
7 legislative, and judicial branches of state government;

8 (2) develop and maintain both short-range and long-range
9 data processing plans for state government and provide managerial
10 leadership in the use of automatic data processing;

11 (3) review all budget requests for automatic data process-
12 ing services and recommend to the Telecommunications Information
13 Council and the governor approval, modification, or disapproval;

14 (4) recommend implementation priorities of requested data
15 processing systems;

16 (5) determine and satisfy the data processing equipment and
17 supply requirements of the branches, departments and agencies of state
18 government;

19 (6) provide all facilities, equipment, and staff required
20 to convert data to a form suitable for processing on automatic data
21 processing equipment;

22 (7) develop and publish systems analysis, computer program-
23 ming and computer operations standards;

24 (8) review state automatic data processing systems to
25 encourage effectiveness, measure performance, and assure adherence to
26 the standards developed under AS 44.21.150 - 44.21.170;

27 (9) develop and conduct an automatic data processing train-
28 ing program designed to serve the technical and managerial needs of
29 state government;

1 (10) [REQUIRE EACH STATE AGENCY TO PROCURE ITS AUTOMATIC
2 DATA PROCESSING SERVICES FROM THE DEPARTMENT;

3 (11)] charge a state agency or other governmental agency for
4 the cost of the automatic data processing services provided or pro-
5 cured by the department for the agency.

6 * Sec. 6. AS 44.21.160(d) is amended to read:

7 (d) In accordance with the state information systems plan adopt-
8 ed by the Telecommunications Information Council, the [THE] department
9 may develop and implement a plan for the integration of automatic data
10 processing facilities of the University of Alaska with the state
11 facilities. [HOWEVER, THE INTEGRATION PLAN AUTHORIZED BY THIS SUB-
12 SECTION MAY NOT BE PUT INTO OPERATION UNTIL APPROVED BY THE PRESIDENT
13 OF THE UNIVERSITY OF ALASKA AND THE DEPARTMENT.]

14 * Sec. 7. AS 44.21.160(e) is repealed and reenacted to read:

15 (e) If the action is not contrary to the state information
16 systems plan adopted by the Telecommunications Information Council,
17 this section does not prohibit

18 (1) the department from obtaining necessary contractual
19 assistance for automatic data processing activities;

20 (2) the legislature or judicial system from recruiting and
21 employing data processing personnel or from obtaining necessary con-
22 tractual assistance for automatic data processing activities.

23 * Sec. 8. AS 44.21.266 is amended to read:

24 Sec. 44.21.266. DUTIES OF THE COMMISSION. The commission shall

25 (1) [REPEALED

26 (2) REPEALED

27 (3) REPEALED

28 (4)] apply for federal and private funds for public broad-
29 casting purposes and receive all federal, state, or private funds.

1 property or assistance that may be appropriated, granted or otherwise
2 made available to the commission for public broadcasting purposes, and
3 use and disburse funds and property for purposes consistent with the
4 terms of AS 44.21.256 - 44.21.290, subject to reasonable limitations
5 imposed by the grantor;

6 (2) [(5)] provide consultative services in all aspects of
7 public broadcasting to all public or private agencies in the state
8 which request them;

9 (3) [(6)] serve as a library and clearinghouse for public
10 broadcasting information;

11 (4) [(7) REPEALED

12 (8) REPEALED

13 (9)] through grants to qualified entities, develop an inte-
14 grated public broadcasting network for the state;

15 (5) [(10) REPEALED

16 (11)] through grants to qualified entities, develop and
17 distribute public broadcasting programming in the state;

18 (6) [(12)] prepare and submit to the governor and the
19 legislature, in compliance with the state information systems plan
20 adopted by [CONSULTATION WITH] the Telecommunications Information
21 Council in the Office of the Governor [TELECOMMUNICATIONS DIVISIONS IN
22 THE DEPARTMENT OF ADMINISTRATION], a long term plan for the develop-
23 ment of public broadcasting stations and systems in the state, and
24 annually update the plan; and

25 (7) [(13)] perform all other functions necessary to ensure
26 the orderly and coordinated development of public broadcasting in the
27 state.

28 * Sec. 9. AS 44.21.310(a) is amended to read:

29 (a) In accordance with the state information systems plan

1 adopted by the Telecommunications Information Council and with the
2 departmental information systems plan, the [THE] department shall

3 (1) advise the council and the governor on matters of
4 policy and comprehensive state planning for telecommunications ser-
5 vices;

6 (2) make an annual report to the governor and to the legis-
7 lature on the activities of the department;

8 (3) coordinate, manage, and supervise state programs in
9 telecommunications, including the management of those telecommunica-
10 tion services for the state obtained from common carriers and from the
11 communications industry;

12 (4) when requested, provide technical and consulting assis-
13 tance to the executive, judicial, and legislative branches of state
14 government, to the University of Alaska, and to private noncommercial
15 entities which request that assistance in facility procurement and
16 leasing and in identifying long-range goals and objectives for the
17 state and its political subdivisions in all aspects of telecommunica-
18 tions, including public, educational, and instructional telecommunica-
19 tions;

20 (5) prepare and maintain a state comprehensive telecommu-
21 nications development plan to further state telecommunications devel-
22 opment and to meet state telecommunications needs and prepare and
23 maintain a comprehensive inventory of all state communications facil-
24 ities;

25 (6) whenever feasible, procure services from private enter-
26 prise or certified and franchised utilities and contract for the
27 construction, management, operation, and maintenance of telecommunica-
28 tions systems, and develop a procurement policy consistent with AS
29 36.30 (State Procurement Code); the procurement policy must seek to

1 achieve the maximum benefit to the public, and methods of procurement,
2 including lease, purchase, rental, or combinations of lease, purchase,
3 and rental, must be selected on the basis of factors such as the ratio
4 of long-range costs versus benefits, life cycle costing, and the costs
5 to the communications industry to the extent that these costs may
6 affect local and long distance basic telephone rates; procurement,
7 contracting, construction, and maintenance under this paragraph is
8 governed by AS 36.30;

9 (7) provide information and assistance to state agencies to
10 promote governmental coordination and unity in the preparation of
11 agency plans and programs involving the use of telecommunications;

12 (8) apply for and accept federal and private money, proper-
13 ty, or assistance, that may be appropriated, granted, or otherwise
14 made available to the department and use and disburse money and prop-
15 erty for purposes consistent with AS 44.21.300 - 44.21.330 and AS 44.-
16 21.256 - 44.21.290, subject to reasonable limitations imposed by the
17 grantor;

18 (9) participate with other governmental units in planning,
19 and assist local governments and governmental conferences and councils
20 in the state in planning and coordinating their activities relating to
21 telecommunications;

22 (10) provide for the orderly transition to new telecommu-
23 nications services and systems by state agencies;

24 (11) serve as a clearinghouse for information, data, and
25 other materials which may be necessary or helpful to federal, state,
26 or local governmental agencies in the development of telecommunicator
27 systems;

28 (12) coordinate department services and activities with
29 those of other state departments and agencies to the fullest extent

1 possible to avoid unnecessary duplication; and

2 (13) provide that all activities of the department are
3 responsive to state statutes and regulations, and to the regulations
4 and rulings of the Federal Communications Commission.

5 * Sec. 10. AS 44.21.315(a) is amended to read:

6 (a) In accordance with the state information systems plan adopt-
7 ed by the Telecommunications Information Council and with the depart-
8 mental information systems plan, the [THE] department shall provide

9 (1) technical consultation to educational and public tele-
10 communications users;

11 (2) coordination and support to telecommunications services
12 for instruction, including technical assistance and assistance in
13 preparation of applications for grants related to program development
14 as may be requested by

15 (A) public school districts and the Department of
16 Education;

17 (B) the University of Alaska; and

18 (C) other state agencies as approved by the [DEPUTY]
19 commissioner;

20 (3) coordination and support for health and safety-related
21 functions, including the administrative and client services provided
22 by state, federal, and private agencies;

23 (4) coordination and support to telecommunications services
24 for public participation in state-financed services, including the
25 public hearing process, as may be statutorily required or otherwise
26 appropriate;

27 (5) assistance, through design, development, and promotion,
28 to local school districts or other local and regional education agen-
29 cies for the regionalization of instructional telecommunications

1 services;

2 (6) establishment of operational policies for public tele-
3 communications services other than public broadcasting; and

4 (7) assistance to the Alaska Public Broadcasting Commission
5 and any commission-designated subcommittees, as necessary to perform
6 assigned department functions; the department shall cooperate with the
7 commission and subcommittees in order to develop policies which are
8 responsive to the user groups which are represented on the commission.

9 * Sec. 11. AS 44.21.320(e) is amended to read:

10 (e) Nothing in AS 44.21.300 - 44.21.330 prohibits a state agency
11 from developing telecommunications systems within its own agency if
12 the agency is in compliance with the state information systems plan
13 adopted by the Telecommunications Information Council and with the
14 agency's own information systems plan and if the commissioner gives
15 written authorization for the agency to engage in its own design,
16 development, management, or operation. The commissioner may authorize
17 independent development only upon a showing of necessity. A descrip-
18 tion of all authorization under this subsection must be included in
19 the annual report required under AS 44.21.310(a)(2).

20 * Sec. 12. This Act takes effect July 1, 1987.
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Alaska State Legislature

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CHAIRMAN
Special Committee on
Telecommunications

MEMBER
Labor and Commerce
State Affairs
Finance—Subcommittee Administration

Representative H. A. "Red" Boucher

AMENDMENTS TO CSHB 40

Amendments to 3/31 draft, as reflected in the 4/6 draft.

- * Council members were upgrded from "representatives" to "commissioners" from the principal departments.
- * The governor is made the chairman of the council.
- * The duties of the council were reduced from ten to four.
- * The definitions were reduced from eight to two.
- * Section 8 was eliminated. (Section 8 dealt with relations between Telecommunications and Data Processing within DOA. It had been amended due to a misunderstanding on the part of the drafter)
- * Section 13. TRANSITION., was eliminated because it was no longer appropriate due to changes in council makeup.

Amendments to 4/6 draft, as reflected in 4/7 draft.

page 2, line 10.

(4) publish in the first quarter of each calendar year a [AN ANNUAL] report on the activities of the council.

page 2, line 15

(c) This section does not grant council responsibility for broadcast programming content. Program design, production, and use are the responsibility of the program-sponsoring agency or other entity.

page 3, Section 4.

DOA is no longer required to "procure, operate, and staff" all data processing facilities.

#1) to the 4/7 draft suggested by the University of

subsection (d)

(d) This section does not prohibit a state agency from developing information systems which are inconsistent with the guidelines established in subsection (a) within its own agency if the council gives written authorization for the user agency to engage in inconsistent [ITS OWN] design, development, management, or operation. The council may authorize inconsistent [INDEPENDENT] development only upon a showing of necessity. A description of authorization under this subsection shall be included in the annual report required under AS 44.19.504. [(e)] A state agency authorized to develop an inconsistent internal information system shall coordinate its design, development, management, and operation with the council.

Amendments to 4/7 draft suggested by Committee staff

page 2, subsection (e)

(e) A state agency [AUTHORIZED TO DEVELOP AN INTERNAL INFORMATION SYSTEM] shall coordinate the [ITS] design, development, management, and operation of its internal information system with the council except to the extent inconsistent development is authorized under subsection (d).

University suggested amendment (#2)

page 5, Section 6.

Remove "and implement" from line 9. (The Council will have the implementation authority, not DOA.)

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

Amendment (#1) to the 4/7 draft suggested by the University of Alaska

page 2, subsection (d)

(d) This section does not prohibit a state agency from developing information systems which are inconsistent with the guidelines established in subsection (a) within its own agency if the council gives written authorization for the user agency to engage in inconsistent [ITS OWN] design, development, management, or operation. The council may authorize inconsistent [INDEPENDENT] development only upon a showing of necessity. A description of authorization under this subsection shall be included in the annual report required under AS 44.19.504. [(e)] A state agency authorized to develop an inconsistent internal information system shall coordinate its design, development, management, and operation with the council.

Amendments to 4/7 draft suggested by Committee staff

page 2, subsection (e)

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University suggested amendment (#2)

page 5, Section 6.

Remove "and implement" from line 9. (The Council will have the implementation authority, not DOA.)



Official Business

Alaska State Legislature

House

P.O. BOX V
State Capitol
Juneau, Alaska 99811

House Special Committee on Telecommunications

LETTER OF INTENT

CSHB 40 (Telecommunications)

It was the intent of the House Special Committee on Telecommunications to provide through CSHB 40 (Telecommunications) a high level body to oversee the making of telecommunication policy for the State of Alaska. The oversight responsibilities of this body would include information systems within state government and broadcast systems throughout the state.

It was the belief of the Committee that formation of a Telecommunications Information Council within the Office of the Governor would make possible effective management of a major resource that has until recently attracted little notice: Information.

It was the belief of the Committee that intelligent use of this resource is critical to the continued development of this state and that it can be used to help counter the impact of declining oil revenues.

By making the heads of major state departments members of the council and by calling for the Governor to sit as chairman, CSHB 40 is intended to signal to all state agencies the importance that is attached to efficient management of this information resource. It was the belief of the House committee that only state officials as high ranking as this possess the authority to make the telecommunication policy decisions which are necessary now. It is anticipated that the staff work for the council would be the responsibility of a high level member of the Governor's Office and that it would require 25 percent or more of that person's time.

Information Management

Much of the work of state government involves the movement of information. The first step in the development of an Information Resource Management system within the state government has already been taken. Individual departments have

data bases and some are developing systems for moving information. These systems can enable state agencies to make better decisions, to make them more quickly, and to make decisions in areas that are now neglected. This can not, however, happen within a policy vacuum.

CSHB 40 is intended to enable the state government to take its second and third steps in Information Resource Management. The information systems we have today have developed with minimal overall direction. They need to be evaluated. Is the information within them the information needed to enable government to do its job well? Does this information get to those who need it -- and in time? This bill would create a mechanism for this kind of evaluation. It would also create a body able to address the broader policy implications of the movement of information within the state government. It creates a body able to address such issues as how to move information across agency lines, and how to move it between state agencies and the private sector.

The information systems that are being used today include the telephone and teleconferencing as well as computers. These systems will change as new applications such as teletext and videotex are refined. Understanding of the technologies is important, and there are those in state government who are already charged with addressing technological issues. The council would draw on the knowledge of these people.

But what is needed most -- and what the proposed council can provide -- is leadership in determining what information we want.

Actions in this area that might be taken by the council:

- *review state and agency information systems plans. Are they compatible? Will they help achieve state and agency goals?

- *provide direction to agencies as they develop data bases and information systems;

- *review all changes proposed by agencies in their information systems;

- *identify needed changes that have not been recognized by anyone else. What can be done that isn't being done to get the right information to the right people in the right form at the right time?

The council's efforts should result in data bases that provide similar information in comparable form across departments. Information systems should be able to easily

transmit that information from department to department. Some of the information systems within state government today -- such as the University of Alaska Computer Network and the State of Alaska Computer System -- are incompatible. It is in the interest of the state to find a way to move information between these systems.

The council can make government better without making it more expensive. It can help agencies improve their services by assuring that they get better information to work with. It can also make government more efficient by identifying and eliminating information activities that serve no useful purpose.

Broadcast System

The state government has played a major and essential role in the development of a broadcast system that now encompasses the state. This system today includes the Rural Alaska TV Network channel and the public radio and public television stations supported through the Alaska Public Broadcasting Commission. The state has also contributed to the development of commercial radio and television.

Without this system, many communities would not have access to timely information about the larger world they are a part of. They would be effectively disenfranchised from the democratic process. For many Alaskans, the broadcast system remains the only means of access to the state's information resources.

Although Alaska's broadcast system provides information of value to its users, it is not generally regarded as an information system. But already the voice and digital networks are converging. For several months now, the University of Alaska has been sending over the RATNET channel digital information that could be received with special equipment throughout the state. The council may choose to treat broadcast issues as relatively separate from information issues. That separation is unlikely to continue for long. In the future -- given the development of transmission networks and communication centers that will merge voice and data communications -- the state's broadcast and information systems will appear far less distinct than they do today.

The broadcast system, like the information systems, requires continued evaluation and improvement. The second major task of the telecommunications council would be to address that requirement. There does not now exist any body with the responsibility or the power to assure that this telecommunication system is managed in a way that assures the state's information needs are being served.

There is a need to determine what categories of programming it is in the interest of the state government to provide Alaskans. It is then necessary to identify the most efficient means of providing this programming. Finally, the state must provide support. All this can be done without interfering with program content decisions. All this must be done if the state is to be assured that its broadcast dollars are being well spent.

There is also a need to assure the preservation -- even the growth -- of the statewide telecommunication system. This system has been a major factor in Alaska's development. It has brought political debates, news of the world as well as tv classrooms to villages that lack daily mail service and local newspapers and have only one or two local teachers. It has been used to carry emergency warnings and as a community message service. It has provided fisheries information to fishermen.

This system can provide entertainment, information, services; it can foster awareness of the state as a community. Ten years from now this system may carry kinds of information that we do not even recognize today. It can do many things -- but only if it is there. The proposed council can make sure that it is there.

Many alternatives are being discussed today for the further development of broadcast telecommunication in Alaska. These include cable TV, direct broadcast satellite TV, and use of low power TV for community programming. Should the state encourage the development of regional or local "information utilities" that would assume the primary responsibility for information flows within their areas? It is the belief of the House Special Committee on Telecommunications that the proposed council would be the body best qualified to address the issue of how telecommunication should develop.

Conclusion

The mandate of the proposed Telecommunications Information Council is broad. The state's telecommunication system is as extensive and as complex as its transportation system. The council would be the only body with responsibility for all of it.

Its role would be similar to that of the Supreme Court in interpreting the Constitution: The council would not concern itself with narrow issues and with details except when these elements are relevant to more general concerns about telecommunication.

The council's focus as it considers telecommunication should be on the horizon, not on the innards of the information machine. Hardware's fine, but we mustn't lose sight of what we want to do with it. The Telecommunications Information Council is our assurance that we won't.

Representative H.A. "Red" Boucher
Chairman, House Special Committee on Telecommunications

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version: CSHB 40
Publish Date: 3/31/87

Revision Date: _____
Title: An Act Creating Telecommuni-
cation Information Council
Sponsor: Boucher
Requestor: House Special Committee
on Telecommunications

Agency Affected: Office of the Governor
BRU: Office of Management and Budget
Components: Division of Policy

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		52.5				
TRAVEL		5.0				
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		57.5				

CAPITAL						
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REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		57.5				
FEDERAL FUNDS						
OTHER						
TOTAL		57.5				

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Michael A. Nizich, Director *M. Nizich* Phone: 465-3616
Division: Division of Administrative Services Date: 4/6/87

Approved by Commissioner: Carol P. Kastelic *CPK* Date: 4/6/87
Agency: Office of the Governor

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)
 - Senate Secretary

4-9-87

Meeting

On the telecommunications frontier . . .

by Casimir Skrzypczak

Tomorrow's telephone promises to be the user's link to a vast store of information and a tool that will perform a myriad of tasks on command.



Photo courtesy of NYNEX

Photonic device research scientists Tien Pei Lee and Serafin Menocal conduct research in optical fiber systems and wideband integrated services digital network (ISDN) at Bellcore, the research and engineering consortium owned jointly by the seven companies formed as a result of the Bell System breakup.

It's 8:00 a.m. in Albany, New York, and Assemblyman Smith, who has just reviewed proposed tax legislation, picks up his phone and verbally commands his computer system to retrieve the bill from the state's central data base. With telephone still in hand, he dictates a memo to a colleague explaining why the bill should be passed. His dictation is automatically converted to machine-readable format and then into a typed letter format. He instructs the system to send a copy of the bill, along with his memo, to his colleague via electronic mail. The package is automatically routed over the telephone network.

All is accomplished using the telephone network, without human intervention, without looking up a telephone number or remembering a code — without even pushing a button. Though this scenario may sound like the stuff of scientists' dreams or Star Trek movies, an unprecedented explosion in telecommunications technology may make it possible in the not too distant future.

The last five years have seen tremendous breakthroughs in such technological frontiers as fiber optics, cellular radio, artificial intelligence and speech recognition. Integrating these technologies with increasingly sophisticated telecommunications systems has enabled the telecommunications industry to develop a truly science fiction-like concept — a universal intelligent network that deals not with a telephone number asso-

Mr. Skrzypczak is vice president of science and technology for NYNEX Corporation, one of seven independent companies formed after the breakup of the Bell System.

ciated with a particular instrument but rather with a telephone number, and accompanying set of services, associated with an individual. These services may be as simple or complex as the individual chooses. They may be accessed from any telephone regardless of location, and using them will be no more difficult than casual conversation.

For example, the assemblyman's colleague was not in her Albany office this week, but back home tending to a crisis with a group of constituents. She instructed the network to forward only calls from the governor to her home office. All other calls would be forwarded to her "voice mailbox" so she could retrieve them at a more convenient time.

Technology has infused the telecommunications network with astounding power. Today's telephone network is nothing less than a massive computer. Its capabilities could be expanded infinitely using innovative software. By giving customers their own "personal" data base within the network, telecommunications companies will be able to offer customers services such as personal telephone numbers that will enable them to receive calls at any customer-designated location — home, office, or an automobile or another transitory location equipped with a cellular phone.

Using such a system, customers themselves, not just telephone company employees, will be able to control personal data in the network, to alter the services they receive and control and determine how, when and where they will receive them.

Integrated services digital network (ISDN), a widely discussed and researched concept in telecom-

munications circles, will provide the medium for such a universal intelligent network. ISDN is a network architecture which allows voice, data and video to be transmitted simultaneously over a single line. In practical terms, ISDN will give customers the flexibility and cost efficiency of connecting with one standard link a telephone, personal computer and video monitor, as well as other equipment. Wideband ISDN will have the power to give customers access to the entire Library of Congress in 30 seconds — without ever leaving their homes or offices.

Telecommunications companies have already started expanding the intelligence of their networks. Digital telephone equipment is being installed at a frantic pace. Fiber-optics, hair-thin strands of glass that can carry as many as 6,000 voice or data "conversations" at one time, is rapidly replacing copper wiring.

Some companies have developed transitional services to the universal intelligent network and ISDN. Advanced digital network services are being offered to business customers in some areas. Illinois Bell Telephone Company and the McDonald's Corporation recently embarked on the first commercial ISDN trial. And the seven companies formed as a result of the Bell System breakup are using intelligent network and ISDN architecture to offer the first toll-free 800 service to compete with AT&T's 800 service.

But these are only a glimmer of the many services on the horizon. Further progress depends on overcoming some significant hurdles.

First, there are technological hurdles. Historically, the pace of technological progress has depended on the development of specific technologies. Prior to the 1930s, technological evolution was contingent on progress in mechanics. This was followed by periods of critical development in electrics and electronics and, more recently, in photonics or optics. Increasingly, software is proving to be the critical element in determining the rate of technological advance. This stage of development, known as informatics, will enable the telecom-

munications industry to take full advantage of optics, electronics and mechanics.

Looking past the informatics age, further evolution will be determined by ergonomics — the ability to create machines that interface with humans the same way humans like to interface with each other. In other words, an intelligent telephone network must be easy to use if it is to receive universal acceptance and widespread participation.

Research in speech recognition and artificial intelligence shows great promise. In fact, a telephone system that recognizes verbal commands such as "conference this call" or "forward this call" may only be a couple of years away.

Another major challenge to development of a universal intelligent network and ISDN is the development of technical standards that enable various types of equip-

ment, regardless of manufacturer, to be easily interconnected. The computer industry today is a classic example of an industry that is inhibited by a lack of standards. Significant standards progress has been achieved in the telecommunications industry, but more work remains to be done.

Finally, there are significant regulatory and legal issues to be resolved. Technology, combined with the universal availability of the existing telephone network, could bring the services described here — and others not yet dreamed of — to all customers by the 1990s. But the regulatory environment must be open enough to permit the developments needed to make it possible.

The universal intelligent network of the future is technologically within grasp. Now it is up to the public policymakers to determine whether its benefits will indeed be universally available. □



Photo courtesy of Fibronics International Inc.

The information expressways of the future, such as those depicted in this artist's conception, will make communication possible "in a flash of light."

2-2-87

Meeting

The Telecommunications Information Council

Legislative History
and
Implementation Plan

The House Special Committee
on Telecommunications

funding provided by

The Senate Finance Committee
and
The House of Representatives

September 1987

Senate Finance Committee

Senators Don Bennett and John Binkley
Co-Chairmen

House Special Committee on Telecommunications

Rep. H.A. "Red" Boucher
Chairman

Rep. Bill Hudson
Vice Chairman

Rep. Fran Ulmer

Rep. Fritz Pettyjohn

Rep. Virginia M. Collins

Written by

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with the support of

The Department of Journalism and Public Communications
Professor Sylvia Broady, Chair
University of Alaska Anchorage

Executive Summary

This report was prepared at the request of the House Special Committee on Telecommunications with funding provided by the Senate Finance Committee and the House of Representatives. Other support was provided by the Department of Journalism and Public Communications of the University of Alaska Anchorage.

The report includes a review of the events that led to creation of the Telecommunications Information Council. It also includes an interpretation of the Council's powers and duties, and recommendations as to how it might initially proceed.

The Council was created in response to a need for centralized direction of telecommunications policymaking that had been recognized within both the Executive and Legislative branches of state government.

The Council has several immediate tasks. The first of these is to assert that management of information systems is a responsibility deserving the attention of top level managers. Until top managers provide policy direction to the development of information systems, they will have to settle for systems that do not fully meet their needs. The situation today, in many parts of state government, is that lower level managers with greater technical knowledge are telling top managers what they can and cannot do.

The Council is to prepare an overall plan that will allow it to intelligently manage information. This will require the Council to identify general policy objectives and to develop at a conceptual level understanding of information technologies such as networks and database management systems. It will also be necessary for the Council to obtain an inventory of information now held in computer databases.

The Council is to provide direction to individual agencies in the development of information systems plans. Such plans can lead to the generation of better quality information and to efficiencies in its production. Direction is necessary so that information is stored in forms that make it easily accessible by people in other departments and even, perhaps, in the public sector. This direction can also lead to elimination of redundant and little-used databases.

The Council is to provide guidelines for public access to computer-based information. There are a variety of ways in which

access could be provided. Other states have considered alternatives ranging from computer printouts to videotex systems.

The Council is also to provide policy direction for broadcast telecommunication systems. These are to be regarded -- the intent language of the law creating the Council says -- as information systems. Broadcast policy is now formed by government entities with conflicting interests and no one to appeal to.

These duties give the Council the power to transform the way state government operates as well as the relationship between Alaskan citizens and their government. Its actions can have a lasting economic and social impact on the state.

Legislative History

The Telecommunications Information Council: Evolution of an idea

The Telecommunications Information Council is a Cabinet-level policy making body. Its interest is in seeing that the state's telecommunication resources are used effectively to meet the needs of Alaska's citizens. Its authority comes from legislation passed by the 15th Alaska State Legislature and enacted into law by Governor Steve Cowper in June 1987.

The intent of the Legislature was to create a body capable of providing policy direction for the diverse telecommunications activities of the state government. These activities range from the internal information activities of state agencies to the support of broadcast telecommunication services that reach communities throughout the state. Telecommunication is used to support decision making within state government, to enable the citizens of Alaska to more fully participate in the political, social and economic life of the state, to instantly communicate emergency warnings, to improve the quality of education, and for entertainment. Because of the relatively small population of the state and the high cost of many of the telecommunication technologies, none of these services could be maintained at their present level without state support.

It was the belief of the Legislature that Alaska would be better served by telecommunication if a high-level body with broad oversight responsibilities for it was established.

The state has a strong record of providing technical support for a great variety of telecommunications systems. Divisions within the Department of Administration provide much of this support. The Information Resource Management Expenditure Approval Committee (also within the Department of Administration) also plays a role as a review body for expenditures on information processing. This support has made possible the development of innovative telecommunications systems such as RATNET and Learn/Alaska as well as audioconferencing networks and two statewide data communications

systems. These systems have drawn attention across the nation and even in other countries.

But centralized management of information technology is becoming increasingly difficult. This was acknowledged in Executive Branch communications that took place a year before the Legislature passed House Bill 40. A state auditor, in an April 1986 report to the Department of Administration, said:

"The current statutes [Alaska Statutes 44.21.150-170] do not accurately reflect data processing as it exists today. Management of a centralized function is vastly different from the management of a fragmented function. The actual condition of data processing in Alaska should be studied and a decision should be made as to where responsibility for managing the various data processing functions belongs. A plan should be prepared to present a structured approach to implementing a new allocation of responsibilities."

Then-Commissioner Eleanor Andrews of the Department of Administration wrote in response:

"It should be emphasized that recent changes in technology are having a greater impact on the individual than at any other time in the history of computing . . . there are thousands of employees discovering ways to do things better and recommending them to managers that are not technologically prepared to make decisions. Management is overwhelmed both by the intricacy and the volume of activity . . ."

The state's record of providing policy direction for telecommunications activities is much weaker than its record of providing technical support. At one time there was a policy body: The Governor's Office of Telecommunications. However, in the 1980s responsibilities for various parts of the state's telecommunication system have been fragmented.

The Information Systems Committee, which is concerned with computers, is an interagency group but a review of its meeting summaries since 1984 indicates that it has given most of its attention to technical rather than larger policy issues. It comes closest to taking a policy perspective in **Information Systems Planning Procedures for 1986**, in which identification of agency goals is identified as the first stage of the information systems planning process. But the goals that are being talked about in the report are information processing goals, not the business objectives of the agency. Thus even this useful document stops short of encouraging telecommunications policy formation from a management perspective.

The Alaska Public Broadcasting Commission is the state's policy body for public television but there is no higher policy body for it to report to. Therefore there is no one in a position to reconcile the interests of public television, the Rural Alaskan Television Network (RATNET), and educational television when they conflict. And they do conflict, as a review of RATNET minutes will show.

The absence of telecommunications policy direction has been particularly unfortunate in a time of declining state revenues. The search for economies within the telecommunication system has taken place in an environment that has provided little opportunity for discussion of the implications for Alaskans of alternative actions.

Evidence was collected by the House Special Committee on Telecommunications in 1986 which indicated this lack of direction had resulted in some decisions that had weakened the system. The evidence is presented in **Managing Alaska's Information Resources: A Proposed Statewide Policy** which became the supporting document for House Bill 40.

It appeared in the early days of the 15th Legislature that additional decisions might be taken which would weaken the telecommunication system further. These decisions were being considered because their negative implications had not been recognized. There was no body within state government that was charged with the task of identifying the consequences of such decisions for the telecommunication system as a whole. **The Future of State-Supported Broadcasting in Alaska: Final Recommendations**, which was prepared for the House Special Committee on Telecommunications during the session, became a second supporting document for House Bill 40 which later became CSHB40 and was signed into law on June 16, 1987.

It is evident from this brief legislative history that a primary mission of the Telecommunications Information Council is to assume broad responsibility for the state's telecommunication system. It should protect that which needs protection, and encourage the development of that which needs to develop. And it should be ready to discard that which is no longer useful.

The tasks of the Telecommunications Information Council as defined by the Legislature are to identify and address telecommunication policy issues and to coordinate the development of information systems. The goal of the Council is to increase the responsiveness of state supported telecommunication to the needs of its users. It is the belief of the Legislature that realization of this goal will result in economic benefits for the state government and the people it serves.

The Council is required by the law that created it to:

- *Establish guidelines and prepare a state information systems plan;
- *Direct state agencies to prepare agency information systems plans;
- *Establish guidelines for public access to information.

While the emphasis in these requirements is on information, it is clear from the language of the law that the Council is not expected to confine its activities to computer-based information systems. The emphasis in the law is on the *uses* of telecommunication, not on the technologies themselves.

Computer systems are just one means of moving information and providing access to it. As telecommunication technologies evolve, it is becoming increasingly difficult to distinguish among them. Distribution systems such as satellites and fiber optic cable move text, visual and audio information simultaneously. Computers talk and provide animated graphics. Telephones contain computers (a convergence of technologies that preoccupied the FCC in the 1960s and '70s). Television monitors show textual information. A decoder, a telephone line and a keypad can turn a television set into a computer terminal linked to remote databases. Laser discs can substitute for computer memory and traditional libraries for high volume storage of information. These convergences of technologies provide an additional argument for focusing at a policy level on what telecommunication does -- and what we want it to do -- rather than on its internal workings.

This, then, is the environment within which the new Telecommunications Information Council finds itself.

Implementation

The First Step: Return of Control to Management

The Telecommunications Information Council puts the managers back into information management. In addition, it shifts the emphasis from management of a technology to management of what that technology produces.

That, in a short paragraph, is a description of what the Telecommunications Information Council is and why it is such a radical departure from what has existed within state government up to now. What follows in this section is no more than elaboration . . . a description of how we got to where we are today, and where we can hope to get if we take advantage of the opportunity that the Council provides.

It has been observed that, just as telecommunication systems evolve, so does their management. As telecommunication systems become more complex and more important in the affairs of the organization, responsibility for them slowly moves higher in the chain of command. Thus we find in some private corporations today that the highest ranking information manager carries the title of vice president.

The evolution in data processing management was described as a six-stage process in an article written by a Harvard business professor that has become something of a classic in the eight years since its publication. Alaska now appears to be at Stage III in this process (See Figure I). The Telecommunications Information Council has the potential of moving state government to Stage IV and beyond.

Today the state has the control mechanisms in place. Data processing purchases must be approved by the Department of Administration, which is therefore in a position to make sure that there is no duplication and that new systems are compatible with other parts of the state's system. It is also in a position to realize economies by making bulk purchases and to make users accountable through a chargeback system. All this is seen within the Harvard

Alaska in 1987

	Stage I Initiation	Stage II Contagion	Stage III Control	Stage IV Integration	Stage V Data administration	Stage VI Maturity
Growth processes						
Applications portfolio:	Functional cost reduction applications	Proliferation	Upgrade documentation and restructure existing applications	Retrofit existing applications using database technology	Organization integration of applications	Application integration 'mirroring' information flows
DP organization:	Specialization for technological learning	User-oriented programmers	Middle management	Establish computer utility and user account teams	Data administration	Data resource management
DP planning and control:	Lax	More lax	Formalized planning and control	Tailored planning and control systems	Shared data and common systems	Data resource strategic planning
User awareness:	"Hands off"	Superficially enthusiastic	Arbitrarily held accountable	Accountability learning	Effectively accountable	Acceptance of joint user and data processing accountability

Figure I: Information Processing in Alaska

based on "Exhibit I, Six Stages of data processing growth," in "Managing the Crises in Data Processing Management," Richard L. Nolan, Harvard Business Review, March-April 1979.

professor's model as natural reaction to the previous stage: Contagion. In that stage there was little control as user-oriented programmers worked with users to create systems. Better state control of equipment purchases has addressed the problems that emerged then. But control should not be the goal. Because, with control, new problems arrive.

Control, in the companies on which the Harvard professor based his model, led to user frustration and alienation. In Alaska, evidence of this happening can be seen in such instances as that of the four state workers in an Anchorage office who carry their own Macintoshes to work each day because they cannot get the state to buy Macintoshes for them. The state has bought them a printer but it is able to print only the textual material they produce. Most of their work, however, is graphics modelling. These workers use computers to help them visualize problems that are so complex some have led to years of litigation. They use their own computers to do this because state-provided computers lack the capability.

Another case: a state worker in one department wanted to look at the database containing Attorney General's opinions. He was unable to do so because the password for that database had been changed. Attorney General's opinions are not restricted information, nevertheless, in the interests of database security, they had been treated as such.

The task of the state as these problems emerge is to return ultimate control to the users without sacrificing the gains that imposition of controls brought to the system.

What has happened in the state -- and what happened in those companies -- is that higher management has delegated to a lower level the responsibility for information technology management. The reasons for that are understandable enough. Information technology is complex, and it's constantly changing. Top level managers tend not to understand it, not to have the time to figure it out. So they delegate responsibility for it.

Those given the job of managing the technology are told to make sure that the top level managers' fears about it are not realized. What are these fears?

We don't want to pay too much for the technology. We don't want to be taken advantage of.

We want it to work. When everything is plugged together, we should get the outcome we paid for.

L

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We don't want to pay too much for the technology. We don't want to be taken advantage of.

We want it to work. When everything is plugged together, we should get the outcome we paid for.

Managers need not understand the details of fiber optic technology. They don't have to know about the spacing of repeaters. It is not necessary to know what ROM, PROM, EPROM, etc. mean, nor how to program in Cobol for them to be good managers of technology. They should be aware, however, of the types of things that can be done with technology. They should know that information can be passed between quite different computer systems. They should know what an expert system is. They should know how simulations can help them analyze management problems. They should know, in other words, the kinds of things information technology makes possible. With this information, they are in a position to work productively with technology experts to reach their business objectives.

In other words, managers should take back for themselves the leadership in managing. It is not appropriate for them to have lower level managers telling them what they can and cannot do. This is the first of the challenges facing the Telecommunications Information Council.

The Second Step: Exploring the Possibilities

This section is intended to show what the Council could accomplish by developing an overall information systems plan. It reports the experience of other states and of private industry and the conclusions of some telecommunication experts. It also draws on the intent language supplied by the House Finance Committee and the House Special Committee on Telecommunications. This section is intended to show what telecommunication can do for Alaska if we create the opportunities.

Sec. 44.19.504. POWERS AND DUTIES. (a) The council shall

(1) establish guidelines and prepare a state short-range and long-range information systems plan to meet state needs;

It would appear that two of the first tasks the Council will face are:

1. Deciding what it wants a state information system to do.
2. Assessing the government's information resources.
What information is collected by state government? Where is it located? How can it be accessed? How is it used?

The law requires members of the Telecommunications Information Council to look at telecommunication in a visionary way. The Council is mandated to look at the whole system. And it is told to look at it from the perspective of needs. The following paragraphs of the law make clear that the needs to be considered are those of both state agencies and the public. The Legislature expects the Council to look at telecommunication among agencies as well as within agencies. This is implicit in paragraph 1 above and is made explicit in the bill's intent language.

The members of the Council, by virtue of their positions as the chief administrators of major agencies, are better qualified than anyone else within government to look at telecommunication in this way. As they discuss how telecommunication can be made to serve them, they will quite naturally be discussing how telecommunication can best serve state government. This is one reason why commissioners, rather than deputies, were specified as the members of this Council.

It is not the intent of this section to impose a vision on the Council. It can perhaps be helpful by providing for the Council a glimpse at the visions of others.

What others have done

The information systems that have been developed in recent years are enabling people to do things that have never been done before. Information specialists in private industry have been talking for several years now about their decision support systems, management information systems, and information resource management. Job titles that began to appear as the concept of information management caught hold include database administrator, database librarian, chief information officer (CIO), and knowledge engineer. It is instructive, therefore, to see how these systems have been used.

Here are some examples:

New Hampshire Governor John H. Sununu introduced an integrated, computerized financial system for his state, which he monitors from his own personal computer. Now "he doesn't have to wait 15 to 20 days for a written financial report," an aide says.

The director of North Carolina's Agency for Public Telecommunications produced and appeared on a televised conference with officials and representatives of the public in 30 other states.

A Wisconsin legislator uses his computer as a bulletin board for posting state documents and receiving constituent messages. He also electronically mails press releases.

The Florida Department of Revenue matches its sales tax file with the file of new car registrations from the Department of Highway Safety and Motor Vehicles to identify individuals who have failed to pay sales tax.

Pennsylvania has completed a test of a program that replaces food stamps with point-of-sale terminals and magnetic strip cards.

Du Pont has been experimenting with computers that combine words, sound and graphics in a single document. "Write a memo to the boss, add a little noise to keep him awake and perhaps an animated graph showing the rising profits of your division."

In Texas, 25 subscribers to a new service that enables users to chat among themselves through their computers wrote a Gothic novel on-line.

France's two largest credit-card organizations have introduced a payment card that combines microchip and magnetic stripe technologies. Their "Smart Stripe Card" contains an embedded chip which gives it intelligence and memory. A Paris university is using the smart card as a portable school record.

In federal government, income modelling, statistical analysis, econometric forecasting and income tax analysis programs are being used to formulate policy alternatives.

Alaskans have long been leaders in innovative uses of telecommunications technologies. For example:

The House Special Committee on Telecommunications held a three-month-long electronic mail discussion of Alaskan telecommunications issues in the fall of 1986. That discussion, involving about 50 people across the state, helped establish the agenda that the committee has since followed.

The public affairs office of the University of Alaska Anchorage routinely sends electronic press releases to the computers of the Anchorage newspapers.

The Alaska Public Radio Network uses the University of Alaska Computer Network to circulate information among member stations.

The Department of Education recently began using the University's computer network for electronic mail.

There are a number of electronic bulletin board services in Alaska, including one just started at the Anchorage Daily News.

Users of the Daily News Service can submit story ideas and leave notes for the managing editor.

Long-distance computer communication was helpful in the production of this report.

All of these are nontraditional uses of computers and telecommunications. And all of these hold the promise of improving government service. Many of them hold the additional promise of reducing the costs of government.

What others have said

These examples, however, are no more than pieces of a larger picture. That picture is provided by the vision of information policymakers, and it is captured in the words of a California business professor writing about the Information Age:

"The new Information Society is expected to offer to millions a whole new dimension in access to stored information and problem solving software. The key word is *access*: it is expected that many millions of people will have greatly increased access to a wide array of information services inexpensively, rapidly, and in environments of their own choosing."

This description fits equally well the governor of New Hampshire pulling information out of databases, the Wisconsin legislator dispatching electronic press releases to newspapers, and the Du Pont worker watching and hearing a computer memo.

Another futurist talks about the management problems posed by information, and what he says is reminiscent of what Commissioner Andrews said:

"The further a society moves toward making its living from the manipulation of information, the more its citizens will be caught up in a continual struggle to reduce the information overload on their desks and in their lives in order to reduce the uncertainty about what to *do*. In the information society, we trade glut for scarcity, flood for drought."

At every level of management, the problem is one of extracting the relevant information for decision making from a larger base of material. This is not an insurmountable problem. However, when it is recognized as a general problem it can also be recognized that a management strategy is necessary for dealing with it.

Policy issues for the Telecommunications Information Council at this level are likely to include how to provide support of database management systems. But, to make it easier for managers to obtain the information they need, it will be necessary to provide access to even larger volumes of information than is the case today. Top level managers within departments need to be able to pull out information from different divisions. Within the governor's office, managers need to be able to pull out information from different agencies. Thus networking and database management become additional policy issues.

A 1981 report by the technical director of the University of Alaska Computer Network advised:

"There is no 'ultimate' computer which can do all things for all users. In an academic community the trend is toward multiple machines, each selected and tuned to be the best possible to perform its prescribed tasks."

And:

"Eventually the UACN will be a network in a network of networks."

In other words, we are unlikely to be able to find a single, technically elegant solution to information problems. To the contrary, computer companies such as DEC and Tandem are devoting considerable energy to creation and support of networks that permit communication between quite dissimilar computer systems. Similarly, in a Delphi survey reported in **Talking to Each Other: Talking to Machines** three Alaskan telecommunications experts said that if they were to operate a telecommunications business in the year 2001, their business activity would be to connect dissimilar communications systems.

In the long run, networking may well be a better solution to information systems problems than would continued imposition of the equipment standards in place today. This, too, is an issue meriting examination by the Council at this broadest policy level.

The Third Step: Improving Communication Within Agencies

Improving communication within state agencies might seem to be the easiest task facing the Telecommunications Information Council. It is not, however, the first task set out within the law. That is because it is not logically the first task the Council should face. This task is secondary to that of developing an overall information plan for the state. Both the wording of paragraph 2 and House Finance Committee intent language make this clear.

(2) in accordance with the state information systems plan, establish guidelines and direct state agencies to prepare agency information systems plans;

The Finance Committee intent language cautions the Council against involvement in intra-agency information systems activities except to the extent necessary to ensure that they conform to "broad, statewide information systems policy guidelines."

Within-agency information activities are of concern to the Council because they include development and management of databases that could be shared by users in other agencies and in the private sector. One of the most valuable contributions made by this year's **Information Resource Management Users' Guide**, produced by the Department of Administration, is its section on databases in which it puts forward content standards and talks about the importance of a data dictionary. "The purpose of database administration," the report says, "is to provide for the State the capability to organize its data so that it is available when needed, sharable, accurate and secure." Thus useful standards have already been put forward for the management of computer-stored information within agencies. If the standards are followed, the Council's task of encouraging the flow of information among agencies is greatly eased.

A problem that is much less easily addressed is the duplication of information in different databases within a department. It is less efficient to enter information in two databases than one. But it happens. Ideally, departments should enter information once. It

should then be extracted as necessary for use in other databases within the department. This problem is of concern to the Council because redundancy within databases complicates the finding of information by users outside the department as well as those within it. Also, it is more costly to update databases when new information must be entered more than once.

A second problem is the maintenance of databases that are not used. Departments -- in providing inventories of the information they hold -- could also be asked to indicate who the users of this information are. In this way databases that are not serving any useful purpose could be identified and eliminated.

These are examples of information systems issues within agencies that should be policy concerns at a higher level. Policy oversight can help assure the quality of information held within state agencies, while ensuring that the costs of acquiring and maintaining the information are not disproportionately high.

The Fourth Step: Providing Access for the Public

The third task identified for the Telecommunications Information Council is to make information held by the state available to the public. This task is far more difficult than improving information flows within departments, or between them. Data security, always a concern with computer systems, becomes a glaring issue when talk turns to the possibility of providing the public with access to state databases. It is a valid concern, but it is well to remember at this point that it has been successfully dealt with by universities across the country. It is important, too, to keep in mind that access to government information has always been considered to be a basic right of the American people.

The law forming the Council states:

(3) in accordance with statutes governing the availability and confidentiality of information, establish guidelines for the accessing of information by the public;

Several states have recognized in recent years that the development of computerized information systems has made it more difficult for the public to gain access to public records. Information that once existed on paper now resides in computer memory. Some of this information has economic value, some of it is of interest to lawyers, to Realtors, to reporters.

James Madison wrote in a discussion of the First Amendment that "the right of freely examining public characters and measures, and of free communication thereon, is the only effectual guardian of every other right." Much more recently, the Federal Freedom of Information Act was passed in recognition that access to government information is one of the checks and balances that makes our government work. A Florida court has held that public records include "all information in a computer." There are, therefore, Constitutionally-based arguments for providing public access to computerized information held by state government.

State governments have provided access to computer-based information in a variety of ways. The Council's task, in responding to

Paragraph 3, is to determine which of these ways is most appropriate for Alaska. Alaska has already taken the first steps to make computer-based information available to its citizens. Alaskans now can gain access to legislative databases by going to the Legislative Information Offices where terminals are located. In addition, several public access terminals to these databases are available in Juneau.

The public could be allowed to examine printouts, copies of printouts could be provided -- which is commonly how Alaska legislators receive information from the Executive Branch -- , public terminals could be provided that would give access to files in databases, databases could be copied onto magnetic tape provided by the information seeker, state computer networks could be made accessible via telephone by private individuals with micro-computers.

Each of these alternatives carries its own costs and risks. The time (and therefore the cost) required to prepare information for public consumption varies considerably for the different alternatives. Security becomes a consideration if public access is provided to state databases. But each of these alternatives has been found practical in various situations by other government bodies. What follows is a description of what some of them have done:

Montgomery County, Pa., has a free, remote access system that provides a variety of court information including attorney schedules, civil court schedules, and permits searches for information about judgments, deeds, and tax claims.

Two Georgia counties have contracted with a private company to supply public record information on-line to heavy users. The counties provide computer tapes to the private company.

New York and South Carolina are investigating videotex systems for responding to requests from the public for state information.

Ohio's Department of Development has created an information system that provides seven databases including patent information, list of Ohio companies doing technological research and development, list of academic researchers, etc. Its objective is to promote technological innovation by helping entrepreneurs and academic researchers to find each other.

Nebraska's Telecommunications and Information Center is creating a state business information network.

Few states have greater opportunities than Alaska in meeting the special challenge of providing public access to information. The importance of this access cannot be overstated. Access in the new Information Age may well spell the difference between prosperity and poverty for many.

Because communication has never been easy in this state, Alaska's citizens are used to solving information problems in creative ways -- as in the case of the Barrow judge who uses radio broadcasts to reach prospective jurors and in the use throughout the state of rural radio broadcasts for message services.

The Telecommunications Information Council must provide the leadership and point the direction in this enterprise. Is a single way of handling information requests the best solution? Should there be a range of solutions suited to different types of information requests? Should there be one solution for the shorter term, another for the long term? What are the costs/benefits of the various alternatives? Is it possible to find an elegant solution that no one has thought of before?

The examples drawn from other states do suggest one long-term solution that might be considered by the Council together with other alternatives:

Alaska's experience with broadcast telecommunications suggests one approach to this problem. The state has worked with public and private entities to build broadcast telecommunications systems; by doing so it has minimized its own costs. It could take this approach, too, in helping to develop a public access information system. It could invite private enterprises to join in building a statewide, public/private information system. There is some interest within the University community and the private sector in joining in such a project. France, which has successfully developed a nationwide information system, provides a model for such a system in Alaska.

Whether this idea seems attractive or not, it illustrates the type of thinking that will be needed to provide a lasting solution to the problem of public access.

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The Fifth Step: Dealing With Broadcast Telecommunications

Broadcast telecommunications are information systems. That is easy enough to see in the case of Highway Patrol and marine radio frequencies, but probably much less obvious in the case of television channels which provide such fare as soap operas. Yet even soap operas can be used -- as the Mexican government did a few years ago -- to change public attitudes.

The House Finance Committee's intent language asks that the state supported broadcast network be treated as an information system and says:

"The Legislature intends that the Council assume primary responsibility for policy development for the broadcast system, so that the public's information needs are served."

The state government's interest in broadcast content has been limited and its approach to content issues has been even more conservative than state law would seem to require. Current law bars the state from making specific program decisions. Such decisions would be viewed as interference in the editorial or creative process. The law creating the Council moreover cautions it against involvement in programming decisions. These laws do not bar the Council, however, from making broad decisions that have an impact on content. The state has made such decisions. The distinction between programming and content is important, for it makes clear what authority the Council has to take actions affecting state-supported broadcasting channels.

It would seem appropriate for the Council, for example, to provide policy direction to the discussions of the place of educational broadcasting in the state's broadcast telecommunications plan. The state has gone from having a statewide network exclusively for educational programming to broadcasts of educational programming between the hours of 1:30 and 5:30 a.m. on the RATNET channel. Is this a better use of state-funded broadcast channels? Should the University in Anchorage be allowed to pursue a television license so that it can broadcast educational programming in southcentral Alaska?

Similarly, Alaskans across the state have said in response to questions in several surveys that they would like to see more state-oriented programming. Should the state be encouraging the production of such programming and its broadcast on the channels that the state helps underwrite?

All these are policy issues that can be most appropriately addressed by the Telecommunications Information Council. These are examples of broadcast policy issues which -- if they are addressed at all -- are addressed by vested interests within government. There is no body that can weigh the various arguments and act as mediator.

The Council, however, should have an additional interest in the broadcast telecommunications channels, an interest transcending their content. Telecommunications systems are Alaska's roads. They make it possible for people to be reached who would otherwise be inaccessible. These links can be used wisely or unwisely -- and that is a policy concern for the Council. But they can be used only if they are preserved -- and that is a separate and equally important policy concern for the Council.

The broadcast channels represent opportunities that can be lost if the system is allowed to deteriorate. Today they carry a wide variety of information on which Alaskans have come to depend -- from aviation broadcasts to programs about how to deal with hypothermia to emergency warnings. The RATNET channel is being used by the University's Rasmuson Library in Fairbanks to transmit large volumes of textual information to sites scattered across the state. Other valuable uses of the broadcast system may be developed in the coming years -- if the system is still there.

The broadcast system as it exists today is described in a House Special Committee on Telecommunications document, **The Future of State-Supported Broadcasting in Alaska: Final Recommendations**, which was issued last spring and revised during the summer.

The challenge for the Telecommunications Information Council in the area of broadcasting is to provide a policy framework where none has existed before.

Conclusion

The new Telecommunications Information Council has been given a mandate which empowers it to bring great changes to the state of Alaska. It can change the way people communicate. It can help the state government to organize its information resources and to use them in ways that were impossible before.

The Telecommunications Information Council can bring Alaska fully into the Information Age. It can formulate the larger policies and provide the needed direction as Alaska's information systems continue to develop.

Or . . . it can choose not to accept that vision. It can take a technocratic stance that traps us in the present. We will then remain pioneers, working with the tools of pioneers . . . while civilization passes us by.

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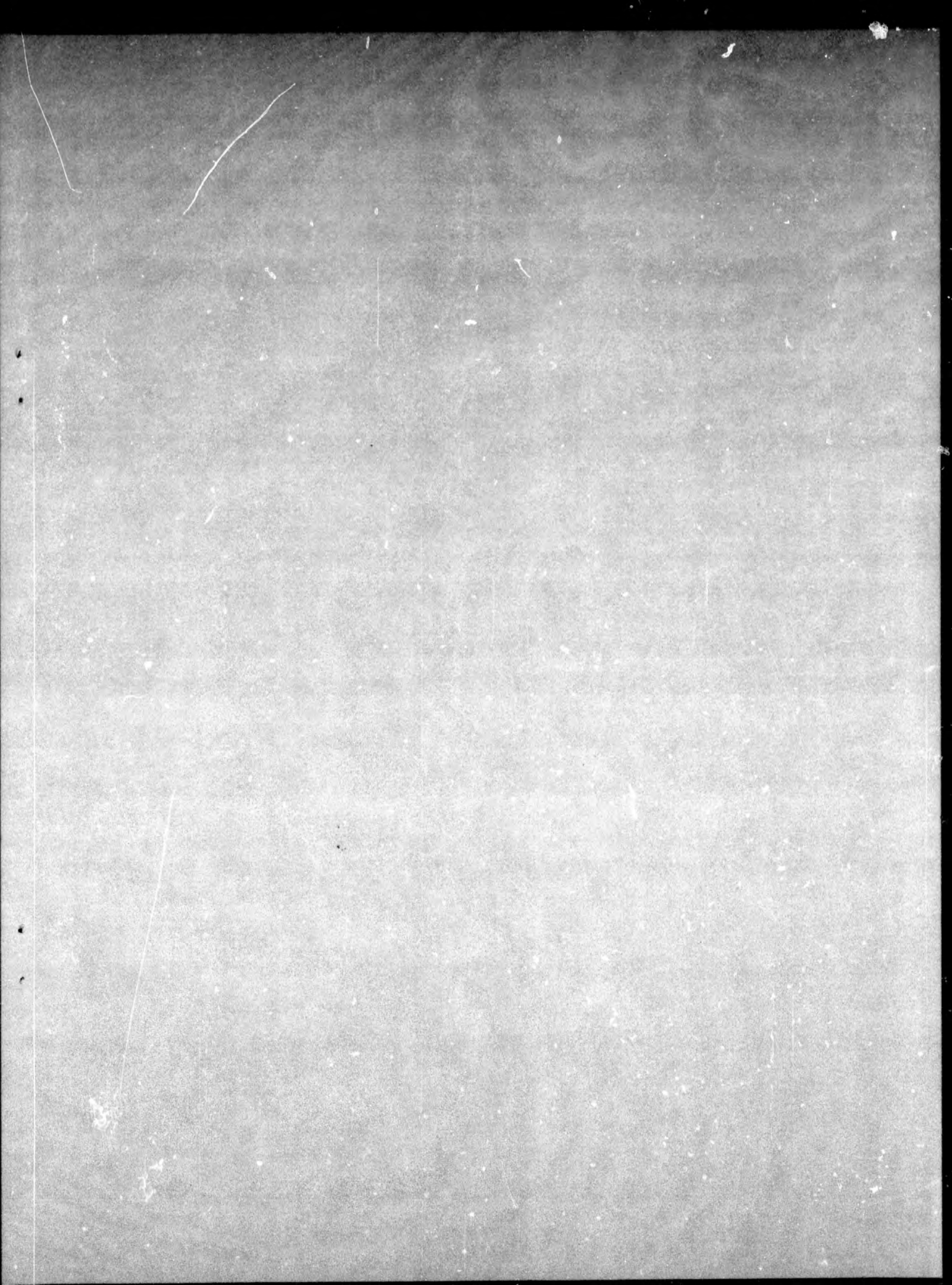
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TELECOMMUNICATION INFORMATION COUNCIL
September 3, 1987
1:30 p.m.
Governor's Conference Room
Juneau, Alaska

CALL TO ORDER/OPENING REMARKS

The Honorable Steve Cowper, Governor: Representative Boucher, no doubt, will get with us here pretty quick. The purpose of this meeting is to begin the deliberations of the Telecommunication Information Council, which was established by law in the last legislative session. The purpose of which is to try to organize and to make more efficient the delivery of information that goes on in every governmental department.

I had a personal experience related to that in the last legislative session. In the middle of a very difficult budget process, we discovered that the financial figures and the budgeting figures and the accounting figures were all different. None of them related to the other, and furthermore, there was no way until we worked on it. There was no way that you could try to reconcile the figures. We didn't know -- we knew how much money we were supposed to have, but we didn't know how much we did have. That was as near as I could come to understanding it.

The kind of information that is generated by government is useful, not only to assume it is accurate that is, is useful not only to people across department lines, but also to the University of Alaska, to various municipalities, and to individuals. Periodically during the last, I suppose, ten or twelve years there have been sort of half-hearted attempts to try to reconcile and to coordinate the use of information within government. None of it's worked. I don't know if anyone went into it with any sense of purpose or not, but I'd like to do it. I think that it's likely that many of the Commissioners here will have to designate people to take care of this duty, but I do think that it is important and I don't think that it's anything that we're going to sort out by the next Legislature. But it's important that we get started on it and that we understand how much is at stake here.

Actually, that is what government is. It's the movement of information up to people who supposedly make decisions and then back down to the ones that implement the decision itself. So there is a lot of information in departments that isn't available to other departments, and a lot of information in general that isn't available to the public in any comprehensible format. The purpose of this committee is to try to sort that out and make information work for us instead of against us.

I have to tell you that I am not an expert on the subject. If I talked anymore you would be able to figure that out for yourself. So at this point, I would like to ask John Andrews to give his presentation and go from there.

INTRODUCTION TO INFORMATION RESOURCE MANAGEMENT

John Andrews, Commissioner, Department of Administration: This body now sits as something described in the new law that passed here as the Telecommunication Information Council and the statutes give us certain tasks to try to work on. Two of them relate to planning, one of them relates to guidelines for operating procedures. It says we're suppose to prepare a statewide information plan; to provide guidelines for individual agencies to design compatible plans and there is a lot of language about the top down approach to that from this body being the one that decides what things are compatible with. We would make the first move. Agencies would respond with plans that conform to that and operating agencies might, right out there in front, would respond with operating procedures that conform to all those plans. Further, the statute requires us to provide guidelines for public access to state information. Not just information amongst ourselves, but information that is (inaudible) to the public.

I've been through a lot of dry planning exercises over the years and no doubt you have as well. So I'd like to take a minute or two to talk about planning about what. What is it about information resource management that would require that it needs to be planned. What kinds of difficulties are we apt to run into? How that will relate to the operation of our departments? How it will relate to existing problems we have already? What benefits might this group, advantages might this group have in the future that we did not have going into the execution of this new law?

The phrase "information resource management". . .

Teleconference Moderator: Teleconference hooked on.

Governor: Red, glad your here.

The Honorable Red Boucher, Representative: Thank you, Governor.

Governor: Would you like a sandwich?

Boucher: What?

Governor: You came in on the middle of Andrew's presentation and. . .

Boucher: We'll just hang on. Whenever you are ready, sir.

Governor: O.k., would you continue John.

Andrews: The point about the phrase "information resource management" is obvious in the words if you think about it, that information is a resource and it needs some management. It needs management because the process that it involves is both complicated and essential. It's difficult because it takes three things that are always scarce: it takes money, it takes time, and it takes talented people. It's valuable because it gives us importance with its quality, the life blood of our management process. The quality of the information that we get will be a limit on our management effectiveness. The timeliness of the information we get will be a limit on our reaction time to the problems that we find day-to-day and the appropriateness of the information will limit the range of options we're able to entertain in addressing management problems.

The difficulty in the money is fairly staggering. It requires money for occasional capital outlay, for expensive staff - the kinds of technical people to support the operations - and it requires us higher paid managers to be involved in information resources. All those things involve a lot of money. To give you a feeling for how much money, we spent, a little over a year ago, we spent fourteen million dollars to buy the bulk of the computer plant we have in place now. The current estimate I have is that if we don't do something different, the life of that plant is going to expire in twelve to fourteen months. Fourteen million dollars and two years later it isn't (inaudible) it. It's estimated to cost about nine million dollars to extend that life another three to four years so what we will have had, if we don't do anything different, what we will have had is an annual capital outlay of between four and five million dollars for centralized computer equipment, which doesn't include all the other facilities that you see around in your own departments. This is the data center stuff. That is a sobering number to me. Five million dollars a year every year to keep going on and no end in site. It's expensive and the people are expensive too.

The time element of the difficulty is no less staggering in a way. Because to get us to a place where we can really rely on the information, we get at that critical point of decision-making and be confident that it is appropriate, accurate, and timely, we're going to have to work from the murkiness of the situation we have now and very carefully. We cannot just scrap everything we have, all the applications we have running on the state data center. We cannot just throw them all away and do them again right. That would take years to even design, and by the time we got done with the design

then probably the situation would have changed dramatically enough to where it wouldn't be the solution anymore. We would have squandered millions more, and meanwhile (inaudible) along with the present difficulty, I know (inaudible) worse and we've done that, too. We've tried to reach out, five years out into the future, design a tens of millions of dollars of a solution and ended up throwing it away. We can't afford to that anymore. Also strategically, the -- let me come to that later.

The difficulty in the talent is something we face in all our operations of state government, I suppose. In this area it seems particularly sensitive. We need to get people looking at this problem who have three kinds of characteristics about their talents that seem important to me: They have to have sufficient understanding of the current situation to where they can gain some insight into the present pain. So I don't see contractors coming in from outside and doing this for us. We are the people best qualified to that. We are the ones that understand most what the present problem is. I don't think we can farm that part of it out. They also have to have some vision for what a better tomorrow looks like. They need also some wisdom based on experience as to how to get there in an orderly manner without it costing more to solve than it costs to bear. Now that's a scarce combination, I observe, in any group but in state government as well.

To the extent that the problem pervades all of our departments, we have to have that kind of talent base that we can draw on in all of the departments to affect a solution. I don't think it is something that the Department of Administration can do for you. As the Governor pointed out, another aspect of the management of information resources is that it crosses all the more or less artificial administrative lines that we draw between departments, between branches of government, and between the public and private sectors. Some examples of those will make that point clearer:

The statewide accounting system is, in some sense, owned by the Department of Administration. It's our baby to keep it running, but it's used mainly by other people. We are a user too, but that's used by people all over the state. Virtually every division and every section uses the statewide accounting system. That was the idea of a statewide accounting system. So all the problems associated with that crossed departmental boundaries.

Payroll is another example where we have a centralized idea of a state payroll that many departments are involved actively in data processing activities, designing new things to nail onto the side of the payroll box to help them deal with the present difficulty with that application. The budget is an example that crosses all of these boundaries in state

government. Public safety is an example where we cross the boundary with the local governments. The local governments tie into the state data base that the state uses in public safety applications. And in private enterprise we have travel agencies that are connected to the marine transportation data base. Department of Natural Resources has a relationship with a private vendor who supplies information to the public for them in some contractual relationship there. Construction engineers use some of the scientific equipment in DOTPF, and here and there and around there are computer consultants, contract programmers, that have terminals connected to the state mainframe in their private offices.

The difficulty with that area is not that it is not a good idea. It's probably very helpful to travel agencies to make reservations directly and for programmers to be able to tune right into the application that they have a contract to maintain. The difficulty is in the equity of the questions and the cost recovery questions associated with that. Some travel agencies enjoy this relationship free of charge. Others maybe don't even know about it. We have no statewide policy, we have no management of that information availability on a statewide basis.

One of the difficulties that we have had in the past is that the statutes have charged the Department of Administration with two kinds of responsibility as the caretakers of the equipment. Not just the data centers, but the communications network that is outlined on some of these handouts and the telephone operations here and there around. We're charged with wearing two hats. One says that we're supposed to be good servers of our customers. We're supposed to provide whatever facilities and talent are needed to meet the need that you bring to us. The other part of our charge is that we're supposed to be sort of policeman who say something about whether that need is justified or not. Whether that extra program you want to run on the computer is worthy of being on there, or well formed or appropriate to your management problem. That's a difficult hat for the Department of Administration to wear.

In our history, not just my experience but predecessors have been involved in this thing over the decades, we have opted for the former. We have opted to wear that server of our customers hat as our predominant mission to meet whatever need evolves, and if anything to stay out ahead of that need, and I think that is why it comes up to four or five million dollars a year. Trying to stay out ahead of a need that is not being managed in any centralized way is a very expensive operation. You can see from some of the charts - I think you have pictures of most of them in your handouts - we have a lot of plant. We have a lot of computer facilities sprinkled

around the state. We have a data network that goes from Ketchikan to Unalaska, and from Barrow all the way to San Francisco. Thousands of terminals connected to that operation, all of them expecting reasonably rapid response time when they sit down at the terminal like that. So we have been fairly effectively staying out ahead of the need.

But the question now is whether we can afford to do that at the current growth curve that the need is occurring. The other hat, the . . . try to decide what a good customer looks like and say no to those others has largely failed. We've made a couple of attempts to try to deal with that over the years.

Used to be, when I first came to Alaska, the method was much simpler than in the computer room, but even so we had our difficulties. The method then was pretty much the squeaky door way of dealing with customers. It was easier to control with one doorway, so to speak, because we did not have on-line terminals all over the state. That wasn't going on here. That wasn't going on anywhere in the early 70s. So if you wanted something done, you brought it over with a little slip signed by your supervisor that says, "This is a hot one. I need this done," and somebody arbitrated those, that pile of emergency requests, and nobody was very happy with that.

We tried for a while, several times we tried with chargeback mechanisms where we tried to use the financial incentive of paying for each use as a management control incentive to try to control the growth of the demand by making people conscious of and directly involved with the cost of that incremental demand. Nobody was very happy with that either and it didn't work. Largely in our most recent experience, because of the decline in the budget that was no time to begin adding costs, pass-through monies, to your agencies, that method has died.

We have in my observation, in the last eight or nine months we have a growing interest in most of the agencies in controlling their use, the cost implications of their use of the machine, and I think that is real healthy. I see a real expanding consciousness of the fact of the cost, and some willingness to cooperate in working together to try to control those things. So that gives me some hope that a body like this can rise to the occasion. I think that the interest in the agencies is there. The form of this council, the mechanism of this council I hope, will give us a medium with which we can work out in cooperation to deal as a group with our problem. That's my sales pitch today, that it really is our problem. If I continue to spend five million dollars a year, that's money you can't spend. If you know better, if you know a way that we can do it for two and a half million dollars a year, we all profit from it. If we can figure out together a way to control

those costs by doing less or doing better, something, then we're all going to profit from that.

I would just like to stress, one more time, I guess that it is going to be a very difficult undertaking. We have over the past decades built up a huge inventory of complicated applications that we count on the mainframe to use on our whole, not just the computer, but the whole complex of data communication lines: high speed telephone lines and computer facilities connected in all different kinds of ways. These things have grown up more or less independently from each other, sometimes coordinated, most often not; sometimes carefully thought out and preanalyzed, and most often not; and I can confess to be a party to that myself, so I'm not just casting stones.

Our ideal for better way is clear enough. We characterize it as the top down approach. You decide what information you want, what you want it for, what value its going to have to you as a manager, then you build a system that provides you that information. Then you construct a facility to produce that information and you are off and running. When your management information need changes a little bit, you rethink that design, tinker with the physical plant, and you are up and running again. But what do we do with the mess we have in place? We all recognize the pains of dealing with the payroll system, personnel, forms, and all that. This ten years old plus . . .

The immediate difficulty I think we are going to face is not just identifying the problems, I think we can do that in an afternoon. They are right in our in-baskets everyday. The difficulty is going to be a continuing process that we will have to do repeatedly that goes something like this: Something that my teacher of this methodology called it, "evolutionary design," goes something like this. You look at the problem you have. You look forward into the future as to where you want to be down the road, your ideal of where you trying to get to. You figure out what you best conceive (the) next one or two steps is, not twenty-five steps, but what is the next two things I could do to get me on the road to my ideal. Then you do those two steps. And then you start over again. You look up again toward your ideal, you figure out the next two places your going to step, take the steps, and look up again.

I've tried that in my own experience and it works. I have a list of success stories that that kind of approach works. You cannot redesign the whole thing with a five or ten year implementation plan. But you can do the best thing you can do today. We can figure that out. We can figure out what a good next step looks like and we can carry that on and do it again tomorrow. And the new tomorrow will suggest maybe a different

third step than yesterday. Tomorrow's first step will probably be different than yesterday's third step, see what I mean. So the reason I point that out is to emphasize that I don't think this thing that we're asking ourselves to do called information systems management is something that we can sit down for two weeks of hard work and do and go away and say that we did it, we're done, history will love us. I think it is something that we'll have to carry as part of our continuing task. We'll have to continually do this thing called management of the information systems.

Well we haven't exactly been doing nothing and I would like to ask Beverly Reaume to describe what the activities have been. We have had a committee, you are mostly aware of, called the Information Systems Committee that has had representatives from all the departments. They have been active for awhile. Beverly, if you could describe the activities of that committee and how you see it relating to the council.

Governor: Bev, if you like you can come over here so Red can hear you.

Beverly Reaume, Chairperson, Informations Systems Committee: The Informations Systems Committee, better known as the ISC, was established in January 1984. And it was a result of a governor's policy statement at that point. The Committee is charged with representing the various departments in developing, reviewing, communicating recommendations for policies and procedures related to computing services and data and text processing. Not unlike some of the things that are set out for this committee to do. The membership requires partially exempt or exempt status and has tended to be either administrative services or technical services directors.

I'd say that the greatest single accomplishment of the ISC has been to provide a forum for the exchange of information among agencies. It has allowed us to do several cooperative ventures, as well as giving us a place to go when we had a problem, someone to call.

One of the first actions the committee did was to create the process that allowed us to begin to purchase microcomputers. I am not sure how many of you were concerned about microcomputers a few years ago, but we had a period when we were totally unable to buy any because of procedures and legal problems and all sorts of things. But through the ISC we did finally get through that and were able to start buying micros. We also developed several policy and procedure statements on items as varied as guidelines for agency data processing plans to the support level for mainframe software. Most recently, after considerable controversy, which John sort

of hinted at, we established an approved methodology for chargeback. This is for use of the mainframes' services.

We believe the ISC has done a lot of good, but at the same time it hasn't been as successful as we would have liked to have seen it. And it hasn't been able to solve some of the problems that John has already identified and will identify some more a little bit later. And I think if I had to look for the single reason why the ISC couldn't solve the problems, it is because we lacked the necessary clout to do so. Something we think that this committee will overcome.

The ISC is set up as an advisory committee to the Commissioner of Administration and had no mechanism to make anything happen across agencies. So it was always left to the Commissioner of Administration to carry the ball and whether that be before the Governor, before the cabinet, or before the Legislature. And of course as an advisory committee, it had the same failing, or same problem I should say, that advisory committees always have. Advisory committees never feel they are listened to sufficiently or that their advice is always sought.

But as I say, I think we have accomplished a lot and as you talk later on about the organizational structure for this committee, the ISC does have one recommendation in that regard and that is the ISC or a similar group be maintained to serve as a working group to this committee. A group that can maybe deal with some of the nitty gritty problems, but whatever that is, to identify the issues, determine what the alternatives are and then bring those alternatives back to this group to make a decision on.

About all I had to say is be happy to answer any questions if you had some.

Arthur Snowden, Administrative Director, Alaska Court System: One of the objectives of this committee hopefully would be to look into the data entry because one of the biggest problems I see is entry. A lot of information you get with a high error rate in entry is going to be useless to the managers that want to use it. And it is my hope that this committee will address that somewhat.

Governor: Well, I think we need to get a little bit more basic here for a minute. A computer is a tool. Information is what we're after. The question that I would have is, being a person that doesn't converse in computerese, is there has been millions of dollars worth of studies that have gone out around this state over the last twelve or fifteen years. Where are they? Whose got them? Has anybody looked through them to see

what's in there, to see if the data is any good, to see what agencies have them: the administrative agencies, the judicial system, the Legislature, the University of Alaska. Where is all that stuff? We paid a lot of money for it and is there an index to the information that was gotten together through those studies? Is there anyplace you can go to look things up? How does the index work? You run an agency, you are in an agency. What kind of information do you generate? Who gets it? How could the information be used, and by whom could it be used?

For instance, suppose we found out through our records of the budget that capital projects had been directed at a specific legislative district and you could find that out through the budget records or something like that. You could also find out through the Department of Labor what the unemployment figures are out there. What if you found a district where millions and millions and millions of dollars had been poured in through capital projects and the unemployment rate hadn't changed a bit over the last. . . What kind of policy implications would you come up with? What if you had, if Art had some figures there that indicated that contrary to what everybody thinks, that more crimes get committed when we're rich than when we're poor. What kind of implications has that got for Susan Humphrey-Barnett, that is running a correctional system. He might have some information and Susan might have some information, but what if they don't either one of them know about the other's.

That's the kind of stuff I'm talking about. I don't know a damn thing about the computers, but that's what I'm talking about when I mean coordination of information. Maybe since Red has seen fit to make me the Chairman of this I thought I'd deliver that, but anyway, pardon me for interrupting.

Boucher: Governor, can I add something?

Governor: I thought you might.

Boucher: What you said is what the hell this is all about. I don't know a damn thing about the inside of the computer and I could care less. I don't know what a systems analyst means and I'm not a programmer. But I damn well know that this is like this telephone I'm talking over. It can be a powerful information, in fact the most powerful tool we've got is what I'm talking to you with right now, the telephone. And I don't need to go to computer science school or be intimidated by all the jargon that's come out. I think that's exactly what you are talking about. In other words, it is available to other states. Other nations are working on it, and there are things you want to work on and you shouldn't have to fumble through a bunch of paper to find at least the answers that are out there, and I think we're alike. We've got the tools. It's like a

giant Webster's dictionary that is spread out all over the floor and we're trying to find the word "cat."

Now I'm not saying that it is simple. It is complicated and it is expensive, but I guess what we are trying to say is let's focus on the information that makes it possible for you as the Governor of the State and those men and women sitting around you that they don't have to check their brains out to the nearest computer. Then if you ask a question, the information ought to be there and if it isn't there, then find out who has got it. So, I guess really what we're trying to talk about out of this entire thing is not just the technology, but what you just said. You shouldn't have to - the information should be available at your fingertips and as your Chief of Staff will tell you, it doesn't require a powerful mainframe to get it. Although to store the amount of information the state needs ultimately does require that. But you said exactly what I would have said. That covers it.

Governor: Thank you, Red. I think basically what we're talking about here is what kind of information do we need; and what can we use around here. Then we can design a system to deliver it. I guess that is what is important.

Snowden: What's important, the information that I think we get a lot of the time is inaccurate and information that is not accurate is useless.

Governor: Well, then I guess we've got to think about some way of filtering it through so we should weed out some of the stuff that is no good or at least having some caveat there, you know, a little star by the stuff.

Judy Brady, Commissioner, Department of Natural Resources: Well, I was trying to decide something that would help me because I don't want to go through a whole . . . I've been through a couple of these studies myself, and in fact Red, if you'll remember when my name came up for appointment, before I was even appointed, you called me and said you wanted to talk about telecommunications. So even in the budgeting process it would help me, for instance, to know, I know what equipment we have and we have some big pieces of equipment in Department of Natural Resources, and what I'm asking now is what equipment do we have that we are not making full use of, and there could be a couple of reasons. Either we don't have the programmers, we don't have the auditors, so the equipment is out of date. And the second question is where are we equipment short? Where, number one, we need to perform, and what we would like to have and what we would like to have goes in the long range kind of stuff.

And the other thing we can provide to this meeting, and I would appreciate it from everybody else, is what kind of information can we give you. I can tell you some information that we can tell you about land status and you are going to be surprised about how much we can't tell you, for instance. And in some areas, you will be surprised about how much we can tell you. But because you don't know to ask the questions, I wouldn't even know that you were interested but maybe once you look at what we can tell you, then we would all see where the holes were for your purposes. And if I can see your list of what you can tell me, then I would know. Then I would say, "Oh, now I know where to go." It seems to me that would be a real good first step. I don't even know what other equipment people have or what we're capable of, what questions we're capable of answering individually.

Governor: You see, even if you didn't have any computers people wouldn't know. O.k.

Brady: Still wouldn't know.

Governor: I wouldn't know what you had or what Labor's got over there or anything else. I'm sure there is probably a list somewhere but I don't know where it is.

Brady: Is there a list?

Reaume: Well, there are some partial lists, there are certainly no complete ones that I am aware of.

Governor: Anyway John, that was kind of a rude intrusion there on the end of there but. . .

Andrews: Not at all. It was exactly to the point, I think. It is a very common mistake in approaching this kind of problem to begin with the computer. I only know of one way it works, and that is to start with the discussion, some kind of determination of what information you want. That is essentially a management decision process that you are fully prepared to make at this point.

You may not have the leisure you wish you had to make that kind of decision, but the only way to guarantee a successful track through this mine field of the technical underpinnings to give you that information you decide you need is for you to have as clear perception as possible as to what information you need and that is not an insignificant task. You have to think why you want it, what you are going to do with it, how frequently do you need it updated, how detailed a level of support information do you need. How sensitive is it in terms of privacy information or something like that. You have to work all that out, then you can turn to the technicians and say

go get me something that delivers me this kind of information in this time frame. And there are a lot of technicians around that know how to do that. But there is no technician in the world that is going to be able to read your mind about what you need or to read between the lines in what you said you needed.

I appreciate you putting us back on the track.

DISCUSSION ON CURRENT PROBLEMS

Governor: Thank you Beverly. John we've got a discussion of current problems on the agenda, I don't know if you want a partial go at it.

Andrews: Well, I would just as soon move on beyond that if it's all right with you and look forward to the first business meeting. All I wanted to do was make it clear the kinds of things I saw this council having an advantageous involvement with. We've all got plenty of ideas for what that first agenda might look like and the kind of problems we might want to address.

INTRODUCTION OF THE PEARSON REPORT

Governor: Red, the next item on the agenda is the introduction of the Pearson Report.

Boucher: I think that's great. May I just say something about the gentleman that is sitting before you there, Larry Pearson. It's an example of one of the finest brains in the country and it's right here in Alaska. For those of you who may not know him, the soon to be Dr. Larry Pearson was former editor of the Minneapolis Tribune. So he is used to working with various sources of information to make a daily newspaper. In other words, the deadline sets that they must have the information and they must sort through it.

He is one, like most of us in the management area or leadership area, is frustrated by the information overflow that comes before us. The paper that he has put out is probably one of the finest that has ever been written on the subject. I guess really what we're saying, there is on page 10 on Alaska in 1987. And while it's a difficult journey, as John has clearly stated, and sometimes costly, I think if we are to, the vision that you have, Governor Cowper, for the entrepreneurial . . . (End of Side One)

. . . is for sure you can put the polar bear on this one because this is made in Alaska and it will be a document that

will be read throughout the country. And I want to thank you for your confidence, as well as the confidence of both the Senate and the House, in putting it before you. I see nothing that is its equal as a beginning. I can't say enough. You will find Dr. Pearson, unlike myself, to be a very quiet, thoughtful person but one who has every bit the belief that I do that we in Alaska have a golden opportunity with what's already in place to enter the information age.

With that, I won't make any further comments. I'll just listen, sir. Thank you.

Governor: Dr. Pearson, did you, Larry did you want to come up here?

Larry Pearson, Assistant Professor, Department of Journalism and Public Communications, University of Alaska, Anchorage: I don't have anything formal to say. I'll just make two comments on what Red just said: one in the form of a minor correction and the other in the form of question. I was news editor of the Tribune rather than editor. I'm not sure I'm one of the finest brains in the country. But I hope you find the document I prepared useful. I'd like to come back and respond to questions about it later when you've had a opportunity to look at it.

I share with just about everybody who has spoken today, with everybody I believe, the belief that this is a great opportunity and you are exactly the people to take advantage of it. We are talking about information rather than the technology.

I know, because most of you responded to the questionnaire I distributed a few weeks ago, that very few of you have computers on your desk. Most of you have delegated responsibility for the actual day-to-day management and control of computer systems to other people and that's very natural. They are intimidating things and they are accompanied by jargon and they are not as friendly as people. You are all managers. You are all used to primarily dealing with people.

I know too from your responses that you spend about half of your time in communicating with people doing it face-to-face or by voice. There is very little electronic mail communication going on within state government, for example. The University may be doing more of that than the rest of the government. That's a little more awkward a way of dealing with each other, but it's a new possibility. There are many new possibilities.

key issue that faces you is how you want to get your information, are you getting information you need. Is there

information out there that it's possible to get if that need is identified. Computers are thinking tools. To the extent that look at computers, as top level managers, it's to see how they can help us think. How they can perhaps state problems for us in ways that we can see them more easily than we can without their help. They're an improvement on paper and pencil for doing that. They're an improvement on talking to other people for doing that. They can be very useful as tools for top level managers. But they can't be good tools for top level managers until top level managers get involved in setting the policies that make it possible for those computer systems, the programs that are written whatever the information to be inserted. That will allow you to think best in the way you are used to.

There are different ways of thinking with computers. Some people think visually. Some people work from outlines. We all have our own way of presenting materials whether it be speeches, written documents. We all do that differently. We can use computers differently as support tools for ourselves, too. That means that if technology is to serve us well, the lives of people like John Andrews are complicated somewhat. Because we are not looking for a single system, a single elegant solution for all of us. We are looking for lots of solutions for different ones of us who deal with different sorts of problems, different sorts of personnel situations, different sorts of information. It's a very complicated issue. It's certainly deserving of interest and time of the people such as yourselves.

Thank you.

ORGANIZATIONAL DISCUSSION

Governor: Any questions of Larry? I'm sure there will be in time. Thank you. It was a good report.

Snowden: An excellent report.

Governor: At this juncture, unless there is something, a subject that anybody would like to address, and I encourage that if you want, I was going to go directly into the organizational decisions that we've got to make and that will be the end of the meeting. I don't know, I thought we kind of started passing some stuff around and then we promptly went back to the agenda and that shut it off. I think there is a tendency to forget how important the organization of information and the access to it is in this business and you know, you kind of, in the absence of some system that works well for you, everybody kind of designs their own and while it works for you, it's better than nothing, it's not very efficient.

Well, let me do this. We need to select a vice-chairman. I am chairman here, I think perhaps that DOTPF representative Mr. Poe might be a willing victim. You can say no if you want to. Does anybody want to nominate him?

Snowden: I'll nominate him, Mr. Chairman.

Governor: Is there a second?

Andrews: I'll second it.

Governor: Are there any further nominations? Thank you for volunteering, Bob. You're the vice-chairman, by God.

There are rules of order that have to be adopted here. I thought that Robert's, I don't know if we're ever going to have to use any of them, but I thought we might adopt Robert's if you want to.

Snowden: So move.

Governor: O.k. Hearing no objections, the Robert's Rules of Order are adopted. I don't have a copy or anything.

"Discussion of alternates and agency staff." I'm just going to read this: "The law designates that the alternates will be deputy commissioners and in the case of the University the vice president." Says here, "The members of the TIC and their alternates all have heavy schedules. Therefore the bulk of the work will be done by staff both in the Governor's Office and in the agencies. Should we encourage the members to recruit their staff liaison from management. Recommendation: management staff." I guess what that means is that somebody has to do the real work and somebody has to go to the meetings and they are not necessarily the same. I guess the idea is to find somebody who, seriously, who is interested here to make sure that we all up to scratch.

"Staff" is the next one. Red, what are we supposed to do about staff?

Boucher: What are you supposed to do about staff?

Governor: Does the committee have a staff? I mean, oh, I see. O.k., I guess staff to the committee will be Joan Kasson who is in the back of the room there from OMB. She is the OMB person who is assigned to telecommunications. Jack Fargnoli also with OMB is here. Jack and Joan will be serving as staff to the committee. I am sorry that I didn't get that piece of paper.

Boucher: She is a very bright lady and has worked in the State of Texas in this area. She has an insight into it.

Governor: You see, all you have to do is volunteer and you get a compliment.

(Unknown): Governor, since the Information Systems Committee offered their assistance as a working group attached to this council, perhaps the connection could be through the staffing role as well.

Governor: Yeah, I think so. I think that we need to set another meeting at this meeting. I don't know what your schedules are. Bob you want to . . . ?

Bob Poe, Deputy Commissioner, Department of Transportation and Public Facilities: I just suggest that we contact the group in two weeks with proposed agenda and try to work out a meeting date through PROFS.

Governor: O.k. I think though, there ought to be some homework here. We don't want to repeat this meeting a second time around.

Poe: Right, I agree.

Governor: So, the agenda probably should be mailed out sometime in advance so that people can do a little bit of thinking.

Poe: Absolutely.

(Unknown): Preferably more than a day or two.

Poe: I was thinking in two weeks we ask for some suggestions and then we prepare the agenda from that memo.

Snowden: Governor, for the record, in as much the Chief Justice appointed me or my designee, I would like to state that my designee will be my Deputy Director, Stephanie Cole. So we have that on the record.

Governor: I think, without wanting to intrude on the agenda or anything at the next meeting, I think it might be worthwhile if the people in each agency would examine exactly what kind of information you do generate on a regular basis. Where does it go? What do you do with it? Who can use it as far as you know. It might surprise you the amount of information that your agency generates while you are asleep. That would be a useful thing to have available to us at the next meeting. If there is somewhere a record of the various studies, John you kind of invented the legislative system didn't you, that information system, was there a list of the studies that the Legislature put together?

Andrews: The only one I know of is a printed list of House Research Agency work. Interesting to bring that up. I went through their index of all the House Research activity that has taken place in the last however many years they have been in business and I came out with a stack of paper about that deep that looked interesting enough for me to find the time to read sometime that relates directly to my agency's problems. You might want to read through there. An example the kind of thing we're talking about, there's stuff around.

Governor: What about the state library system?

Poe: If I could, about four years ago the state library did look at a system called ASPIN. That is the acronym they dreamed up for it. Its approach was to essentially catalog all these studies that are done. You pay a hundred thousand dollars for some consultant study and it ends up in somebody's desk drawer and they leave three years later and nobody ever knows about it. And so the idea was to document that and to catalog it. The system never got much further than that. Other than naming the acronym. And talking about a little about what it could do. But that is a real resource we spent a lot of money on and we don't usually get much interdepartmental value from it.

Boucher: Governor?

Governor: Yes sir.

Boucher: One resource that I think would be absolutely valuable to you is the library system that we have existing within the state. These people have for some time been custodians of information and within the framework of the council we wanted to keep it at the highest level, but I think there is a lot to be learned in fact. They, in meetings with Professor Pearson and myself, have expressed a strong interest. So their business is cataloguing and coordinating information be it visual, audio or printed.

Governor: Shouldn't they be members of this council?

Boucher: Well you call the shots, sir. Initially the law, but definitely within the Department of Education, in that area you have some resources. People like Dr. Bramble and others who have been working on distant learning and cataloguing of information. And there's some bright minds in the University system particularly in Fairbanks, so I think there may be some troops out there that could well be used, sir. But I'll leave that up to you.

Governor: O.k. It just struck me that is what the library systems do. O.k. Well, just for starters I do think it would

be useful to get, see if you could put together the studies that have been generated in your own departments over the last, I don't know whatever useful time frame is: seven, eight, ten years. Depending on what kind of information it is. If it is an enormous hassle or. . . Art says if we can just get the studies we've had on this particular topic.

Snowden: And a list of information we collect by type. We do have collect reports by type, if we knew at least what we knew we're collecting it might be helpful.

Governor: And secondly, just try to assess what kind of information your department generates. That's kind of clearly basic information. What do you do with it, and how could it be used? I don't want commissioners to take five or six days to do this, but I do think you could probably assign a staff person to get this information. That would be a pretty good start I think.

Well Bob, do you or Joan want to . . .

Poe: We'll all get together, produce a memo, in a couple of weeks and get this thing rolling.

ADJOURNMENT

Governor: Has anybody have anything further to say or comment? If not, thank you for your time. We appreciate your attention. This is an important topic.

Thank you.

TELECOMMUNICATION INFORMATION COUNCIL

GOAL, OBJECTIVES AND WORK PLAN

Adopted February 2, 1988

GOAL

To develop and implement a cost-effective policy for managing the state's information and information technology resources in a comprehensive and coordinated manner so that state government may better serve the people of the state.

OBJECTIVE 1

Develop a statewide telecommunication/information management plan.

Task 1 Identify the state's information management resources (including human resources).

Task 2 Identify agency success factors as they relate to information management.

Task 3 Identify statewide and agency telecommunication/ information management shortcomings.

Task 4 Outline alternative solutions to meeting agency and statewide needs and solving shortcomings.

Task 5 Decide on solutions to be taken and set priorities for action.

Task 6 Monitor implementation, evaluate progress and make changes as necessary.

OBJECTIVE 2

Establish institutional arrangements for developing and implementing improved information management in Alaska.

Task 1 Identify opportunities for resource sharing and cooperative development of solutions.

Task 2 Define the roles of IRMEAC and the ISC in statewide information management.

Task 3 Obtain/assign resources to carry out/monitor the statewide plan.

OBJECTIVE 3

Establish information management policies and guidelines to implement the plan.

Task 1 Define at a statewide level the standards (requirements) that new telecommunication/information management systems should strive to address.

Task 2 Establish a policy and procedure for providing public access to state information systems.

TELECOMMUNICATION INFORMATION COUNCIL

February 2, 1988
1:30 p.m.
10th Floor Conference Room
State Office Building
Juneau

AGENDA

Call to Order

Decision Item: Establishment of Mini-Computer
Networks

TIC Goals and Objectives

Presentation: Mainframe Capacity

- o Division of Data Resources
Management, Department of
Administration*

Introduction to Executive Training

- o IBM*

Adjournment

END-USER-COMPUTING

POLICY DISCUSSION

Statement of Issue

Recently it has come to the Departments of Administrations' attention that several state agencies are exploring the merits of installing mini-computers to accomplish their more immediate needs in information processing. Informal discussions with our customers and local vendors indicate the potential acquisition of fifteen mid-range computer systems during this calendar year. These discussions have also indicated that in order to achieve maximum benefit of each of these computers, there will be the need to connect to the IRM data network. Unlike the micro-computer local area networks, these connections will have a large impact on both the IRM mainframes and data network. It appears that the majority of visible activity has been with IBM and Wang products. These vendors are offering test/demonstration periods where the vendor actually installs mini-computer systems for testing by the agency for a several month period with no obligation to purchase the equipment.

End-user computing provides the State a great potential in information processing. However, in order to achieve the maximum potential, it is imperative that agencies understand the implications of acquiring, operating and maintaining this type of equipment.

Need for Policy

Policies are required to set the direction of data network management, data sharing, application sharing, public access, and centralization or decentralization of applications. These policies should be implemented prior to acquisition of this type of equipment.



UNIVERSITY OF ALASKA - ~~FACULTY~~

OFFICE OF
MANAGEMENT & BUDGET

DEC 22 1987

STRATEGIC PLANNING

December 17, 1987

Robert G. Poe
Vice Chairman
Telecommunication Information Council
c/o DOT/PF
P.O. Box Z
Juneau, AK 99811

Dear Mr. Poe:

As requested, here are comments about the draft goals and objectives for the Telecommunications Information Council (TIC), which you presented at the December 16 meeting.

1. The goal is right on. It should not be weakened by omitting the "implement" word. A policy not implemented is no policy at all.
2. Many of the objectives are steps in developing a statewide plan, which created some confusion when one objective was identified as creating a plan. I suggest categorizing objectives to overcome this confusion, yet still cover the steps required for a TIC work plan:
 - a. Objective 1: Develop a statewide telecommunication/information management plan (draft objective #8).

Task 1: Identify the state's information management resources (including human resources) (obj. #1).

Task 2: Identify agency success factors as they relate to information management (obj. #2).

Task 3: Identify statewide and agency telecommunication/information management shortcomings (obj. #3)

Task 4: Outline alternative solutions to meeting agency and statewide needs and solving shortcomings (new).

Task 5: Decide on solutions to be taken and set priorities for action (new/obj. #7).

Task 6: Monitor implementation, evaluate progress and make changes as necessary (per Con Dietz).

Robert G. Poe
December 17, 1987
Page 2

- b. Objective 2: Establish institutional arrangements for developing and implementing improved information management in Alaska (new).

Task 1: Identify opportunities for resource sharing and cooperative development of solutions (obj. #4).

Task 2: Define the roles of IRMEAC and the ISC in statewide information management (obj. #5).

Task 3: Obtain/assign resources required to carry out/monitor the statewide plan (per Amy Kyle).

- c. Objective 3: Establish information management policies and guidelines to implement the plan (new).

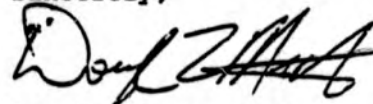
Task 1: Define at a statewide level the standards (requirements) that new telecommunication/information management systems should strive to address (obj. #6).

Task 2: Establish a policy and procedure for providing public access to state information systems (new).

Of course, the next step, upon TIC agreement of goals and objectives, is to define an action plan for achieving results.

Hope these comments are useful.

Sincerely,



Douglas L. Mutter

DLM:jlh
11H/035

cc: Donald O'Dowd, President, UA
Don Behrend, Provost, UA
Dave Hickok, Director, AEIDC
Conrad Dietz, Director, UACN
Joan Kasson, Policy Analyst, OMB

DRAFT GOAL AND OBJECTIVES

TELECOMMUNICATION INFORMATION COUNCIL

December 16, 1987

GOAL

To develop and implement a cost-effective policy for managing the state's information and information technology resources in a comprehensive and coordinated manner so that state government may better serve the people of the state.

OBJECTIVES

1. Identify the State's available information management resources (including human resources);
2. Identify Agency* Success Factors as they relate to information management;
3. Identify statewide and agency telecommunication/information management shortcomings;
4. Identify opportunities for resource sharing and cooperative development of solutions;
5. Define and coordinate the roles of IRMEAC and the ISC in statewide information management;

6. Define at a statewide level the standards (requirements) that new telecommunication/information management systems should strive to address;
7. Prioritize agency information management needs on a statewide level; and
8. Develop a statewide telecommunication/information management plan.

* The term "agency" includes executive branch departments, the legislature, the court system, and university organizations.

SERVICE CENTER CAPACITY REPORT

- A capacity study was conducted at the Juneau Service Center in August of 1987
- The study was verified by two independent sources
- The conclusion of the study showed:
 - An upgrade to the peripheral data storage devices will be needed in August of 1988
 - A larger computer system will be needed in calendar year 1989
- In lieu of a funding request in fiscal 89, a seven point program was devised by IRM to extend the life of the current computer systems. The plan was reported to the ISC and assigned to the Standards, Planning, Policy and Guidelines subcommittee of the ISC. The seven point program consists of:
 1. Build computer systems at the Juneau and Anchorage Service Centers that are compatible to allow transfer of workloads
 2. Tune the Juneau computer and user applications to take full advantage of software and hardware features available
 3. Perform a capacity study on the Anchorage Service Center computer for awareness of how much workload may be transferred
 4. Tune the Anchorage computer and user applications to take full advantage of software and hardware features available
 5. Move work from the Juneau Service Center to the Anchorage Service Center as Juneau becomes over loaded
 6. Review all agency processing needs for the next 18 months for input into the capacity planning effort
 7. Halt all new application development or enhancements at the service centers as the capacity limit is reached

Tasks 1, 3, and 6 have been completed and the results are:

- The systems are in a posture to allow workload transfer
- The capacity study of the Anchorage Center shows the computer running at 80% of capacity. Based on the high utilization of the Anchorage computer transfer of workloads should only be considered in an emergency
- The agencies have responded to a capacity needs survey. The projected growth by agencies in FY89 is +12%

Tasks 2 and 4 are under way. The Service Centers have tuned their computers to allow maximum work flow. The agencies have been contacted and work has begun on tuning their applications. The results to date have been positive.

Task 5 should be considered only in an emergency as the Anchorage computer capacity study indicates a transfer of substantial workloads would cause an overload.

Task 7 is the halting of all new development and should only be considered as a business decision and critical need.

2-4-88

Meeting

**A Report to
The Alaska Legislature in Response to
Intent Language Regarding Telecommunications
in the
FY 88 Operating Budget**

January 1988

By

The Department of Administration, Division of Telecommunications
The House Special Committee on Telecommunications
The Alaska Public Broadcasting Commission
The Office of Management and Budget, Division of Policy

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EXECUTIVE SUMMARY

Legislative intent language inserted in the FY88 budget charged a review team from the Department of Administration, the House Special Committee on Telecommunications, the Alaska Public Broadcasting Commission, and the Division of Policy/Office of Management and Budget (OMB) with examining the existing Rural Alaska Television Network (RATNET) system, and public television, with the task of identifying cost efficiencies that might be implemented in the FY89 budget.

The legislature directed the review team to undertake eight specific tasks. The nature of these tasks, and the progress made on them to date, is summarized below:

1. Discussions between Alascom and OMB are on-going concerning the accuracy of assumptions made to develop expense versus saving estimates for four alternatives: State ownership of all earth stations (downlinks) comprising the RATNET system; competitive bid of the RATNET system; and two reduced rate options offered by Alascom.
2. A complete listing clarifying ownership and maintenance responsibilities for RATNET earth stations and related equipment is appended. The State is the owner of 102 small earth stations, Alascom of 146. The State also owns 248 RATNET low power television transmitters (LPTVs), and 235 LPTVs left inactive after funding for the LearnAlaska network was eliminated. Uplinks in Juneau and Anchorage, satellite transponders, and television operations

center time are leased from Alascom. Maintenance responsibilities are borne primarily by the Division of Telecommunications, but Alascom receives some funding from the State for minor repairs.

3. The State could easily transfer its licenses for the unused LearnAlaska LPTVs to local entities, or to a regional or private non-profit organization at the same time that title to equipment is transferred. A group or entity to accept the ownership responsibilities would have to be located or created. Local ownership would open up the feasibility of broadcasting local productions and video tapes, provided that commercial quality video cameras and tape recorders are purchased. An equity concern has been raised, however, regarding the benefit of such a transfer to quite small communities.

Retention of the licenses and LPTVs by the State would allow the State to take advantage of future satellite technologies which might permit increased service for present cost.

4. License transfers to local entities would open up the possibility of receiving alternative commercial broadcasting. There is at least one company that provides such programming to cable companies, and that would be willing to provide programming to local licensees for a relatively small fee. In order to enable access to different satellites, however, the purchase of small earth stations would be required in 146 locations where Alascom currently owns the earth station. The cost of each earth station is estimated at \$17,000 including installation.

If this service were used to replace the RATNET system entirely, rather than operate in conjunction with a RATNET system carrying solely public television, approximately \$600,000 more would be required to pay Alascom termination liability on those earth stations. This last option could create as many as 248 more independent local broadcasting facilities, and any benefits stemming from a statewide system would be precluded, e.g., statewide emergency broadcasting, instructional television, or data transmissions riding the video signal.

These types of services are under legal challenge regarding copyright. Alaska broadcasters believe rebroadcasting of imported signals by the proposed mini-tv stations would be piracy.

5. Assuming that commercial programming on RATNET were replaced with public television (PTV), a total of \$379,800 would be saved from the current RATNET budget and possibly \$27,000 from the current APBC budget.

Any broadcast of commercial programming over a PTV system would require the removal of all advertising, imposing an additional cost on the broadcasting station, if the removal of the advertising were even allowed by the commercial program producer.

Social costs also could be imposed. Unless some other source of commercial television were available, such as the options outlined in #4 above, viewers may not desire public television as their only viewing choice. Rural viewer participation in programming decisions would be lost with the elimination of the RATNET Board.

6. **KTUU, KIMO, and KTVA, Anchorage commercial broadcast stations using the State-owned Southcentral microwave network, were asked if they would be interested in paying an annual cost of approximately \$7,500 each to cover their portion of the microwave network's costs. The response was negative.**

- 7a. **Transfer of the KUAC-TV/FM (Fairbanks) licenses to a community entity would be possible if the University of Alaska at Fairbanks were to agree. Representatives of the University state that they wish to retain the licenses, however, and it appears there is little public pressure for such a transfer unless the University chooses not to continue funding for the stations. If it does, a community group is standing by ready to take over both stations.**

- 7b. **Use of telecommunications by the RATNET Board was discussed at the December 3 and 4 meeting. The Board's response is included as Appendix M.**

Two other potential alternatives for achieving additional cost efficiencies in the RATNET system are discussed in Section 8. The State could invest approximately \$3 million to replace earth stations presently leased from Alascom with State-owned equipment. About \$0.9 million could be saved annually in leasing costs under this alternative. If the uplinks and space segment of the system were then put to competitive bid, and a less expensive rate achieved, additional savings would be possible.

INTRODUCTION

The FY88 Operating budgets of the Department of Administration's Division of Telecommunications and the Alaska Public Broadcasting Commission contained the following intent language:

It is the intent of the Legislature that the Division of Telecommunications, the House Special Committee on Telecommunications, Alaska Public Broadcasting Commission, and Office of Management and Budget jointly review the Rural Alaska Television Network and Alaska Public Television System in an effort to identify cost efficiencies that may be incorporated into the FY89 budget. The review team should coordinate its efforts with the RATNET Board and the Corporation for Public Broadcasting. The Division shall present a report of its findings and recommendations to the Legislature no later than January 30, 1988.

It is further the intent of the Legislature that the review team take the following actions:

1. OMB shall enter into negotiations with Alascom in an attempt to reduce leasing costs associated with the RATNET and Southeast Microwave Systems.

2. Clarify ownership and maintenance obligations of all earth stations and related equipment comprising the RATNET system.
3. Review the ramifications of transferring FCC licenses for State-owned low power television transmitters not currently in use to local entities, of consolidating and transferring the licenses to a private non-profit entity, and of consolidating and retaining the licenses under State ownership.
4. Review alternatives and associated costs for communities to independently receive and pay for receiving commercial television through the use of State-owned low power television transmitters not currently in use.
5. Review alternatives and associated costs for communities to receive public broadcasting programming through the use of RATNET transmitters. Review commercial network syndicated programming that could be transmitted over this system without jeopardizing non-tariffed leasing rates, and determine the costs of the programming. Coordinate with the University of Alaska and the Department of Education to determine a cost-efficient and inexpensive means of broadcasting educational programs over the system.

6. Negotiate with those commercial stations that transmit programs through the Southcentral Microwave System in an attempt to have the stations defray the cost to the State of broadcasting the programs.

- 7a. Review the possibility of establishing a community-based organization to operate KUAC-TV/FM.

- 7b. The RATNET Board is to utilize teleconferencing in order to reduce costs.

REVIEW TEAM ACTIVITIES

Shortly after the beginning of FY88, representatives from the Division of Telecommunications, the House Special Committee, the APBC, and the Division of Policy/OMB met and agreed to research assignments necessary to create the report mandated by the above intent language. An outline of the tasks involved and the lead agency which was assigned to each task is included with this report as Appendix A.

The review team consisted of John Andrews, Commissioner of Administration; James J. Fox, Deputy Commissioner of Administration; Mel Hoversten, Director, Division of Telecommunications; Larry Pearson, University of Alaska Journalism

Professor, representing the House Special Committee on Telecommunications;
Charles Northrip, Executive Director, Alaska Public Broadcasting Commission; and
Joan Kasson, Division of Policy.

The team met in both in-person and teleconference sessions several times during the interim. Additional contacts were made with the RATNET Council, the University of Alaska, the State Department of Education, and the Corporation for Public Broadcasting*, as directed by the intent language.

The results of the team's work follow.

SECTION ONE

RATNET AND SOUTHEAST MICROWAVE RATE NEGOTIATIONS

Alascom was asked to review and comment on the alternatives discussed in Section Eight. Discussions on the accuracy of the assumptions are on-going. (Copies of correspondence are included as Appendix C.)

* The Corporation for Public Broadcasting offered expert assistance to the review team in the person of John P. Witherspoon of the Center for Communications of San Diego State University. See Appendix D for information on the Center. Mr. Witherspoon's assessment of the review team's work is included with others' comments in Appendix O.

The company was also asked if it would permit reduced rates for carrying the signal of KTOO, a noncommercial station, over the Southeast Alaska microwave network as encouraged by Congressional and Federal Communications Commission (FCC) intent. This intent is included as Appendix B and is further discussed in Section Five.

Alascom does not believe the intent is applicable to the Southeast microwave network even though the content of the transmissions is noncommercial. Its response:

It is our understanding that the intent of the referenced FCC order was to encourage common carriers to offer excess or "remaining" capacity to educational or public television providers at reduced rates. The southeast microwave channel was installed at the request of the state and specifically for one-way television service. It is not excess capacity on our network that could be used for other service. In fact, the only use it has is for one-way video.

Mr. Witherspoon disagrees that the Congressional and Federal Communications Commission (FCC) intent regarding free or reduced rates applied only to excess or "remaining" capacity. However, the language is permissive and only encourages the common carrier to offer more favorable rates for carrying noncommercial broadcasts. The final decision remains with the carrier.

SECTION TWO

OWNERSHIP AND MAINTENANCE OBLIGATIONS OF RATNET EARTH STATIONS AND RELATED EQUIPMENT

The RATNET signal originates in Anchorage, with some live transmissions originating in Juneau. Anchorage broadcasters provide programming from which the RATNET Board selects. Programs are uplinked, using Alascom facilities and personnel in those communities, to Alascom's satellite, Aurora. Alascom personnel at the Television Operations Center manage the provision of the service.

The signal is downlinked to 248 earth stations around the state. 146 of those earth stations are leased from Alascom. The remaining 102 earth stations are owned by the State.

In addition, the State owns 248 low power television transmitters (LPTVs) used to rebroadcast the RATNET signal from the earth station to receiving households. An additional 235 State-owned transmitters were left idle when LearnAlaska funding was eliminated.

The State Division of Telecommunications maintains all of the State-owned equipment. The State contracts with Alascom to provide maintenance to State-owned LPTVs, but this is limited to very minor work. Generally, Alascom employees simply remove the transmitters collocated in their facilities, ship them to

the Division of Telecommunications' shops for repair, and then replace them on their return.

A complete list indicating ownership and location of equipment, as well as maintenance responsibility, is attached as Appendix E.

SECTION THREE

LICENSING/OWNERSHIP POSSIBILITIES FOR STATE-OWNED LOW POWER TELEVISION TRANSMITTERS NOT CURRENTLY IN USE

Until the end of FY86, the State provided two channels of television to most rural communities in Alaska. The first channel was and continues to be known as the RATNET channel. The RATNET channel provides a mix of commercial and public television as selected by a representative seventeen-member council. (See Appendix N for by-laws, policy guidelines, and current membership of the RATNET Council.) The second State-provided channel was known as LearnAlaska. The LearnAlaska channel provided instructional programming, designed primarily for classroom use, throughout the broadcast day. Both the RATNET and LearnAlaska channels were distributed on separate satellite transponders to each rural community. In each community, an LPTV was used to broadcast the programs so that they could be received on conventional TV sets within each community.

At the end of FY86, the State cancelled its lease for the satellite transponder that had distributed LearnAlaska programming. As a result, the LPTVs in 235 locations no longer had a source of programming, so available channels of television in many locations dropped from two to one.

The State still holds title to and is the licensee of the LPTVs, which until July 1, 1986, distributed LearnAlaska programs throughout rural Alaska, even though the transmitters are no longer in operation. Therefore, no action is necessary for the State to remain in that position. The unused transmitters could be turned over to local community control or to the control of a regional or statewide concern for the purpose of making them available for the distribution of TV programming of the communities' own choosing.

If the State were to retain the licenses and the LPTVs, it could preserve the option of future use with new technologies that could provide additional programming at near the same cost of the current RATNET system alone. New satellite technologies now on the horizon are expected to offer the possibility of two or more channels of programming within technical parameters and costs now associated with one.

If the State should choose to transfer the licenses to local control or to a regional or statewide non-profit organization, to avoid any legal difficulties the State should, at the same time, transfer the licenses. Responsibility for meeting FCC rules and regulations should be in the same hands as control over broadcast content.

To avoid the same pitfall for ownership of the unused LPTVs and their licenses by a regional or statewide non-profit concern, a programming control system could be implemented. Without such a system, actual programming decisions would be made

at transmitter sites, and not by the licensee. Yet violations of equal time regulations, for example, would be held against the licensee (the non-profit), not the programmer.

The actual license transfer can be accomplished quite simply once an entity is found to take over the license obligation. This could be a school board, school, community council, village corporation, or anyone else willing and able to accept responsibility for meeting FCC mandates, and operating and maintaining the equipment. Both parties to the transfer sign a transfer application to be submitted to the FCC. The FCC approval process would likely take two to three months, but could take up to a year.

There are no fees for transfers or renewals if a governmental organization holds the license. A private non-profit would have to pay renewal fees of \$30 for each license (unless all programming was strictly educational). While the State currently handles most of the paperwork involved with renewals, making legal fees minimal, new license holders may need to contract for legal assistance before the FCC.

As noted above, new license holders would have to accept responsibility for FCC compliance and for maintenance, unless the State agreed to remain in some sort of support role. When RATNET was in its development stages, local communities were, in many cases, the licensees. The Division of Telecommunications found that many of the licensees were not complying with FCC rules for renewal and posting of licenses. The State sought to consolidate the licenses under one owner to simplify compliance. This was a voluntary process and, only a few are still held by local entities, e.g., the North Slope Borough, which wanted to retain ownership.

Once local communities or other entities are the owners/licensees of the currently unused LPTVs, local programming could be produced and aired on the transmitters. Some communities could presumably use the requisite video equipment owned by their community councils or schools. Many school districts, however, use less expensive half-inch, home-type video cameras and tape recorders. In order to broadcast local events, both camera and video cassette recorder must have output as certified by the National Television Standards Commission (NTSC). This commercial-type equipment generally utilizes three-quarter inch tape at a minimum. Estimated costs for purchasing this type of equipment follow:

- o Video camera with NTSC output: \$1,500 to \$3,000
- o Video cassette recorder with NTSC output in close proximity to the transmitter: \$600 to \$1,500
- o Time base corrector generator: \$3,000 to \$5,000

In 146 locations, the State-owned transmitters are collocated with Alascom equipment. In these communities, the former LearnAlaska transmitter would have to be moved out of Alascom space to another location suitable for broadcasting; thus, space, heating and power would be required.

Access to this equipment would allow council meetings, sporting events, or school activities to be televised. Such a process could help preserve bilingualism, native culture, etc., to a far greater degree than imported programs could provide.*

* In response to requests for increased bilingual/cultural programming, the RATNET Board at their December 3-4, 1987 meeting agreed to schedule one hour per week for programs of this nature approved by the Department of Education.

Nevertheless, local programming could hardly fill a complete daily broadcast schedule. Prerecorded tapes from the State film library or commercial suppliers could help complete that schedule. Unfortunately, the State film library estimates that the State owns broadcast rights to less than one-tenth of the library's film collection. The tapes for which the State does own broadcast rights are generally limited to Federal Aviation Administration produced tapes, and are likely to be of little general interest. The broadcasting of tapes without purchasing those rights could open the local programmers to charges of copyright violation.

A variant of this approach is advocated by Dan Johnson in his December 1986 report, "An Assessment of Current State Television Programming in Alaska, with Proposals for a New State Media Strategy." Mr. Johnson proposes establishing regional production centers to provide technical assistance to local producers and to act as clearinghouses for locally produced video tapes. Mr. Johnson estimates the cost of each such facility at \$50,000.

While local production does offer many social benefits, those benefits could only be enjoyed if the community had, to paraphrase Mr. A.G. Hiebert of Northern Television, the funds, the qualifications, and the inclination. Smaller villages could conceivably suffer compared to larger communities. (See Appendix O: letter from A.G. Hiebert, 1/8/88, page 6.)

A more ambitious approach to making live commercial/entertainment television available at each community's discretion is discussed in Section Four.

SECTION FOUR

COMMERCIAL/ENTERTAINMENT TV VIA LPTVs NOT CURRENTLY IN USE

If a community follows the procedures outlined in Section Three and becomes the owner/licensee of its own LPTV, then the potential of receiving and retransmitting live network television signals becomes a possibility. Many different program services are available by satellite, assuming the proper receiving equipment is used.

Two such services provide programming from all three major U.S. commercial networks, plus some independent stations and other services. The first of these is provided by CANCOM, a Canadian organization which receives, in Canada, American television signals, which originate in Detroit, and then transmits those signals via satellite to receivers throughout the U.S. and Canada. Some Alaska cable television systems utilize the CANCOM service. It is provided via the Canadian Anik satellite.

The second service is provided by Netlink U.S.A., a U.S. firm headquartered in Kirkland, Washington. Netlink utilizes an RCA Americom satellite. For illustrative services, this section of the report will utilize the Netlink service as an example of the programming that could be procured by local Alaska communities, which own their own LPTVs. Complete Netlink information concerning the various program services and costs is included in this report as Appendix F.

Netlink can provide up to six channels of television, including the three major U.S. commercial networks, independent stations, and other services. Since Netlink utilizes a satellite different from the one which provides the RATNET signal to rural Alaska, each community would have to purchase and install a satellite earth station which could receive signals from the Netlink satellite. The average cost for the purchase and installation of such a facility similar to State-owned earth stations is estimated conservatively to be about \$17,000, with some locales involving higher costs and some lower. (See Appendix G for cost-breakdown.) Less expensive equipment is available, but might entail higher maintenance costs or shorter useful life.

Since the proposed Netlink-type service is actually an over-the-air subscription service similar to cable, a lower cost option would entail permitting the transfer of licenses and equipment only to those communities without an alternative commercial television service to the current RATNET service, whether cable or over-the air. This would reduce required earth station purchases to 160 instead of 235. A list of those communities is attached as Appendix H. In addition to reducing required expenditures, this approach would avoid the issue of the State creating competitors for local broadcasters or cable television operators.

Each village could be expected to raise these funds itself; or, the State could provide a one-time grant to each community to capitalize the equipment, drawing on the savings generated by the first year or two of supplying public television over the current RATNET system. (Discussed in Section Five.)

Conversations with Netlink officials have resulted in a commitment by that firm to allow any Alaska community licensee to receive Netlink programming and choose, from among the six channels, a single channel or any combination of channels, up to the total six available (understanding, of course, that only one channel could be viewed at a time in any given community, since there is only one LPTV transmitter). The cost to each community for the Netlink service would be 64 cents per using household per month. Assuming an average community population of 300 and taking a conservative estimate of three persons per household, resulting in a net of 100 households, that cost would amount to a total of \$64 per month or \$768 per year per community. There would also be a one-time \$300 cost per community for a descrambling device.

A major advantage to this community-by-community approach to procuring network programming is that each individual community could make its own decisions by whatever process it chose regarding which network programs to view and in what order. Each community could also decide how much locally originated programming dealing with issues of local or regional importance would be included in each day's broadcast schedule. Decisions would have to be made regarding the location of the receive point for the incoming satellite signal. The location would have to be central and convenient for one or more individuals to actually shift the receiver from one network source to another as often as on a hour-to-hour basis. The Netlink programming is either on Mountain or Pacific time, meaning that all network programs are no more than one or two hours earlier than normal Alaska time.

A potential disadvantage to this approach stems from Alaska's size and location. Few commercial satellites have the "footprint" required to reach Barrow and the

Aleutian Chain. Should the programming source decide to use another satellite to reduce costs, for example, there is no guarantee that all the Alaska community-controlled LPTVs would be able to see the new satellite's signal.

In addition, the Alaska Broadcasters Association is on record opposing any importation of programming from outside of Alaska. Both services discussed above use imported signals. Rebroadcast of these signals could bring about piracy charges. Questions have also been raised as to the legality of similar types of service both in the federal courts and before the FCC. (See Appendix O: letters from A.G. Hiebert, 1/1/88, pp. 7-9, and Richard Zook, 12/30/87, p. 2.)

Local option television could also be provided without a RATNET system at all. In this case, the State could transfer ownership and license, not only to transmitters, either the RATNET or the LearnAlaska LPTVs, but also to the 102 State-owned earth stations. In this case, only the 146 Alascom-owned earth stations would need to be replaced at an average \$17,000 each as discussed above. An additional expenditure of \$1,700 for each, \$173,400 total, would be required to replace the current "Bush Format" receivers at the 102 State-owned earth stations sites, with "Standard Format" receivers. All other costs associated with leasing Alascom services and administering the network would end.

While this alternative would remove the State from the commercial television business, it would also preclude statewide broadcasting of any instructional television, emergency notification, data transfers, statewide public affairs or public safety programming, statewide Alaska news, or any other benefits derived from having a State network system. This decision could be expensive to reverse as well, since even though the State could retain title to one set of transmitters, all earth

stations would need to be replaced or leased to restart the network unless the local communities agreed to return them.

The State could transfer the entire RATNET system to a regional or private non-profit firm to operate and do nothing with the LearnAlaska equipment. Operating costs for the private firm could be slightly higher than current State-paid expenses due to maintenance. Presently, maintenance is performed by Division of Telecommunications personnel who are also responsible for maintaining other State communications equipment. Eliminating the necessity for maintenance of television related equipment is not expected to significantly decrease the Division's budget, perhaps only by as little as one and one-half persons.

SECTION FIVE

POTENTIAL COST SAVINGS VIA PUBLIC TELEVISION AND RATNET

The intent language required information on savings that could be achieved through transmitting public television over the RATNET system. In its simplest form, such a plan would offer some savings, although not without the probability of serious drawbacks.

The current RATNET arrangement requires an expenditure of \$329,800 per year to operate a tape delay center in Anchorage. \$50,000 per year also is spent on travel costs for the RATNET Council. Both of those expenditures could be saved if the regular programming of KAKM, the Anchorage PTV station, were substituted for the current RATNET service.

Such an approach would assure continued single-channel statewide television service and preserve the ancillary uses of the RATNET channel (Statewide Emergency Broadcast System notification; data transmission through the vertical blanking interval; public radio transmission on an audio subcarrier; and transmission of televised legislative and Governor's office reports). Almost all the bilingual/bicultural programming produced in Alaska originates on PTV stations. Use of this alternative would make that programming much more widely available. It would also open the possibility of more direct instructional programming from the Department of Education and the University of Alaska during daytime and weekend hours. Scheduling of instructional programming would impose no additional costs on a PTV network. Both the Department of Education and University are interested in pursuing these alternatives.

Additional savings would be possible, since the PTV service would be totally noncommercial. The Public Broadcasting Act of 1967 permits free or reduced rates to be charged by a common carrier for interconnection services provided for a noncommercial service. Included in this report as Appendix I is the text of the Public Broadcasting Act rate provision and excerpts from the committee report accompanying the Act, which indicate that a positive obligation rests with common carriers to provide such free or reduced rate service.

Alascom was asked to indicate the likelihood of reductions in rates currently being paid to Alascom if the content of the transmissions is noncommercial. While the company did not respond to this question directly, it did indicate its belief that the FCC and Congressional intent encouraging it to do so did not apply to the Southeast microwave network presently utilized by KTOO, a PTV station. As discussed in Section One, Alascom believes the intent should be applied only to excess capacity. While this interpretation is disputed, it is unknown whether Aurora, Alascom's satellite, has excess capacity.

Additional minor savings, perhaps as much as \$9,000 per station, could be accomplished at the three remaining public television stations in the State, if a complete PTV schedule could be agreed upon by each local station and if it were received at those locations, as well as at current RATNET sites. Currently, all four public television stations in Alaska must tape delay many network programs in order for them to air in Alaska at the proper time. If the KAKM signal were available, stations could air programs using the KAKM tape delay, and not incur the expense of pre-taping network programs individually at each location, each day.

Such an arrangement would hinder local programming choices at each PTV station, since identical programs would have to be shown at all locations simultaneously.

Studies were made of the possibility of a group buy of PBS programming by one station on behalf of all four Alaska stations. While such a group buy is possible, it would have the effect of disqualifying the remaining three stations from PBS membership and would eliminate them as stations qualified to receive funds from the Federal Corporation for Public Broadcasting. The loss of Federal income at the three stations would result in a net loss of income which could not be made up by

any savings achieved through a PBS group buy. Included in this report as Appendix J are letters from PBS charting those various cost alternatives and indicating a best case total net loss of \$186,037 per year.

While all of the above savings are possible, there are complicating circumstances which raise serious questions as to the advisability of pursuing this alternative. The current RATNET system provides daily Alaska newscasts from commercial stations in Anchorage to all of rural Alaska. These newscasts carry commercials. While public television would be willing to tape one of the newscasts each night, expunge all commercials and then replay the newscast over the RATNET system, it is not likely that the commercial station would allow such a use of its programs, since it would have lost all commercial value.

More importantly, it must be noted that public television as it is seen in Anchorage, Fairbanks, Juneau, and Bethel is designed as alternative programming to regular commercial fare. If the RATNET system ceases to deliver commercial programming and, instead, delivers public television programming, a majority of the current communities serviced by RATNET would be receiving only an alternative with no conventional commercial programming to provide balance. It is probably an understatement to say that such a decision would be unpopular in the eyes of many people in rural Alaska. Also, the loss of the RATNET Council, through the elimination of its budget, would create the loss of rural participation in program decisions. Such a change has wide ranging policy ramifications. Savings are possible, but not without a significant change in the present philosophy of program choice.

Some of those savings would be lost if the public television service were modified to provide a commercial-free Anchorage newscast each day. The costs of recording, removing commercials, and replaying the program only for the rural system would require separate and additional activities at KAKM beyond what its current broadcast schedule requires because KAKM would have to generate a separate rural-only program service during those times in addition to its Anchorage PTV service. Any other nationally syndicated programs (feature film packages, etc.) which might be added to the rural service to make it less a traditional public television service would also require additional expenditures on the part of KAKM for the same reason and, therefore, would reduce the potential \$379,800 per year saving from the current RATNET budget.

If another means could be provided for the delivery of national network commercial programming to rural Alaska, then this alternative could be more appealing. Such a possibility is explored in Sections Three and Four above.

SECTION SIX

COMMERCIAL STATION PAYMENT FOR SOUTHCENTRAL MICROWAVE SYSTEM

The State-owned and operated Southcentral Alaska microwave network is actually two networks. One network serves the Turnagain Arm region including Bird Point, Indian, Girdwood, and Hope. The second network spans the area between Sterling

and Seldovia. The two networks are used by numerous State agencies such as the Department of Public Safety and the Department of Transportation and Public Facilities.

In addition to servicing these agencies' communication needs, the networks carry the television signals of four Anchorage television stations to residents in these regions without cost to the stations. The Division of Telecommunications estimates that the annual operating cost of providing the television service, over and above communication needs, is \$30,000.

The three Anchorage commercial stations who use the network were asked if they would be willing to contribute one-fourth, \$7,500 each, of the annual operating costs. The management of two of the stations responded negatively. No response was received from the third station.

Northern Television (KTVA) argues that Anchorage broadcasters donated licenses and equipment to the State when the microwave systems were installed. The Alaska Network (KIMO) notes that advertisers cannot provide enough revenue to cover the service given the population being served. Both companies argue that if the State will not continue to pay for the service, local communities who receive it should. (See Appendix K: letters from A.G. Hiebert, 1/6/88, p. 3, and Richard Zook, 12/30/87, p. 2.)

SECTION SEVEN A

THE POSSIBILITY OF A COMMUNITY LICENSEE FOR KUAC-TV/FM

KUAC-TV/FM is the oldest public broadcast licensee in Alaska. The University of Alaska applied for and received a license for KUAC-FM in 1962.

The University has been in the forefront of public broadcast development. In the early years of the Alaska Public Broadcasting Commission, the University provided free office space and other support to that new State agency. After establishing the first public radio station in 1962, the University established the State's first public television station in 1971.

It is possible for a community based non-profit corporation to become the licensee for KUAC-TV/FM. The Federal Communications Commission has an established procedure for the transfer of station licenses from one entity to another. It is a somewhat long and cumbersome process, although not as difficult as establishing a new station. At least one year should be anticipated for necessary FCC license transfer paperwork.

The FCC transfer procedure, however, is only used in those instances where the current holder of a license and the prospective receiver of the license transfer have both agreed on the transfer. If a current license holder is unwilling to transfer the

license, the FCC would not force such a transfer. A new prospective licensee could petition the FCC to deny the renewal of the two station licenses at the next license renewal period and further request the FCC to award the licenses to the new entity. The FCC would receive the petition and would consider it. Given the University's long history of public radio and television stewardship, and the obvious successes of both stations, however, it is unlikely that the FCC would deny regular license renewal to the University.

The University has indicated, through the Chancellor of the Fairbanks campus and the Dean of the College of Liberal Arts, that it wishes to retain the licenses for both stations and that it wishes to continue supporting both stations, particularly in terms of integrating station activities with the University's academic programs.

Interested Fairbanks citizens have drafted Articles of Incorporation and have created a non-profit corporation that could serve as the licensee for KUAC, should the University ever wish to divest itself of the stations. The local group is clearly concerned about and supportive of both stations. The expressed desire of the group, however, is for the stations to stay under University ownership as long as adequate and reliable support is provided through that institution. It should be noted, however, that there is concern among interested community members that the University's expressions of support are tenuous and could change if revenues decrease.

One "middle ground" position on this issue is the possibility of a service contract between the University and a local non-profit corporation, which would allow the non-profit to operate the stations under a contract with the University. The University would provide space and other services and, perhaps, pay a fee for

instructional services, while the corporation could establish separate pay scales and hiring procedures for the stations and conduct local fund raising and receive Federal and APBC funds. A sample of one such contract is included in this report as Appendix L.

The avenues through which KUAC receives its State funds changed in FY88, in that two-thirds of its State support now comes through the Alaska Public Broadcasting Commission and one-third directly through the University budget. In previous years, all of the stations' State support flowed directly through the University budget. The current arrangement offers slightly less job security to those KUAC staff members who are paid from the APBC grant, since the University has no way of being assured of grants from the APBC in subsequent years. On the other hand, the provision of two-thirds of the stations' State support from the APBC assures the stations that the University must spend those funds on the stations and could not reassign them to other uses, as could be done with the funds provided directly through the University. The arrangement also has the effect of broadening the stations' base of State support from one source to two, even though the total available to the stations in FY88 is less than what they received in FY87.

In summary, while it is possible for the KUAC licenses to be transferred to a community group, a successful transfer is primarily dependent on the University's willingness to be party to such a transfer. As long as the University continues to demonstrate its ability to act as a responsible and supportive licensee, it is unlikely that any request for a transfer or petition to deny renewal of the KUAC licenses would succeed.

SECTION SEVEN B

RATNET BOARD UTILIZE TELECOMMUNICATION

See Appendix M for the RATNET Board's response.

SECTION EIGHT

OTHER ALTERNATIVES TO IMPROVE COST EFFICIENCY OF THE RATNET SYSTEM

As has been discussed in more detail in other sections of this report, the costs of operating the RATNET system can be allocated to State-provided services, and contractual services provided by Alascom. The rates the State must pay Alascom are governed by FCC tariff. The State currently pays about \$2.2 million annually to Alascom for RATNET operations. (See Table A: "Status Quo".)

The State could invest an estimated \$2.8 to \$3 million to purchase and install equipment, and pay basic termination liability (BTL) to replace the 146 Alascom-owned downlink earth stations with State-owned equipment. As Tables B and C show, the State would recover its investment after four years by saving

approximately \$0.9 million annually in Alascom leasing costs. These two alternatives assume current Alascom rates for transponder time, uplink services in Juneau and Anchorage, and TV Operations Center services. Table C simply assumes an accelerated installation schedule.

Costs for State-provided services are not expected to increase. The Division of Telecommunications believes it could accomplish maintenance of additional earth stations, and take over maintenance of LPTVs which Alascom may presently service, within the Division's existing budget. The Division already travels to many of these locations to service other equipment, e.g., antenna systems.

Alascom would, of course, no longer be providing space and power for the earth stations and LPTVs. When the original 102 State-owned earth stations were installed, the State notified communities that if they wanted RATNET service, the community would need to provide for these necessities. This same condition could be imposed at the 146 sites where the State presently leases earth station services from Alascom.

Under these options, once the State owns the complete downlink system, earth stations and transmitting equipment, further savings may be possible through the competitive bid of uplink and satellite transponder services.

As the RATNET system is currently configured, the Alascom-owned earth stations must be able to see Aurora, Alascom's satellite, to provide telephone service. Installation of another earth station, State-owned, in each location solely for television reception would permit viewing of any available satellite. Division of Telecommunication research has, to date, found one other vendor with satellite

service available to all sites presently receiving RATNET, General Communications, Inc. (GCI). The Division is continuing to explore other alternatives.

With this flexibility, the State could seek competitive bids for the rest of the RATNET operations. GCI was asked, for comparison purposes, if it could provide equivalent service to that provided by Alascom, and if so, at what rate. GCI believes that it can. Tables D and E show the savings to the State over the status quo if GCI's estimated rates for transponder time and Juneau and Anchorage uplinks were a successful bid. (GCI did not believe a TV Operations Center was necessary.) The annual savings after the hypothetical switch in vendors increases to \$1.25 million, and the earth station investment is recovered after three years with the accelerated installation schedule depicted in Table E.

Each of these scenarios maintains the current RATNET service from the standpoint of the RATNET viewer. The former LearnAlaska transmitters remain unused. The choices posed in the previous sections remain. Putting the uplink and space segments of the service to competitive bid permits rates to be set by the market. Even if Alascom were the only supplier, given the current leasing rates charged the State for downlink earth stations, substantial savings are still possible.

The major negative ramification remains the required \$2.8 to \$3 million one-time capital investment.

CONCLUSION

Table F summarizes each alternative discussed in this report. Which alternative, or combination of alternatives, would be best depends on what criteria decision-makers wish to use.

Maximum monetary savings to the State can be achieved by dismantling the RATNET system. Maximum service is possible by selecting alternatives that retain a system-oriented approach, and use both sets of LPTVs that the State now owns. Maximum flexibility can be had by replacing Alascom-owned earth stations with State-owned ones, since this maintains a system approach, but permits control over, and market choice of, which satellites can be utilized to provide service.

Discussion drafts of this report were sent to a number of interested parties for review and comment. Those comments are included as Appendix O, and incorporated into the report where appropriate.

The emphasis of this report has been the gathering and synthesizing of information to assist the legislature and administration in decision-making. Many options are available for reducing, improving, or changing current services and the prices now being paid for them. It is hoped that the report makes all of the advantages, disadvantages, and trade-offs involved understandable and evident to the policy makers concerned.

TABLE A**STATUS QUD**

	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>
Transponder	879,996	879,996	879,996	879,996	879,996	879,996
Uplinks	153,144	153,144	153,144	153,144	153,144	153,144
ETV Downlinks	1,002,144	1,002,144	1,002,144	1,002,144	1,002,144	1,002,144
ETV Maint.	48,000	48,000	48,000	48,000	48,000	48,000
TV Oper. Center	76,128	76,128	76,128	76,128	76,128	76,128
Total Annual Costs:	2,159,412	2,159,412	2,159,412	2,159,412	2,159,412	2,159,412

TABLE B

ALTERNATIVE #1-A * - (State Purchase Of Earth Stations/Alascom System Costs)

	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>
Purch., Btl, Install., Maint., & Lease:	1,050,144	1,680,499	1,289,765	859,646	0	0
Depreciation:	0	37,125	74,250	108,405	108,405	108,405
Transponder:	879,996	879,996	879,996	879,996	879,996	879,996
Uplinks:	153,144	153,144	153,144	153,144	153,144	153,144
TV Oper. Center:	76,128	76,128	76,128	76,128	76,128	76,128
Total Annual Cost:	2,159,412	2,826,892	2,473,283	2,077,319	1,217,673	1,217,673

Total Investment:
(Purchase + Install. + BTL) 2,808,537

	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>
Savings:	0	(667,480)	(313,871)	82,093	941,739	941,739
Cumulative Savings:		(667,480)	(981,351)	(899,258)	42,481	984,220
Breakeven Point:	FY93					

* Assumes that purchase and installation costs, as well as BTL's, are incurred according to the following schedule: 50 earth stations in FY90, 50 in FY91, and the remaining 46 in FY92.

TABLE C

ALTERNATIVE #1-B * - (State Purchase Of Earth Stations/Alascom System Costs)
 Accelerated Installation

	FY89	FY90	FY91	FY92	FY93	FY94
Purch., Btl, Install.,						
Maint., & Lease:	1,550,825	1,962,795	455,040	0	0	0
Depreciation:	26,730	92,070	108,405	108,405	108,405	108,405
Transponder:	879,996	879,996	879,996	879,996	879,996	879,996
Uplinks:	153,144	153,144	153,144	153,144	153,144	153,144
TV Oper. Center:	76,128	76,128	76,128	76,128	76,128	76,128
Total Annual Cost:	2,686,823	3,164,133	1,672,713	1,217,673	1,217,673	1,217,673

Total Investment: 3,019,215
 (Purchase + Install. + BTL)

	FY89	FY90	FY91	FY92	FY93	FY94
Savings:	(527,411)	(1,004,721)	486,699	941,739	941,739	941,739
Cumulative Savings:		(1,532,132)	(1,045,433)	(103,694)	838,045	1,779,784
Breakeven Point:	FY93					

* Assumes that purchase and installation costs, as well as BTL's, are incurred according to the following schedule: 36 earth stations in FY89 (25%), 88 in FY90 (60%), and 22 in FY91 (10%).

TABLE D

ALTERNATIVE #2A* - (State Purchase Of Earth Stations/GCI Estimated System Costs)

	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93**</u>	<u>FY94</u>
Purch., Btl, Install.,						
Maint., & Lease:	1,050,144	1,680,499	1,289,765	859,646	0	0
Depreciation:	0	37,125	74,250	108,405	108,405	108,405
Transponder:	879,996	879,996	879,996	879,996	720,000	720,000
Uplinks:	153,144	153,144	153,144	153,144	84,000	84,000
TV Oper. Center:	76,128	76,128	76,128	76,128	0	0
Total Annual Cost:	2,159,412	2,826,892	2,473,283	2,077,319	912,405	912,405

Total Investment: 2,808,537
 (Purchase + Install. + BTL)

	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>
Savings:	0	(667,480)	(313,871)	82,093	1,247,007	1,247,007
Cumulative Savings:		(667,480)	(981,351)	(899,258)	347,749	1,594,756
Breakeven Point:					FY93	

* Assumes that purchase and installation costs, as well as BTL's, are incurred according to the following schedule: 50 earth stations in FY90, 50 in FY91, and the remaining 46 in FY92. GCI estimate effective 7/1/92.

** Costs are the same as Alternative #1A until FY93, since the system could not go to bid until all Alascom-owned earth stations are replaced.

TABLE E

ALTERNATIVE #2B* - (State Purchase Of Earth Stations/GCI Estimated System Costs)
 Accelerated Installation

	FY89	FY90	FY91	FY92**	FY93	FY94
Purch., Btl, Install., Maint., & Lease:	1,550,825	1,962,795	455,040	0	0	0
Depreciation:	26,730	92,070	108,405	108,405	108,405	108,405
Transponder:	879,996	879,996	879,996	799,998	720,000	720,000
Uplinks:	153,144	153,144	153,144	118,572	84,000	84,000
TV Oper. Center:	76,128	76,128	76,128	38,064	0	0
Total Annual Cost:	2,686,823	3,164,133	1,672,713	1,065,039	912,405	912,405

Total Investment: 3,019,215
 (Purchase + Install. + BTL)

	FY89	FY90	FY91	FY92	FY93	FY94
Savings:	(527,411)	(1,004,721)	486,699	1,094,373	1,247,007	1,247,007
Cumulative Savings:		(1,532,132)	(1,045,433)	48,940	1,295,947	2,542,954
Breakeven Point:				FY92		

* Assumes that purchase and installation costs, as well as BTL's, are incurred according to the following schedule: 36 earth stations in FY89 (25%), 88 in FY90 (60%), and 22 in FY91 (10%). GCI estimate effective 1/1/92.

** Costs are the same as Alternative #1B until mid-FY92, since the system could not go to bid until all Alascom-owned earth stations are replaced.

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

TABLE E

ALTERNATIVE #2B* - (State Purchase Of Earth Stations/GCI Estimated System Costs)
 Accelerated Installation

	FY89	FY90	FY91	FY92**	FY93	FY94
Purch., Btl, Install.,						
Maint., & Lease:	1,550,825	1,962,795	455,040	0	0	0
Depreciation:	26,730	92,070	108,405	108,405	108,405	108,405
Transponder:	879,996	879,996	879,996	799,998	720,000	720,000
Uplinks:	153,144	153,144	153,144	118,572	84,000	84,000
TV Oper. Center:	76,128	76,128	76,128	38,064	0	0
Total Annual Cost:	2,686,823	3,164,133	1,672,713	1,065,039	912,405	912,405

Total Investment: 3,019,215
 (Purchase + Install. + BTL)

	FY89	FY90	FY91	FY92	FY93	FY94
Savings:	(527,411)	(1,004,721)	486,699	1,094,373	1,247,007	1,247,007
Cumulative Savings:		(1,532,132)	(1,045,433)	48,940	1,295,947	2,542,954
Breakeven Point:	FY92					

* Assumes that purchase and installation costs, as well as BTL's, are incurred according to the following schedule: 36 earth stations in FY89 (25%), 88 in FY90 (60%), and 22 in FY91 (10%). GCI estimate effective 1/1/92.

** Costs are the same as Alternative #1B until mid-FY92, since the system could not go to bid until all Alascom-owned earth stations are replaced.

TABLE F

SUMMARY OF ALTERNATIVES

OPTION	OWNERSHIP			LICENSES		REQUIRED INVESTMENT		OPERATING COSTS	
	Earth Station	RATNET LPTVs	LA LPTVs	RATNET LPTVs	LA LPTVs	STATE	OTHER	STATE (Annual)	OTHER
I.									
Status quo (Sec. 2)	146 Alascom 102 State	248 State	235 State	248 State	235 State		NA	\$2.27 million	NA
II.									
Local Production and Broadcast Only Using LearnAlaska LPTVs (Sec. 3)	146 Alascom 102 State	248 State	235 Local	248 State	235 Local	0	\$95,100 - \$9,500 video camera, VCR, time base corrector	0	space, power, heat
III.									
Local Production and Broadcast Only with Regional Production Centers (Sec. 3)		Same as II		Same as II		0	\$50,000 estimated	0	Unknown

OPTION -----	MAINTENANCE RESPONSIBILITY -----	SAVINGS TO STATE ----- (Annual)	ADVANTAGES -----	DISADVANTAGES -----
	RATNET LA			
I. Status quo (Sec. 2)	State	NA	EBS, statewide news, data transmission, public affairs, and other programs of statewide interest that only a system can provide.	Little programming flexibility; Programs must be of general interest to majority of RATNET constituency.
II. Local Production and Broadcast Only Using LearnAlaska LPTVs (Sec. 3)	State *Other	0	Program choice closer to viewer; permits broadcasting of events of local interest (e.g., school activities, fishing reports); encourage preservation bilingual and native culture; does not use RATNET LPTVs or earth stations.	Difficult to fill schedule with only local events and alternative videotape sources limited; may be impractical for smaller villages.
III. Local Production and Broadcast Only with Regional Production Centers (Sec. 3)	Same as II	0	Broaden availability of videos by providing central location to bicycle tapes among communities; improve production technical capabilities; allow regional emphasis.	

OPTION	OWNERSHIP			LICENSES		REQUIRED INVESTMENT		OPERATING COSTS	
	Earth Station	RATNET LPTVs	LA LPTVs	RATNET LPTVs	LA LPTVs	STATE	OTHER	STATE (Annual)	OTHER
IV.									
Netlink System plus RATNET-type System (Sec. 4)	146 Alascom 102 State 235 local or 160**	248 State	235 Local	248 State	235 Local		\$17,000 per earth station \$300 per community for descrambler		space, power, heat, \$768 annual subscription per community
V.									
Netlink System without RATNET-type System (Sec. 4)	248 Local (Could transfer either set of transmitters and equivalent number of earth stations.)	235 State	248 Local	One set State and one set local. See cell to left.			\$17,000 per earth station (146 total) \$300 per community for descrambler \$1,700 per receiver (102 total)	0	Maintenance, space, heat, power; possibly legal.
VI.									
Public Television Over RATNET (Sec. 5)	146 Alascom 102 State	248 State	235 State	248 State	235 State	0		NA	\$1.9 million NA

OPTION -----	MAINTENANCE RESPONSIBILITY -----		SAVINGS TO STATE -----	ADVANTAGES -----	DISADVANTAGES -----
	RATNET	LA	(Annual)		
IV. Netlink System plus RATNET-type System (Sec. 4)	State	*Local	0	Six tv channels to choose from; local programming deci- sions.	Supply of Netlink-type services limited; broadcasters oppose; could bring charges of piracy.
V. Netlink System without RATNET-type System (Sec. 4)	One set of LPTVs	Earth stations and one set of LPTVs.	\$2.27 million	Removes the State from tv provision; same as IV above.	Prohibit statewide ITV, EBS, data transfers, public affairs; for public safety programming and would be difficult to reverse action; capital expenditure required; same as IV above.
VI. Public Television Over RATNET (Sec. 5)	State	NA	\$406,800 maximum	Preserve system uses (See I); possible additional ITV; may be additional savings from reduced rates.	May not be able to broadcast commercial productions of news and entertainment; PTV designed as alternative to commercial tv; viewers may not like switch; lose rural parti- cipation in program selection. Capital expenditure required.

OPTION	OWNERSHIP			LICENSES		REQUIRED INVESTMENT		OPERATING COSTS	
	Earth Station	RATNET LPTVs	LA LPTVs	RATNET LPTVs	LA LPTVs	STATE	OTHER	STATE (Annual)	OTHER
VII. State Ownership of All Earth Stations (Sec. 8)	146 State	248 State	235 State	State	State	93 million purchase, install, and btis (estimated)	NA	91.4 million	NA
VIII. Competitive Bid of RATNET System (Sec. 8)	Same as VII			Same as VII		Same as VII		1.02 million (estimated by potential third-party vendor)	NA

Source: Division of Policy, Office of the Governor

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OPTION	MAINTENANCE RESPONSIBILITY		SAVINGS TO STATE	ADVANTAGES	DISADVANTAGES
	RATNET	LA	(Annual)		
VII. State Ownership of All Earth Stations (Sec. 8)	State		90.9 million	All other alternatives in table remain possible.	Capital expenditure required.
VIII. Competitive Bid of RATNET System (Sec. 8)	State		\$1.25 million using estimates from potential third-party vendor	Same as VII	Same as VII

* May be funded by State grant.

** Only communities without an alternative source of commercial tv would be eligible.

APPENDIX A

**FY'88 BUDGET LEGISLATIVE INTENT OUTLINE:
SHARED ASSIGNMENT FOR APBC AND TELECOMMUNICATIONS DIVISION**

Review Team: Division of Telecommunications
House Special Committee on Telecommunications
Alaska Public Broadcasting Commission
Office of Management and Budget

Reviews: RATNET and Alaska PTV system to identify cost efficiencies for FY'89 and report by January 30, 1988.

(Coordinate efforts with RATNET Board and CPB)

<u>Lead Agency</u>	<u>Actions to be taken by review team:</u>
OMB/DOA	1. OMB negotiate with Alascom for reduced costs for RATNET and S.E. microwave.
Div. of Tel.	2. Clarify ownership and maintenance obligations of all earth stations and related equipment in RATNET system. (also other earth stations?)
OMB/Dept. of Law/APBC	3. Review ramifications of transfer of ex-LearnAlaska LPTV licenses to: A. Local communities or non-profits B. A Statewide (or regional?) non-profit entity C. or retaining all under State control
APBC/OMB	4. Set out means and costs for entities in 3A or B to pay for and receive commercial television through former LearnAlaska facilities.
APBC	5. Set out means and costs for delivering PTV over the RATNET system, including savings over current arrangements and, A. Determine what, if any, commercial programming could be transmitted over the system without jeopardizing a reduced transponder use rate, in accordance with the Public Broadcasting Act of 1967. B. Determine what, if any, syndicated programming could be similarly transmitted. C. Determine the costs, if applicable, of A and B, above. D. Determine a cost efficient and inexpensive means of transmitting educational programs over the system. E. Coordinate with Department of Education and University of Alaska in determining D, above.
OMB	6. Negotiate with Anchorage commercial TVs to attempt to get them to pay part or all of costs of Southcentral microwave.
Div. of Tel.	7. RATNET Board should use teleconferencing to reduce travel costs.
APBC	7. Review the possibility of establishing a community-based organization to operate KUAC-TV/FM.

APPENDIX B

1 DEPARTMENT OF ADMINISTRATION (CONT.)		2 APPROPRIATION APPROPRIATION FUND SOURCES		
	3 ALLOCATIONS	4 ITEMS	5 GENERAL FUND	6 OTHER FUNDS
7 PERSONNEL (53 POSITIONS)	1,022,100			
8 PRODUCTIVITY IMPROVEMENT CENTER (4 POSITIONS)	270,000			
9 LABOR RELATIONS (11 POSITIONS)	663,400			
10 FINANCE (40 POSITIONS)	2,304,300			
11 PURCHASING (25 POSITIONS)	1,102,200			
12 IT IS THE INTENT OF THE LEGISLATURE THAT THE DEPARTMENT,				
13 WHEN APPROPRIATE, GIVE PRIORITY CONSIDERATION TO THE				
14 CONNECTICUT INDUSTRIES PROGRAM BEFORE OUT OF STATE				
15 PURCHASES ARE MADE.				
16 PROPERTY MANAGEMENT (8 POSITIONS)	349,300			
17 CENTRAL DUPLICATING AND MAIL (29 POSITIONS)	2,022,300			
18 ARCHIVES (10 POSITIONS)	466,400			
19 RETIREMENT AND BENEFITS (64 POSITIONS)	4,062,000			
20 RETIREMENT INCENTIVE OPERATIONS	133,000			
21 LABOR RELATIONS AGENCY	65,600			
22 RAILROAD LABOR RELATIONS AGENCY	25,000			
23 ALASKA PUBLIC OFFICES COMMISSION (10 POSITIONS)		533,300	530,300	3,000
24 RISK MANAGEMENT (7 POSITIONS)		22,124,000		22,124,000
25 INFORMATION RESOURCE MANAGEMENT		19,199,600	14,973,000	4,226,600
26 INFORMATION RESOURCE MANAGEMENT (68 POSITIONS)	11,632,700			
27 TELECOMMUNICATIONS OPERATIONS (50 POSITIONS)	4,919,600			
28 RURAL ALASKA TELEVISION NETWORK (6 POSITIONS)	2,647,300			
29 IT IS THE INTENT OF THE LEGISLATURE THAT THE DIVISION OF				
30 TELECOMMUNICATIONS, THE HOUSE SPECIAL COMMITTEE ON				

1 DEPARTMENT OF ADMINISTRATION (CONT.)		2 APPROPRIATION APPROPRIATION FUND SOURCES		
	3 ALLOCATIONS	4 ITEMS	5 GENERAL FUND	6 OTHER FUNDS
7 TELECOMMUNICATIONS, ALASKA PUBLIC BROADCASTING				
8 COMMISSION, AND OFFICE OF MANAGEMENT AND BUDGET JOINTLY				
9 REVIEW THE RURAL ALASKA TELEVISION NETWORK AND ALASKA				
10 PUBLIC TELEVISION SYSTEM IN AN EFFORT TO IDENTIFY COST				
11 EFFICIENCIES THAT MAY BE INCORPORATED INTO THE FY89				
12 BUDGET. THE REVIEW TEAM SHOULD COORDINATE ITS EFFORTS				
13 WITH THE RATHET BOARD AND THE CORPORATION FOR PUBLIC				
14 BROADCASTING. THE DIVISION SHALL PRESENT A REPORT OF				
15 ITS FINDINGS AND RECOMMENDATIONS TO THE LEGISLATURE NO				
16 LATER THAN JANUARY 30, 1990.				
17 IT IS FURTHER THE INTENT OF THE LEGISLATURE THAT THE				
18 REVIEW TEAM TAKE THE FOLLOWING ACTIONS:				
19 1. ONE SHALL ENTER INTO NEGOTIATIONS WITH ALASCOM IN AN				
20 ATTEMPT TO REDUCE LEASING COSTS ASSOCIATED WITH THE				
21 RATHET AND SOUTHEAST MICROWAVE SYSTEM.				
22 2. CLARIFY OWNERSHIP AND MAINTENANCE OBLIGATIONS OF ALL				
23 EARTH STATIONS AND RELATED EQUIPMENT COMPRISING THE				
24 RATHET SYSTEM.				
25 3. REVIEW THE RAMIFICATIONS OF TRANSFERRING FCC				
26 LICENSES FOR STATE-OWNED LOW POWER TELEVISION				
27 TRANSMITTERS NOT CURRENTLY IN USE TO LOCAL ENTITIES, OF				
CONSOLIDATING AND TRANSFERRING THE LICENSES TO A PRIVATE				
NON-PROFIT ENTITY, AND OF CONSOLIDATING AND RETAINING				
THE LICENSES UNDER STATE OWNERSHIP.				

1 DEPARTMENT OF ADMINISTRATION (CONT.)

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4 BROADCASTING COMMISSION FOR KAC-10/PM AT THE UNIVERSITY

5 OF ALASKA, FAIRBANKS.

6 IT IS THE INTENT OF THE LEGISLATURE THAT THE DIVISION OF

7 TELECOMMUNICATIONS, THE HOUSE SPECIAL COMMITTEE ON

8 TELECOMMUNICATIONS, ALASKA PUBLIC BROADCASTING

9 COMMISSION, AND OFFICE OF MANAGEMENT AND BUDGET JOINTLY

10 REVIEW THE GREAT ALASKA TELEVISION NETWORK AND ALASKA

11 PUBLIC TELEVISION SYSTEM IN AN EFFORT TO IDENTIFY COST

12 SAVING OPPORTUNITIES THAT MAY BE INCORPORATED INTO THE PBS

13 BUDGET. THE REVIEW TEAM SHOULD COORDINATE ITS EFFORTS

14 WITH THE BUREAU OF REVENUE AND THE COMMISSION FOR PUBLIC

15 BROADCASTING. THE DIVISION SHALL PRESENT A REPORT OF

16 ITS FINDINGS AND RECOMMENDATIONS TO THE LEGISLATURE NO

17 LATER THAN JANUARY 30, 1968.

18 IT IS FURTHER THE INTENT OF THE LEGISLATURE THAT THE

19 REVIEW TEAM TAKE THE FOLLOWING ACTIONS:

20 1. ONE SHALL ENTER INTO NEGOTIATIONS WITH ALASKA IN AN

21 ATTEMPT TO SECURE LEASING COSTS ASSOCIATED WITH THE

22 CABLE AND SATELLITE NETWORK SYSTEMS.

23 2. CLARIFY OWNERSHIP AND MAINTENANCE OBLIGATIONS OF ALL

24 CABLE STATIONS AND RELATED EQUIPMENT COMPRISING THE

25 CABLE SYSTEM.

26 3. REVIEW THE APPLICATIONS OF TRANSMITTING FCC

27 LICENSES FOR STATE-OWNED LONG-DISTANCE TELEVISION

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ALLOCATION APPROPRIATION APPROPRIATION FUND SOURCE

1 DEPARTMENT OF ADMINISTRATION (CONT.)

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4 4. REVIEW ALTERNATIVES AND ASSOCIATED COSTS FOR

5 COMMUNITIES TO INCORPORATE RECEIVE AND PAY FOR

6 RECEIVING COMMERCIAL TELEVISION THROUGH THE USE OF

7 STATE-OWNED LONG-DISTANCE TELEVISION TRANSMITTERS NOT

8 CURRENTLY IN USE.

9 5. REVIEW ALTERNATIVES AND ASSOCIATED COSTS FOR

10 COMMUNITIES TO RECEIVE PUBLIC BROADCASTING PROGRAMMING

11 THROUGH THE USE OF BUREAU TRANSMITTERS. REVIEW

12 COMMERCIAL NETWORK BROADCASTING PROGRAMMING THAT COULD BE

13 TRANSMITTED OVER THIS SYSTEM WITHOUT JEOPARDIZING

14 NON-FEDERATED LEASING RATES, AND DETERMINE THE COSTS OF

15 THE PROGRAMMING. COORDINATE WITH THE UNIVERSITY OF

16 ALASKA AND THE DEPARTMENT OF EDUCATION TO DETERMINE A

17 COST-EFFECTIVE AND INCLUSIVE MEANS OF BROADCASTING

18 EDUCATIONAL PROGRAMS OVER THE SYSTEM.

19 6. NEGOTIATE WITH THOSE COMMERCIAL TELEVISION STATIONS

20 THAT TRANSMIT PROGRAMS THROUGH THE BUREAU NETWORK

21 MICROPHONE SYSTEM IN AN ATTEMPT TO HAVE THE STATIONS

22 BEAR THE COST TO THE STATE OF BROADCASTING THE

23 PROGRAMS.

24 7. THE BUREAU SHALL UTILIZE TELECOMMUNICATIONS

25 WHENEVER POSSIBLE TO REDUCE TRAVEL COSTS.

26 PUBLIC BROADCASTING COMMISSION

27 THE SUM OF 9946,624 IS APPROPRIATED TO THE ALASKA PUBLIC

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ALLOCATION APPROPRIATION APPROPRIATION FUND SOURCE

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1 DEPARTMENT OF ADMINISTRATION (CONT.)

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4 7. REVIEW THE POSSIBILITY OF ESTABLISHING A

5 COMMUNITY-BASED ORGANIZATION TO OPERATE EMAC-TV/M.

6 THE COMMISSION SHALL UTILIZE TELECOMMUNICATIONS MEMBERS

7 POSSIBLE TO RECEIVE TRACT GOODS.

8 IT IS THE INTENT OF THE LEGISLATURE THAT THE PUBLIC

9 BROADCASTING COMMISSION ADOPT GUIDELINES FOR THE

10 ALLOCATION OF GRANTS TO PREVENT CLOSURE OF ANY EXISTING

11 PUBLIC RADIO STATIONS. BUDGET REQUESTS ARE TO BE

12 DISTRIBUTED TO INSURE THIS INTENT.

13 THE COMMISSION SHALL ASSIST EMAC - LAND POINT IN

14 OBTAINING A LICENSE TO INCREASE POWER.

15 IT IS THE INTENT OF THE LEGISLATURE THAT THE DEPARTMENT

16 OF ADMINISTRATION PROVIDE STAFF SUPPORT FOR THE ALASKA

17 PUBLIC BROADCASTING COMMISSION. TO THE EXTENT THAT

18 INDEPENDENT STAFF IS DEEMED NECESSARY, THE COMMISSION,

19 AFTER CONSULTATION WITH ALL GRANTEES, MAY REDUCE GRANT

20 FUNDS TO PROVIDE FOR LIMITED STAFF SUPPORT.

21 INCLUDED IN THE GRANTS LINE ITEM IS \$65,000 FOR

22 OPERATION OF KING SALMON FOR FISCAL YEAR 1988.

23 INCLUDED IN THE GRANTS LINE ITEM IS \$6,000 FOR

24 COMPLETION OF THE KING SALMON TRANSMITTER LINK.

25 LEASING AND FACILITIES

26 ADMINISTRATION (6 POSITIONS)

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1 DEPARTMENT OF ADMINISTRATION (CONT.)

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4 TRANSMITTERS NOT CURRENTLY IN USE IN LOCAL AREAS, OF

5 CONSOLIDATING AND TRANSFERRING THE LICENSE TO A PRIVATE

6 NON-PROFIT ENTITY, AND OF CONSULTING AND OBTAINING

7 THE LICENSE UNDER STATE JURISDICTION.

8 4. REVIEW ALTERNATIVES AND ASSOCIATED COSTS FOR

9 COMMUNITIES TO INDEPENDENTLY RECEIVE AND PAY FOR

10 RECEIVING COMMERCIAL TELEVISION THROUGH THE USE OF

11 STATE-OWNED LOW POWER TELEVISION TRANSMITTERS NOT

12 CURRENTLY IN USE.

13 5. REVIEW ALTERNATIVES AND ASSOCIATED COSTS FOR

14 COMMUNITIES TO RECEIVE PUBLIC BROADCASTING PROGRAMMING

15 THROUGH THE USE OF SATELITE TRANSMITTERS. DESIGN

16 COMMERCIAL NETWORK SATELITE PROGRAMS THAT COULD BE

17 TRANSMITTED OVER THIS SYSTEM WITHOUT APPROPRIATE

18 NON-TAPPED LEASING FEES, AND DETERMINE THE COSTS OF

19 THE PROGRAMMING, COORDINATE WITH THE UNIVERSITY OF

20 ALASKA AND THE DEPARTMENT OF EDUCATION TO DETERMINE A

21 COST-EFFECTIVE AND INDEPENDENT MEANS OF BROADCASTING

22 EDUCATIONAL PROGRAMS OVER THE SYSTEM.

23 6. NEGOTIATE WITH THOSE COMMERCIAL TELEVISION STATIONS

24 THAT TRANSMIT PROGRAMS THROUGH THE SATELITE

25 MICROWAVE SYSTEM IN AN ATTEMPT TO HAVE THE STATIONS

26 DEFRAY THE COST TO THE STATE OF BROADCASTING THE

27 PROGRAMS.

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3	ALLOCATIONS	ITEMS	GENERAL FUND	OTHER FUNDS
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APPENDIX C

STATE OF ALASKA

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET
DIVISION OF POLICY

January 20, 1988

STEVE COWPER, GOVERNOR

P.O. BOX AD
JUNEAU, ALASKA 99811-0199
PHONE: (907) 465-3568

Mr. George Shaginaw
Executive Vice President
and General Manager
Alascom, Inc.
P.O. Box 196607
Anchorage, AK 99519-6607

Dear Mr. Shaginaw:

I appreciate your response to my letters of December 11 and 18, 1987. We too felt the holiday crunch and fully understand the slight delay in receiving your reply.

You are quite correct that we omitted an explanation for why no maintenance, space and power costs for TVRO's were included in the calculations for Alternatives 1 and 2. This deficiency will be corrected in the final version of the report.

The Division of Telecommunications believes that they could maintain additional TVRO's within their existing budget, as well as take over any maintenance of LPTVs that Alascom may currently provide. The Division feels that since their technicians must visit those sites already for antenna system maintenance, the additional responsibility of a TVRO could be handled within existing resources.

The way the State handled the space and power demands for its present 102 TVRO locations was to ask communities to provide for them in order to receive RATNET service. The Division of Telecommunications believes that it would be impractical to handle additional TVROs any differently.

This is why no cost estimates for space, power and maintenance for either the TVROs or the LPTVs were included in the Alternative 1 and 2 spreadsheets. It is not that they would be zero cost items. It is simply that it is believed that these items would not require an increase in the Division's budget. The \$588,672 in Alascom's Option 2 spreadsheet would be an additional cost.

You base your opinion that Alascom's Option 2 is clearly the more attractive on the cumulative savings totals for FY94. I would point out that in FY95, total cumulative savings from Alternative 1 would have increased by \$0.94 million, from Alternative 2 by \$1.25 million, and from Alascom's Option 2, by \$0.54 million, the least amount. These amounts would continue to accrue annually.

You quite rightly note that economic considerations must be weighted for service reliability and readily available maintenance. The Division of Telecommunications argues that the type of TVRO for which cost estimates were obtained is proven, commercial quality technology that many cable television companies utilize. Is the service quality at locations where RATNET is received through currently State-owned and maintained TVROs any less than that received through the Alascom-owned and maintained TVROs now?

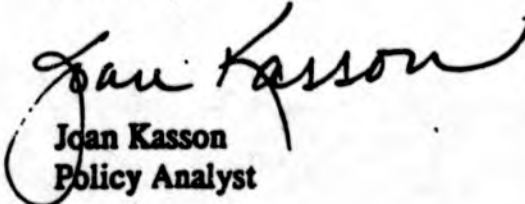
A check of the legislative language and legislative history of the Public Broadcasting Act of 1967 indicates that there was no linkage of "excess capacity" with the section calling for free or reduced rates for public broadcasting. Mr. John Witherspoon, who served as a consultant to the review team, comments on this point in his memo to the team which is included as one appendix to the report.

We are pleased that Alascom continues to be interested in providing television service to the people of Alaska and we certainly would welcome your participation in any future requests for proposal. However, we are not prepared at this time to comment on your assumptions concerning our contractual relationship or any possible termination liability.

I hope that I have adequately responded to your concerns. I do appreciate your taking the time to review the calculations and assumptions. If you have additional questions or comments on this issue or any other aspect of the draft report, please let me know. While the review team is making no recommendations concerning either RATNET, LearnAlaska, or public television, we hope to fully air possible ramifications of the various policy alternatives.

Thank you.

Sincerely,


Joan Kasson
Policy Analyst

**cc: John Andrews, Commissioner, Department of Administration
Jim Fox, Deputy Commissioner, Department of Administration
Charles Northrip, Executive Director, Alaska Public Broadcasting Commission
Larry Pearson, for the House Special Committee on Telecommunications
Mel Hoversten, Director, Division of Telecommunications
Mary Halloran, Director, Division of Policy**

George Shaginaw
Executive Vice President
& General Manager

OFFICE OF
MANAGEMENT & BUDGET

JAN 11 1988

ALASCOM

STRATEGIC PLANNING

January 8, 1988

Ms. Joan M. Kasson
Policy Analyst
State of Alaska
Office of Management and Budget
P.O. Box AD
Juneau, Alaska 99811

Dear Ms. Kasson:

We have reviewed your letters dated December 11, 1987 and December 18, 1987 and the evaluations accomplished of the various RATNET options available to the state. We are sorry to respond late, but it's difficult to formulate answers on short notice during the holiday season. It is important to note that there are deficiencies in the evaluations that severely impact the financial results.

In regards to the proposal to install television receive only stations (TVRO's) at each location, there are several deficiencies in your evaluation. To begin with, you have assumed \$0 (zero) maintenance costs for the TVRO's once installed. It is not practical to assume that you can install a low cost TVRO (\$7,425.00) and expect that no maintenance will be required. You also did not include any space and power charges for either your TVRO or the LPTV transmitters that are an integral part of the system.

In Alascom's proposal provided to former Commissioner Peska in April 1987, the \$588,672 annual cost that remains in Option #2 after the state pays the entertainment television (ETV) downlink basic termination liability charge (BTL) is for space, power and maintenance only. All equipment costs are excluded. To do a fair evaluation of our proposals, you should either exclude the \$588,672 from Alascom's numbers or add them where you have 0's (zeros) under your alternatives 1-A, 1-B, 2-A, and 2-B.

Ms. Joan M. Kasson
Page 2
January 8, 1988

Also, Alascom has never been allowed to charge the state for space and power for either their ETV or instructional television (ITV) limited power television (LPTV) transmitter in Alascom's facilities. If the state builds TVRO's, those costs will, for the first time, require addressing. Alascom has been maintaining the LPTV transmitters located at Alascom sites for \$48,000 annually. That cost remained in Alascom's options but was not reflected in any of the other alternatives. Further, no state alternative other than Alascom's included the cost of land.

It is puzzling to us that if you take the alternatives explored at face value (regardless of the cost omissions we have discussed) and look at which option makes financial sense, the Alascom options should have already been accepted. Alternative 2B gives the state the greatest cumulative savings by FY94 of \$2,542,954. Alascom's option #2 results in a savings by FY94 of \$2,415,351. The difference is that alternative 2B requires an investment by the state of \$3,019,215 while Alascom's option #2 requires an investment of only \$811,689. Clearly, the Alascom option is more attractive.

It is also possible to at least raise the question of the state accepting an inexpensive type of TVRO for service to the Bush communities versus the proven reliable technology of Alascom in our stations that provide message toll service. Alascom also has a technician force across the state to respond quickly when there are problems. The TVRO system you are contemplating does not. We believe that for you to install such a system could create such a maintenance nightmare and potentially such a poor service standard as to promote severe dissatisfaction to the viewers of the state.

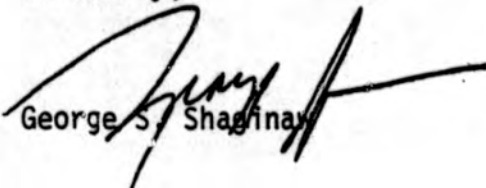
In your December 11, 1987 letter, you discuss the FCC's intent that encourages common carriers to charge reduced rates for noncommercial broadcasting. It is our understanding that the intent of the referenced FCC order was to encourage common carriers to offer excess or "remaining" capacity to educational or public television providers at reduced rates. The southeast microwave channel was installed at the request of the state and specifically for one-way television service. It is not excess capacity on our network that could be used for other service. In fact, the only use it has is for one-way video. Clearly, a system such as this that was designed for and installed specifically for this service is outside the intent of this order.

Ms. Joan M. Kasson
Page 3
January 8, 1988

Alascom continues to be very interested in providing television service to the constituents of the State of Alaska. If the state decides to go to bid for a new system, we assume that, per our contractual agreement, our termination liabilities will be paid and we will be given the opportunity to bid for a new system along with other potential suppliers.

We hope we have addressed your concerns and stand ready to discuss the alternatives we have discussed at your convenience.

Sincerely,


George S. Shaginay

STATE OF ALASKA

OFFICE OF THE GOVERNOR
OFFICE OF MANAGEMENT AND BUDGET
DIVISION OF POLICY

STEVE COWPER, GOVERNOR

P.O. BOX AD
JUNEAU, ALASKA 99811-0199
PHONE: (907) 465-3588

December 11, 1987

Mr. George Shaginaw
Executive Vice President
and General Manager
Alascom, Inc.
P.O. Box 6607
Anchorage, AK 99502-0607

Dear Mr. Shaginaw:

The Legislature has directed this agency to initiate discussions with your company concerning the rates charged the State of Alaska by Alascom to transmit the signal of the Rural Alaska Television Network (RATNET), as well as the rates for carrying KTOO public television over Alascom's Southeast Alaska microwave system. A copy of the relevant legislative intent from the FY88 budget is enclosed.

With the assistance of the Division of Telecommunications, this agency has preliminarily analyzed several scenarios, including two options Alascom proposed to former Department of Administration Commissioner Garrey Peska in a letter from you dated April 16, 1987. I have attached the draft worksheets outlining each alternative, and would appreciate your review and comments on them. Please feel free to call me if you would like to discuss this further or if I can answer any questions.

Alternatives 1A and 1B presume replacement of the 146 earth stations the State presently leases from Alascom. Alternatives 2A and 2B add a competitive bid option for the RATNET system leasing costs using informal estimates provided by a representative third-party vendor. (Other third-party vendor estimates are being sought.) The final two options, as noted above, are taken from your letter to former Commissioner Peska dated April 16, 1987. Both were modified to reflect 146 earth stations and current BTL costs. (The BTL figures as of November 1, 1987 were provided by Alascom.)

The Legislature also assigned a review team the task of looking into the ramifications of putting public television over the current RATNET system. Mr. Northrip of the Alaska Public Broadcasting Commission brought the enclosed Congressional and Federal Communications Commission intent to the review team's attention. The intent encourages common carriers to charge reduced rates for noncommercial broadcasting. If the State were to put only public television over RATNET, would Alascom lower its rates for transmission of that service? Will Alascom permit reduced rates for transmission of KTOO, a noncommercial station, over its Southeast Alaska microwave network?

I look forward to hearing from you.

Sincerely,

Joan M. Kasson
Policy Analyst

Enclosures

cc: Garrey Peska, Chief of Staff, Office of the Governor
Robert Evans, Legislative Liaison, Office of the Governor
Mary Halloran, Director, Division of Policy
John Andrews, Commissioner, Department of Administration
Review Team Members:
James Fox, Deputy Commissioner, Department of Administration
Mel Hoversten, Director, Division of Telecommunications
Charles Northrip, Executive Director, Alaska Public Broadcasting
Commission
Larry Pearson, for the House Special Committee on Telecommunications

*** SEE ALSO APPENDICES B AND I WHICH WERE ATTACHED
TO THIS LETTER.

ALASCOM-OWNED EARTH STATION
BTL SCHEDULE

10-Dec-87

BTL Rate (Per Day): \$3.70

	BTL @ 11/1/87	BTL @ 7/1/88	BTL @ 7/1/89	BTL @ 7/1/90	BTL @ 7/1/91
First Year (Option A = FY90, Option B = FY89):					
1 Kobuk	4,586	3,687	2,336	986	0
2 Anchorage	4,886	3,987	2,636	1,286	0
3 Fairbanks	4,886	3,987	2,636	1,286	0
4 Juneau	4,886	3,987	2,636	1,286	0
5 Ruby	4,889	3,990	2,639	1,289	0
6 Chevak	4,889	3,990	2,639	1,289	0
7 Telida	5,008	4,109	2,758	1,408	57
8 Kodiak	5,008	4,109	2,758	1,408	57
9 Fort Yukon	5,008	4,109	2,758	1,408	57
10 Minto	5,008	4,109	2,758	1,408	57
11 Anvik	5,008	4,109	2,758	1,408	57
12 Ambler	5,008	4,109	2,758	1,408	57
13 Tanana	5,008	4,109	2,758	1,408	57
14 Russian Mission	5,008	4,109	2,758	1,408	57
15 Chalkyitsik	5,008	4,109	2,758	1,408	57
16 Valdez	5,008	4,109	2,758	1,408	57
17 Emmonak	5,008	4,109	2,758	1,408	57
18 St. Paul	5,008	4,109	2,758	1,408	57
19 Allakaket	5,008	4,109	2,758	1,408	57
20 Unalaska	5,008	4,109	2,758	1,408	57
21 Anaktuvuk	5,008	4,109	2,758	1,408	57
22 Whittier	5,008	4,109	2,758	1,408	57
23 Old Harbor	5,008	4,109	2,758	1,408	57
24 McGrath	5,008	4,109	2,758	1,408	57
25 Togiak	5,008	4,109	2,758	1,408	57
26 Noorvik	5,008	4,109	2,758	1,408	57
27 Bethel	5,008	4,109	2,758	1,408	57
28 Marshall	5,008	4,109	2,758	1,408	57
29 Holy Cross	5,008	4,109	2,758	1,408	57
30 Grayling	5,108	4,209	2,858	1,508	157
31 Koliganek	5,112	4,213	2,862	1,512	161
32 King Cove	5,112	4,213	2,862	1,512	161
33 Kiana	5,112	4,213	2,862	1,512	161
34 Wainwright	5,112	4,213	2,862	1,512	161
35 Huslia	5,112	4,213	2,862	1,512	161
36 Point Baker	5,115	4,216	2,865	1,515	164

Option B Subtotal: 147,621

Option B - Second Year (FY90):

37 Sand Point	5,141	4,242	2,891	1,541	190
38 Selawik	5,156	4,257	2,906	1,556	205
39 Mountain Village	5,160	4,261	2,910	1,560	209
40 Kotzebue	5,160	4,261	2,910	1,560	209
41 Scammon Bay	5,163	4,264	2,913	1,563	212
42 Hooper Bay	5,163	4,264	2,913	1,563	212
43 Crooked Creek	5,182	4,283	2,932	1,582	231
44 Nome	5,182	4,283	2,932	1,582	231
45 Tenakee Springs	5,186	4,287	2,936	1,586	235
46 Gambell	5,190	4,291	2,940	1,590	239
47 Barrow	5,193	4,294	2,943	1,593	242
48 Unalakleet	5,193	4,294	2,943	1,593	242
49 Shishmaref	5,200	4,301	2,950	1,600	249
50 Noatak	5,215	4,316	2,965	1,615	264
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	252,473	355,139	139,993	72,468	5,625

Option A - Second Year (FY91):

51 Kaktovik	5,215	4,316	2,965	1,615	264
52 Larsen Bay	5,215	4,316	2,965	1,615	264
53 Nuiqsut	5,215	4,316	2,965	1,615	264
54 Sparrevohn	5,219	4,320	2,969	1,619	268
55 Kivalina	5,219	4,320	2,969	1,619	268
56 Red Devil	5,219	4,320	2,969	1,619	268
57 Hughes	5,219	4,320	2,969	1,619	268
58 Nulato	5,219	4,320	2,969	1,619	268
59 Port Alsworth	5,274	4,375	3,024	1,674	323
60 Rampart	5,282	4,383	3,032	1,682	331
61 Aniak	5,837	4,938	3,587	2,237	886
62 Adak	5,867	4,967	3,617	2,266	916
63 King Salmon	5,867	4,968	3,617	2,267	916
64 St. Michael	5,896	4,997	3,646	2,296	945
65 St. Mary's	5,896	4,997	3,646	2,296	945
66 Minchumina	5,900	5,001	3,650	2,300	949
67 Ketchikan	5,900	5,001	3,650	2,300	949
68 Tatitlek	5,904	5,005	3,654	2,304	953
69 Kongiganak	5,904	5,005	3,654	2,304	953
70 Iqiugig	5,904	5,005	3,654	2,304	953
71 Mekoryuk	5,907	5,008	3,657	2,307	956
72 Newtok	5,911	5,012	3,661	2,311	960
73 Kwigillingok	5,911	5,012	3,661	2,311	960
74 Ouzinkie	5,915	5,016	3,665	2,315	964
75 Stoney River	5,915	5,016	3,665	2,315	964
76 Port Moller	5,915	5,016	3,665	2,315	964
77 Port Graham	5,918	5,019	3,668	2,318	967
78 Sitka	5,918	5,019	3,668	2,318	967
79 Shaktoolik	5,922	5,023	3,672	2,322	971
80 Buckland	5,922	5,023	3,672	2,322	971
81 Pilot Point	5,922	5,023	3,672	2,322	971
82 Deering	5,922	5,023	3,672	2,322	971
83 Goodnews Bay	5,922	5,023	3,672	2,322	971

84 Alakanuk	5,922	5,023	3,672	2,322	971
85 Shageluk	5,926	5,027	3,676	2,326	975
86 Tooksook Bay	5,926	5,027	3,676	2,326	975
87 Kaltag	5,926	5,027	3,676	2,326	975
88 Illiamna	5,926	5,027	3,676	2,326	975
89 Koyukuk	5,926	5,027	3,676	2,326	975
90 Elim	5,926	5,027	3,676	2,326	975
91 Golovin	5,926	5,027	3,676	2,326	975
92 Nightmute	5,926	5,027	3,676	2,326	975
93 Kasaan	5,930	5,031	3,680	2,330	979
94 Kipnuk	5,930	5,031	3,680	2,330	979
95 Manley Hot Springs	5,930	5,031	3,680	2,330	979
96 Chefornak	5,933	5,034	3,683	2,333	982
97 Stevens Village	5,933	5,034	3,683	2,333	982
98 Chitina	5,941	5,042	3,691	2,341	990
99 Port Heiden	5,941	5,042	3,691	2,341	990
100 Sleetmute	5,944	5,045	3,694	2,344	993
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	288,903	243,948	176,423	108,898	41,373

Third Year - Option A (FY92):

101 Quinhagak	5,944	5,045	3,694	2,344	993
102 Karluk	5,944	5,045	3,694	2,344	993
103 Circle	5,944	5,045	3,694	2,344	993
104 Eagle Village	5,948	5,049	3,698	2,348	997
105 Venetie	5,948	5,049	3,698	2,348	997
106 Nelson Lagoon	5,948	5,049	3,698	2,348	997
107 Arctic Village	5,952	5,053	3,702	2,352	1,001
108 False Pass	5,952	5,053	3,702	2,352	1,001
109 Beaver	5,952	5,053	3,702	2,352	1,001
110 Cape Pole	5,959	5,060	3,709	2,359	1,008
111 Ivanof Bay	5,967	5,068	3,717	2,367	1,016
112 Chignik	5,970	5,071	3,720	2,370	1,019
113 Perryville	5,970	5,071	3,720	2,370	1,019
114 Cold Bay	5,978	5,079	3,728	2,378	1,027
115 Koyuk	6,607	5,708	4,357	3,007	1,656
116 Atka	6,081	5,182	3,831	2,481	1,130
117 Kotlik	6,092	5,193	3,842	2,492	1,141
118 Akutan	6,100	5,201	3,850	2,500	1,149
119 New Stuyahok	6,100	5,201	3,850	2,500	1,149
120 Point Lay	6,103	5,204	3,853	2,503	1,152
121 Pedro Bay	6,103	5,204	3,853	2,503	1,152
122 Nikolski	6,159	5,260	3,909	2,559	1,208
123 Ekwok	6,196	5,297	3,946	2,596	1,245
124 Shungnak	6,215	5,316	3,965	2,615	1,264

Option B - Second Year Subtotal:

308,554

Third Year - Option B (FY91):

125	Savoonga	6,340	5,441	4,090	2,740	1,389
126	Central	6,385	5,486	4,135	2,785	1,434
127	Tin City (Wales)	6,470	5,571	4,220	2,870	1,519
128	Chignik Lake	6,496	5,597	4,246	2,896	1,545
129	Platinum	6,496	5,597	4,246	2,896	1,545
130	Tanunak	6,496	5,597	4,246	2,896	1,545
131	Council	6,548	5,649	4,298	2,948	1,597
132	Atkasuk	6,607	5,708	4,357	3,007	1,656
133	St. George	6,614	5,715	4,364	3,014	1,663
134	Akhiok	6,666	5,767	4,417	3,066	1,716
135	Chignik Lagoon	6,744	5,845	4,494	3,144	1,793
136	Point Hope	6,770	5,871	4,520	3,170	1,819
137	Coffman Cove	6,940	6,041	4,690	3,340	1,989
138	Pilot Station	7,051	6,152	4,801	3,451	2,100
139	Port Lions	7,580	6,681	5,330	3,980	2,629
140	Birch Creek	7,773	6,874	5,523	4,173	2,822
141	Kakhonak	7,832	6,933	5,582	4,232	2,881
142	Kalskag	8,058	7,159	5,808	4,458	3,107
143	English Bay	8,161	7,262	5,911	4,561	3,210
144	Halibut Cove	8,161	7,262	5,911	4,561	3,210
145	Hobart Bay	9,546	8,647	7,296	5,946	4,595
146	Atmautluak	10,508	9,609	8,258	6,908	5,557

146 Option B - Third Year Subtotal: 81,040

Option A - Third Year Subtotal: 77,646

GRAND TOTALS: 846,749 715,481 518,308 321,135 124,643

11-Dec-87

ASSUMPTIONS:

General:

Earth Station
Purchase & Install. (Each): 17,000

Current Downlink Costs:

Annual Maintenance (Total): 48,000
Annual Leasing Costs (Each): 6,864
Number Of Earth Stations: 146

Total Annual Downlink Costs: 1,050,144

Current System Costs:

Alascom Transponder (Annual): 879,996
Alascom Uplink Costs (Annual): 153,144
TV Oper. Ctr. Cost (Annual): 76,128

Total Annual System Costs: 1,109,268

BTL Costs:

Option A - FY 90: 139,993
Option A - FY 91: 108,898
Option A - FY 92: 77,646

Option B - FY 89: 147,621
Option B - FY 90: 308,554
Option B - FY 91: 81,040

Depreciation:

Unit Cost: 7,425
(Net of Install. & Freight)

Annual Depreciation: 10.0'

Annual Unit Depreciation: 743

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

ALTERNATIVE #1-A * - (State Purchase Of Earth Stations/Alascom System Costs)

	FY89	FY90	FY91	FY92	FY93	FY94
	-----	-----	-----	-----	-----	-----
Purch., Btl, Install.,						
Maint., & Lease:	1,050,144	1,680,499	1,289,765	859,646	0	0
Depreciation:	0	37,125	74,250	108,405	108,405	108,405
Transponder:	879,996	879,996	879,996	879,996	879,996	879,996
Uplinks:	153,144	153,144	153,144	153,144	153,144	153,144
TV Oper. Center:	76,128	76,128	76,128	76,128	76,128	76,128
	-----	-----	-----	-----	-----	-----
Total Cost:	2,159,412	2,826,892	2,473,283	2,077,319	1,217,673	1,217,673

Total Investment: 2,808,537
(Purchase + Install. + BTL)

	FY89	FY90	FY91	FY92	FY93	FY94
	-----	-----	-----	-----	-----	-----
Savings:	0	(667,480)	(313,871)	82,093	941,739	941,739
Cumulative Savings:		(667,480)	(981,351)	(899,258)	42,481	984,220
Breakeven Point:	FY93					

* Assumes that purchase and installation costs, as well as BTL's, are incurred according to the following schedule: 50 earth stations in FY90, 50 in FY91, and the remaining 46 in FY92.

ALTERNATIVE #1-B * - (State Purchase Of Earth Stations/Alascom System Costs)
 Accelerated Installation

	FY89	FY90	FY91	FY92	FY93	FY94
Purch., Btl, Install.,						
Maint., & Lease:	1,550,825	1,962,795	455,040	0	0	0
Depreciation:	26,730	92,070	108,405	108,405	108,405	108,405
Transponder:	879,996	879,996	879,996	879,996	879,996	879,996
Uplinks:	153,144	153,144	153,144	153,144	153,144	153,144
TV Oper. Center:	76,128	76,128	76,128	76,128	76,128	76,128
Total Cost:	2,686,823	3,164,133	1,672,713	1,217,673	1,217,673	1,217,673

Total Investment: 3,019,215
 (Purchase + Install. + BTL)

	FY89	FY90	FY91	FY92	FY93	FY94
Savings:	(527,411)	(1,004,721)	486,699	941,739	941,739	941,739
Cumulative Savings:		(1,532,132)	(1,045,433)	(103,694)	838,045	1,779,784
Breakeven Point:					FY93	

* Assumes that purchase and installation costs, as well as BTL's, are incurred according to the following schedule: 36 earth stations in FY89 (25%), 88 in FY90 (60%), and 22 in FY91 (10%).

ALTERNATIVE #2A*

(State Purchase Of Earth Stations/GCI Estimated System Costs)

	FY89	FY90	FY91	FY92	FY93**	FY94
Purch., Btl, Install.,						
Maint., & Lease:	1,050,144	1,680,499	1,289,765	859,646	0	0
Depreciation:	0	37,125	74,250	108,405	108,405	108,405
Transponder:	879,996	879,996	879,996	879,996	720,000	720,000
Uplinks:	153,144	153,144	153,144	153,144	84,000	84,000
TV Oper. Center:	76,128	76,128	76,128	76,128	0	0
Total Cost:	2,159,412	2,826,892	2,473,283	2,077,319	912,405	912,405

Total Investment: 2,808,537
(Purchase + Install. + BTL)

	FY89	FY90	FY91	FY92	FY93	FY94
Savings:	0	(667,480)	(313,871)	82,093	1,247,007	1,247,007
Cumulative Savings:		(667,480)	(981,351)	(899,258)	347,749	1,594,756
Breakeven Point:	FY93					

* Assumes that purchase and installation costs, as well as BTL's, are incurred according to the following schedule: 50 earth stations in FY90, 50 in FY91, and the remaining 46 in FY92. GCI estimate effective 7/1/92.

** Costs are the same as Alternative #1A until FY93, since the system could not go to bid until all Alascom-owned earth stations are replaced.

ALTERNATIVE #2B* - (State Purchase Of Earth Stations/GCI Estimated System Costs)
 Accelerated Installation

	FY89	FY90	FY91	FY92**	FY93	FY94
Purch., Btl, Install.,						
Maint., & Lease:	1,550,825	1,962,795	455,040	0	0	0
Depreciation:	26,730	92,070	108,405	108,405	108,405	108,405
Transponder:	879,996	879,996	879,996	799,998	720,000	720,000
Uplinks:	153,144	153,144	153,144	118,572	84,000	84,000
TV Oper. Center:	76,128	76,128	76,128	38,064	0	0
Total Cost:	2,686,823	3,164,133	1,672,713	1,065,039	912,405	912,405

Total Investment: 3,019,215
 (Purchase + Install. + BTL)

	FY89	FY90	FY91	FY92	FY93	FY94
Savings:	(527,411)	(1,004,721)	486,699	1,094,373	1,247,007	1,247,007
Cumulative Savings:		(1,532,132)	(1,045,433)	48,940	1,295,947	2,542,954
Breakeven Point:				FY92		

* Assumes that purchase and installation costs, as well as BTL's, are incurred according to the following schedule: 36 earth stations in FY89 (25%), 88 in FY90 (60%), and 22 in FY91 (10%). GCI estimate effective 1/1/92.

** Costs are the same as Alternative #1B until mid-FY92, since the system could not go to bid until all Alascom-owned earth stations are replaced.

ALASCOM OPTION #1

	FY89 -----	FY90 -----	FY91 -----	FY92 -----
Transponder	879,996	879,996	879,996	879,996
Uplinks	75,168	75,168	75,168	75,168
ETV Downlinks	907,536	907,536	907,536	907,536
ETV Maint.*	48,000	48,000	48,000	48,000
TV Oper. Center	62,640	62,640	62,640	62,640
Total Annual Cost:	1,973,340	1,973,340	1,973,340	1,973,340

Total Investment:** 0

	FY89 -----	FY90 -----	FY91 -----	FY92 -----
Savings:	186,072	186,072	186,072	186,072
Cumulative Savings:		372,144	558,216	744,288

* Alascom included maintenance in a total which also reflected disputed space and power charges for LPTV's collocated in Alascom facilities. Assumption in the table is that maintenance would remain the same as status quo.

**Table included in Discussion Draft of report indicated an investment requirement of \$17,000. This was a typographical error. Actual investment required by this Option is 0.

ALASCOM OPTION #2

	FY89*	FY90	FY91	FY92	FY93	FY94
Transponder	879,996	879,996	879,996	879,996	879,996	879,996
Uplinks	109,694	57,216	57,216	57,216	57,216	57,216
ETV Downlinks	1,304,153	588,672	588,672	588,672	588,672	588,672
ETV Maint.**	48,000	48,000	48,000	48,000	48,000	48,000
TV Oper. Center	91,418	47,688	47,688	47,688	47,688	47,688
	2,433,261	1,621,572	1,621,572	1,621,572	1,621,572	1,621,572

Total Investment: 811,689

(ETV downlink BTL's [FY89 total] and proposed non-recurring charges to prepay leasing rates on uplinks and TV Oper. Center.)

	FY89	FY90	FY91	FY92	FY93	FY94
Savings:	(273,849)	537,840	537,840	537,840	537,840	537,840
Cumulative Savings:		263,991	801,831	1,339,671	1,877,511	2,415,351
Breakeven Point:		FY90				

* FY89 costs include non-recurring charges paid up front.

** Alascom included maintenance in a total which also reflected disputed space and power charges for LFTV's collocated in Alascom facilities. Assumption in the table is that maintenance would remain the same as status quo.

George Shaginaw
Executive Vice President
& General Manager

April 16, 1987

Commissioner Gary Peska
Department of Administration
State of Alaska
P. O. Box C
Juneau, Alaska 99811

Dear Commissioner Peska:

Based on our meeting last week, I have attempted to reconcile the figures for the ETV project we discussed and to outline potential action the state might take to recognize savings on an ongoing basis.

In reviewing your Ratnet - Alascom charges, State paper dated April 2, 1987, total Alascom \$2,518,600, I have compared those numbers to our current information (See Work Papers, attached) and have Alascom requirements for services listed at \$2,353,636. Please recognize that you do not have a BTL on the Anchorage uplink, the Juneau uplink or the operations center. You could discontinue all or any of these services, if you desire, based on need or better way in the State's mind to do it. The Mini-Xmtr service is primarily space and power charges where the State's Mini-TV's are collocated with us or we provide maintenance for the State at its request. No BTL is included here if you wish to move equipment or have the State provide its own maintenance.

Based on the numbers in the current charges, I have attached two optional plans for your consideration. The first optional plan offered is a reduction of rates for most currently offered services. This plan would not require any BTL payoff or upfront monies, and save the State approximately \$200,000 annually, exclusive of Mini-TV services. With the projected \$100,000 increase in Mini-TV services, a net saving of approximately \$100,000 would be realized. This plan would require a four year commitment from the State and would be subject to FCC regulatory approval.

The second optional plan offered would require a non-recurring charge of \$1.1 million dollars, but would save the State \$.5 million dollars annually in recurring charges, exclusive of Mini-TV services. This plan is offered on a year by year basis. Of course, the non-recurring charge would only be required the first year.



OFFICE OF
MANAGEMENT & BUDGET

NOV 30 1987

STRATEGIC PLANNING

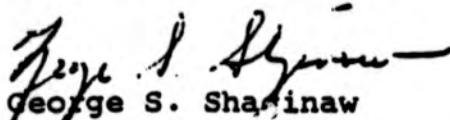
Commissioner Gary Peska
April 16, 1987
Page Two

Additionally, combinations of Option 1 and Option 2 are possible. Attached is a copy of a set of work papers detailing the current charges, Option 1 and 2 charges and the annual savings the State would realize as compared to current levels of service. From these work papers, you can select any combination of the two options. An example would be, for instance, to pay the remaining BTL on the 142 downlinks, which would require a non-recurring charge of \$.9 million dollars (W/P3) and reduce the recurring charges by \$.4 million annually (WP4). The recurring charges for the remaining facilities could then be computed using the charges as shown on W/P 2.

As you requested, I have also attached a listing of remaining BTL's on a site and time period basis.

The flexibility offered by this proposal reflects the Company's continuing efforts in providing television services to the State of Alaska in the most economical fashion possible. If you have any questions or require further information on this proposal, please don't hesitate to contact me.

Sincerely,


George S. Shadinaw

GSS/jls

Enclosures

cc: Representative Al Adams, State of Alaska
Representative Mike Davis, State of Alaska ✓
Mike Nichols, VP Marketing, Alascom

W/P 1

STATE OF ALASKA TV SERVICE
 DETAILED ALASCOM CURRENT CHARGES
 4/14/87

DESCRIPTION	CURRENT CHARGE			
	PER UNIT	UNITS	MONTHLY	ANNUAL
Transponder	73,333	1	73,333	880,000
Anchorage Uplink <i>NO BTL</i>	6,381	1	6,381	76,572
Juneau Uplink <i>NO BTL</i>	6,381	1	6,381	76,572
Kotzebue Uplink	7,313	1	7,313	87,756
ETV Downlink	572	142	81,224	974,688
Operations Center <i>NO BTL</i>	6,344	1	6,344	76,128
Sub Total			180,976	2,171,716
Mini-Xmtr Service*			15,160	181,920
Total Including Mini Service			196,136	2,353,636

* Includes space, power and maintenance of selected Mini's. Budgeted amount of \$278,800 includes projected space and power monthly charge increase, increased maintenance costs and occasional use charges.

W/P 2

STATE OF ALASKA TV SERVICE
 DETAILED OPTION 1 CHARGES
 4/14/87

DETAIL OPTION 1*

DESCRIPTION	PER UNIT	UNITS	MONTHLY	ANNUAL
Transponder	73,333	1	73,333	880,000
Anchorage Uplink	3,132	1	3,132	37,584
Juneau Uplink	3,132	1	3,132	37,584
Kotzebue Uplink	6,915	1	6,915	82,980
ETV Downlink	518	142	73,556	882,672
Operations Center	5,220	1	5,220	62,640
Sub Total			165,288	1,983,460
Mini-Xmtr Service*			23,233	278,800
Total Including Mini Service			188,521	2,262,260

* Option 1 pricing includes reduced rate of return (12% from 13%), flow through of reduced income taxes (reduction in corporate rates from 46% to 34%), and reduced rate base computed on basis of accumulated depreciation to 7/87. Remaining unamortized costs amortized over 4 year period. This option does not require any upfront money.

STATE OF ALASKA TV SERVICE
 DETAILED OPTION 2 CHARGES
 4/14/87

DETAIL OPTION 2*

DESCRIPTION	PER UNIT	UNITS	MONTHLY	ANNUAL	BTL/NRC**
Transponder	73,333	1	73,333	880,000	0
Anchorage Uplink**	2,384	1	2,384	28,608	26,239
Juneau Uplink**	2,384	1	2,384	28,608	26,239
Kotzebue Uplink	4,533	1	4,533	54,396	83,579
ETV Downlink	336	142	47,712	572,544	909,089
Operations Center**	3,974	1	3,974	47,688	43,730
Sub Total			134,320	1,611,844	1,088,876
Mini-Xmtr Service*			23,233	278,800	0
Total Including Mini Service			157,553	1,890,644	1,088,876

* Option 2 requires BTL payoff (7/87) of \$1,088,876, which is detailed under the BTL column. Monthly charges are for maintenance only type items.

** BTL's are not applicable for these items. A Non-Recurring charge is only offered as a option so that future recurring charges can be reduced.

STATE OF ALASKA TV SERVICE
COMPARISON OF CURRENT CHARGES
W/OFFERED OPTIONS
4/14/87

ANNUAL CHARGES				
DESCRIPTION	CURRENT	OPTION 1	SAVINGS	%
Transponder	880,000	880,000	0	0%
Anchorage Uplink	76,572	37,584	38,988	51%
Juneau Uplink	76,572	37,584	38,988	51%
Kotzebue Uplink	87,756	82,980	4,776	5%
ETV Downlink	974,688	882,672	92,016	9%
Operations Center	76,128	62,640	13,488	18%
Sub Total	2,171,716	1,983,460	188,256	9%
Mini-Xmtr Service*	181,920	278,800	(96,880)	-53%
Total	2,353,636	2,262,260	91,376	4%

ANNUAL CHARGES				
DESCRIPTION	CURRENT	OPTION 2*	SAVINGS	%
Transponder	880,000	880,000	0	0%
Anchorage Uplink	76,572	28,608	47,964	63%
Juneau Uplink	76,572	28,608	47,964	63%
Kotzebue Uplink	87,756	54,396	33,360	38%
ETV Downlink	974,688	572,544	402,144	41%
Operations Center	76,128	47,688	28,440	37%
Sub Total	2,171,716	1,611,844	559,872	26%
Mini-Xmtr Service*	181,920	278,800	(96,880)	-53%
Total	2,353,636	1,890,644	462,992	20%

* Requires Non Recurring Charge (NRC) of \$1,088,876, see w/p 3.

STATE ETV DOWNLINKS.

REMAINING BTL'S (AMOUNTS AND MONTHS) AS OF 7/1/87

BTL AMOUNT COMPUTED FOR MONTHS AND DAYS (NO'S ROUNDED)

LOCATION	BTL	NO'S	LOCATION	BTL	NO'S	LOCATION	BTL	NO'S
ANVIK	1,994.98	18	ST. GEORGE	5,774.08	52	ST MICHAEL	6,540.22	59
KOYUKUK	2,002.42	18	KIVALINA	5,774.08	52	WAINWRIGHT	6,547.62	59
ANDLER	2,076.42	19	HUGHES	5,774.08	52	PEDRO BAY	6,553.06	59
EMMONAK	2,076.42	19	RED DEVIL	5,822.18	52	PORT ALSWORTH	6,553.06	59
ST MARYS	5,548.26	50	GANDEL	5,855.48	53	NEW STUYAHOK	6,558.76	59
GRAYLING	5,552.00	50	KING SALMON	6,336.68	57	ADAK	6,566.16	59
CHEVAK	5,553.70	50	KOTLIK	6,344.08	57	HOOPER BAY	6,569.86	59
HOLY CROSS	5,563.10	50	GUINHAGAK	6,358.88	57	BUCKLAND	6,588.36	59
CHALKYITSIK	5,563.10	50	PORT LIONS	6,384.78	57	GOODMENS BAY	6,588.36	59
KODIAK	5,651.90	51	SPARREVOH	6,388.48	58	GOLOVIN	6,592.06	59
TELIDA	5,651.90	51	PERRYVILLE	6,466.22	58	ELIN	6,592.06	59
TANANA	5,651.90	51	KOTZEBUE	5,692.64	58	BEAVER	6,595.76	59
ANAKTUVUK	5,651.90	51	IVANOFF BAY	6,469.92	58	CHEFORMAK	6,599.46	59
ST PAUL	5,651.90	51	CROOKED CREEK	6,473.62	58	ARCTIC VLG	6,617.96	60
VALDEZ	5,651.90	51	NELSON LAGOON	6,488.42	58	CHIGNIK	6,636.46	60
MCGRATH	5,651.90	51	VENETIE	6,488.42	58	COLD BAY	6,643.86	60
OLD HARBOR	5,651.90	51	KARLUK	6,492.12	58	FALSE PASS	6,654.96	60
NOORVIK	5,651.90	51	RANPART	6,492.12	58	SITKA	6,666.10	60
NINTO	5,651.90	51	CHITINA	6,495.82	58	DEERING	6,699.40	60
WHITTIER	5,651.90	51	STEVENS VILLAGE	6,503.22	59	NIKOLSKI	6,721.60	61
TOGIAK	5,651.90	51	ANIAK	6,503.22	59	EAGLE VLG	6,725.30	61
UNALASKA	5,651.90	51	KASAAN	6,506.92	59	ATKA	6,747.50	61
SAND POINT	5,651.90	51	KIPNUK	6,506.92	59	EKWOK	6,751.20	61
MUIQSUT	5,663.04	51	MANLEY	6,506.92	59	AKUTAN	6,766.00	61
LARSEN BAY	5,666.74	51	ILLIAMMA	6,510.62	59	KETCHIKAN	6,828.94	61
KIANA	5,666.74	51	SHAKTOOLIK	6,510.62	59	ALLAKAKET	6,984.38	63
TIN CITY	5,666.74	51	KALTAG	6,510.62	59	ALAKANUK	7,051.02	63
NOATAK	5,666.74	51	TOKSOOK	6,510.62	59	POINT BAKER	7,051.02	63
KING COVE	5,666.74	51	PILOT STATION	6,514.32	59	CENTRAL	7,051.02	63
KOLIGANEK	5,666.74	51	PILOT POINT	6,514.32	59	TANUNAK	7,051.02	64
KAKTOVIK	5,666.74	51	SHISHMAREF	6,514.32	59	MARSHALL	7,154.66	64
FORT YUKON	5,674.14	51	CAPE POLE	6,514.32	59	COUNCIL	7,213.86	65
SCAMMON BAY	5,674.14	51	RUSSIAN MISSION	6,518.02	59	AKHIK	7,221.30	65
SHUNGNAK	5,681.54	51	NEWTOK	6,518.02	59	POINT LAY	7,221.30	65
BARROW	5,688.94	51	NIGHTMUTE	6,518.02	59	ATKASUK	7,273.10	65
UNALAKLEET	5,688.94	51	PORT HEIDEN	6,518.02	59	CHIGNIK LAG	7,410.04	67
KOBUK	5,696.34	51	SLEETMUTE	6,518.02	59	PORT MOLLER	8,187.32	74
NOME	5,700.04	51	STONEY RIVER	6,521.72	59	BIRCH CREEK	8,328.09	75
SELAWIK	5,718.54	51	OUZINKIE	6,521.72	59	CHIGNIK LAKE	8,494.54	76
MT VILLAGE	5,722.24	52	KWIGILLINGOK	6,525.42	59	KOTZEBUE UPLINK	8,578.86	76
SHAGELUK	5,723.94	52	MEKORYUK	6,529.12	59	KAKHONAK	8,524.14	77
TENAKEE SPRINGS	5,733.34	52	PORT GRAHAM	6,529.12	59	COFFMAN COVE	8,575.98	77
SAVOONGA	5,740.74	52	TATITLEK	6,532.82	59	ENGLISH BAY	8,605.58	77
POINT HOPE	5,766.64	52	IGUIGIG	6,532.82	59	HALIBUT COVE	8,827.66	79
HUSLIA	5,770.34	52	KONGIGANEK	6,532.82	59	KOYUK	9,827.02	88
NULATO	5,774.08	52	CIRCLE	6,536.52	59	KALSKAG	9,997.30	90
RUBY	5,774.08	52	MINCHUNINA	6,536.52	59	PLATINUM	10,271.18	92
						HOBART BAY	10,874.48	98
						ATHAUTLUAK	11,178.00	101

APPENDIX D



THE CENTER FOR COMMUNICATIONS
SAN DIEGO STATE UNIVERSITY
SAN DIEGO CA 92182

(619) 265-6933

THE CENTER FOR COMMUNICATIONS

The Center for Communications, a unit of San Diego State University, addresses research and development questions in the field of communications, with emphasis on applications of telecommunications technology.

Center projects are funded through grants and contracts with industry, government, philanthropy, and education. Its scope is interdisciplinary and university-wide.

The Center conducts training, research, development, and analysis projects on telecommunications issues and the applications of communication technology; conducts conferences and seminars in these areas; seeks to facilitate and, as appropriate, administer research projects of interest to faculty members and advanced students in participating departments; and provides a mechanism for cooperation with companies in the communications field and with other institutions.

The Center administers the University's Program on Communication for National Development and is the SDSU home of the San Diego Communications Council, which is comprised of leading companies in the fields of communications and information.

Past and current Center projects include administration of the University's Program on Communication for National Development, management of a national consortium assessing the applications of electronic text for higher education; a major telecommunication requirements study and planning project for California's public sector; statewide development of microcomputer applications in the public library system; applications of telecommunications/information technology for continuing education and training; investigation of long-term communications requirements of small Pacific Island nations; a sequence of experiments in interactive videotex; policy studies and symposia on current issues in telecommunication; applications of telecommunications technology and mass media in developing countries; design and production of interactive laser-optical videodiscs; and publication of studies regarding applications of technology.

Director of the Center is John P. Witherspoon.

APPENDIX E

PRINT TVList SORTED BY SITE

TV List

1/19/88

ID	Site	State	Alascom	ITV	Alascom Maintained
1	Adak		X	X	X
2	Akhiok		X	X	X
3	Akiak	X		X	
4	Akutan		X	X	X
5	Alakanuk		X	X	
6	Aleknagik	X		X	
7	Allakaket		X	X	
8	Ambler		X	X	X
9	Anaktuvuk Pass		X	X	X
10	Anchorage		X		
11	Anderson				
12	Angoon	X		X	
13	Aniak		X	X	
14	Anvik		X	X	
15	Arctic Village		X	X	X
16	Atka	X	X	X	X
17	Atkasuk		X	X	X
18	Atmautluak		X	X	
19	Barrow		X	X	X
20	Beaver		X	X	
21	Bethel		X	X	
22	Bettles	X		X	
23	Big Lake	X			
24	Birch Creek		X	X	

TV List

ID	Site	State	Alascom	ITV	Alascom Maintained
25	Brevig Mission				
26	Buckland		X	X	X
27	Cantwell	X		X	
28	Cape Pole		X	X	X
29	Central		X	X	
30	Chalkyitsik		X	X	
31	Chefornak		X	X	X
32	Chenega	X			
33	Chevak		X	X	X
35	Chignik		X	X	X
36	Chignik Lagoon		X	X	X
37	Chignik lake		X	X	X
34	Chikaloon	X			
38	Chistochina	X		X	
39	Chitina		X	X	
40	Chuathbaluk	X		X	
41	Circle		X	X	
42	Circle Hot Springs			X	
43	Clam Gulch			X	
44	Clarks Point	X		X	
45	Coffman Cove		X	X	X
46	Cold Bay		X	X	X
47	Cooper Landing	X		X	
48	Copper Center	X		X	
49	Cordova	X		X	

TV List

ID	Site	State	Alascom	ITV	Alascom Maintained
50	Corner Bay				
51	Council		X	X	X
52	Craig	X		X	
53	Crooked Creek		X	X	
54	Deering		X	X	X
55	Delta Junction	X		X	
56	Dillingham	X		X	
57	Diomede	X			
58	Dot Lake	X		X	
59	Dutch Harbor				
60	Eagle River	T			
61	Eagle Village		X	X	
62	Eek	X		X	
63	Egegik	X		X	
64	Eight Fathom Bight	X		X	
65	Ekuk	X		X	
66	Ekwok		X	X	
67	Elim		X	X	X
68	Emmonak		X	X	
69	English Bay		X	X	
70	Ernestine	X		X	
71	Fairbanks		X		
72	False Pass		X	X	X
73	Fort Yukon		X	X	
74	Freshwater Bay	X		X	

TV List

ID	Site	State	Alascom	ITV	Alascom Maintained
75	Gakona	X		X	
76	Galena	X		X	X
77	Galena AFS			X	
78	Gambell		X	X	X
79	Girdwood	X(M)		X	
80	Glenmallen	X		X	
81	Golovin		X	X	X
82	Goodnews Bay		X	X	
83	Gravina Island	X		X	
84	Grayling		X	X	
85	Gustavus	X		X	
86	Haines	X		X	X
87	Halibut Cove		X	X	
88	Healy	X		X	
89	Hobart Bay		X	X	
90	Hollis	X		X	
91	Holy Cross		X	X	
92	Hoonah	X		X	
93	Hooper Bay		X	X	X
94	Hope	X		X	
95	Hughes		X	X	X
96	Huslia		X	X	X
97	Hydaburg	X		X	
98	Hyder	X		X	
99	Igiugig		X	X	

TV List

ID	Site	State	Alascom	ITV	Alascom Maintained
100	Illiamna		X	X	
101	Ivanof Bay		X	X	X
102	Juneau	X	X		
103	Kake	X		X	X
104	Kakhanok		X	X	
105	Kaktovik		X	X	X
106	Kalskag		X	X	
107	Kaltag		X	X	X
108	Karluk		X	X	
109	Kasaan		X	X	
110	Kasigluk	X		X	
111	Kasilof				
112	Kenai				
113	Kenny Lake				
114	Ketchikan		X		
115	Kiana		X	X	X
116	King Cove		X	X	X
117	King Mountain	X			
118	King Salmon		X	X	X
119	Kipnuk		X	X	
120	Kivalina		X	X	X
121	Klawock	X		X	
122	Klukwan	X		X	
123	Kobuk		X	X	X
124	Kodiak		X	X	X

TV List

ID	Site	State	Alascom	ITV	Alascom Maintained
125	Koliganek		X	X	
126	Kongiganak		X	X	
127	Kotlik		X	X	
128	Kotzebue		X	X	X
129	Koyuk		X	X	X
130	Koyukuk		X	X	X
131	Kwethluk	X		X	
132	Kwigillingok		X		
133	Labouchere Bay	X		X	
134	Lake Louise	X			
135	Larsen Bay		X	X	
136	Levelock	X		X	
137	Lime Village	X		X	
138	Long Island	X		X	
139	Manley Hot Springs		X	X	
140	Manokotak	X		X	
141	Marshall		X	X	
142	McGrath		X	X	X
143	McKinley Park	X			
144	Mekoryuk		X	X	X
145	Mentasta Lake	X		X	
146	Meshik (Port Heiden)				X
147	Metlakatla	X		X	
148	Meyers Chuck	X		X	
149	Minchumina		X	X	

TV List

ID	Site	State	Alascom	ITV	Alascom Maintained
150	Minto		X	X	
151	Moose Pass	X		X	
152	Mosquito Lake	X		X	
153	Mountain Village		X	X	
154	Naknek	X		X	
155	Nar akiak	X			
156	Napaskiak	X		X	
157	Naukati Bay	X		X	
158	Nelson Lagoon		X	X	X
159	Nenana	X		X	
160	New Stuyahok		X	X	
161	Newtok		X	X	X
162	Nightmute		X	X	X
163	Nikolai	X		X	
164	Nikolski		X	X	X
165	Ninilchik				
166	Noatak		X	X	X
167	Nome		X	X	X
168	Nondalton	X		X	
169	Noorvik		X	X	X
170	North Kenai			X	
171	Northway	X		X	
172	Nuiqsut		X	X	X
173	Nulato		X	X	X
174	Old Harbor		X	X	

TV List

ID	Site	State	Alascom	ITV	Alascom Maintained
175	Oscarville				
176	Ouzinkie		X	X	
177	Palmer	X			
178	Paxson	X		X	
179	Pedro Bay		X	X	
180	Pelican	X		X	
181	Perryville		X	X	X
182	Petersburg	X		X	X
183	Pilot Point		X	X	
184	Pilot Station		X	X	
185	Pitkas Point	X		X	
186	Platinum		X		
187	Point Baker		X	X	
188	Point Hope		X	X	X
189	Point Lay		X	X	X
190	Port Alice	X		X	
191	Port Alsworth		X	X	
192	Port Graham		X	X	
193	Port Heiden (Meshik)		X	X	
194	Port Lions		X	X	
195	Port Moller		X	X	X
196	Port Protection (other)				
197	Portage Creek	X		X	
198	Quinhagak		X	X	
199	Rampart		X	X	

TV List

ID	Site	State	Alascom	ITV	Alascom Maintained
200	Red Devil		X	X	
201	Rowan Bay	X		X	
202	Ruby		X	X	X
203	Russian Mission		X	X	
204	Saint George		X	X	X
205	Saint Mary		X	X	X
206	Saint Michael		X	X	X
207	Saint Paul		X	X	X
208	Sand Point		X	X	X
209	Savoonga		X	X	X
210	Scammon Bay		X	X	X
211	Scow Bay				
212	Selawik		X	X	X
213	Seldovia	M			
214	Seward	X		X	
215	Shageluk		X	X	
216	Shaktoolik		X	X	X
217	Sheep Mountain	X		X	
218	Sheldon Point	X		X	
219	Shishmaref		X	X	X
220	Shungnak		X	X	X
221	Sitka		X	X	X
222	Skagway	X		X	
223	Slana	X		X	
224	Sleetmute		X	X	

TV List

ID	Site	State	Alascom	ITV	Alascom Maintained
225	Soldotna				
226	Sparrevohn		X	X	X
227	Stebbins	X		X	
228	Sterling	X		X	
229	Stevens Village		X	X	
230	Stony River		X	X	
231	Sutton	X		X	
232	Takotna	X		X	
233	Talkeetna	X		X	
234	Tanara		X	X	
235	Tanunak		X	X	X
236	Tatitlek		X	X	X
237	Tazlina	X		X	
238	Telida		X	X	
239	Teller	X		X	
240	Tenakee Springs		X	X	
241	Tetlin	X		X	
242	Thorne Bay	X		X	
243	Tin City		X	X	
244	Togiak		X	X	
245	Tok	X		X	
246	Toksook Bay		X	X	X
247	Tolsona	X		X	
248	Trapper Creek	X		X	
249	Tuluksak	X		X	

TV List

ID	Site	State	Alascom	ITV	Alascom Maintained
250	Tuntutuliak	X		X	
251	Tyee	X		X	
252	Tyonek			X	
253	Unalakleet		X	X	X
254	Unalaska		X	X	X
255	Valdez		X	X	
256	Venetie		X	X	
257	Wainwright		X	X	X
258	Wales	X		X	
259	Whales Pass	X		X	
260	White Mountain	X		X	
261	Whittier		X	X	
262	Willow	X		X	
263	Willow Mountain	X		X	
264	Womans Bay	X			
265	Wrangell	X		X	
266	Yakutat	X		X	

APPENDIX F

NETLINK USA

Serving America's Unserved Markets

CABLE OPERATOR'S RATE CARD
EFFECTIVE OCTOBER 1, 1987

NETLINK USA-RATES PER
EQUIVALENT BILLING UNIT
(SEE CONTRACT FOR EXACT
DEFINITION)

	MONTHLY RATE

1. 6 CHANNELS	\$0.64
2. 4 NETS AND KDVR OR KTV	\$0.58
3. 4 NETS	\$0.55
4. 3 NETS AND KDVR AND KTV	\$0.51
5. 3 NETS AND KDVR OR KTV	\$0.46
6. 3 NETS	\$0.43
7. 2 NETS AND KDVR AND KTV	\$0.41
8. 2 NETS AND KDVR OR KTV	\$0.36
9. 2 NETS	\$0.31
10. 1 NET AND KDVR AND KTV	\$0.29
11. 1 NET AND KDVR OR KTV	\$0.23
12. 1 NET	\$0.16
13. KDVR AND KTV	\$0.15
14. KDVR OR KTV	\$0.08

NETS ARE: ABC, NBC, CBS, AND PBS FROM DENVER

NETLINK USA

Serving America's Unserved Markets

Welcome to Cable TV's first "SuperCity."

With the launch of Netlink USA, Denver, Colorado, is destined to become a Cable TV SuperCity.

Denver was chosen by Netlink USA because it combines, for your subscribers, a major TV market vitality and quality with a comfortable "Heart of America" flavor.

Denver is centrally located only 340 miles west of the country's geographic center, making network programming times convenient for most any time zone.

Read inside about the exciting new programming possibilities now available from this vital, growing city via satellite and Netlink USA!

Photography by West Stock

NETLINK USA

Serving America's Unserved Markets

Serving America's unserved markets with . .

- Valuable broadcast network programming.
- Quality reception.
- Reliable satellite delivery.

FOR MORE INFORMATION CALL:

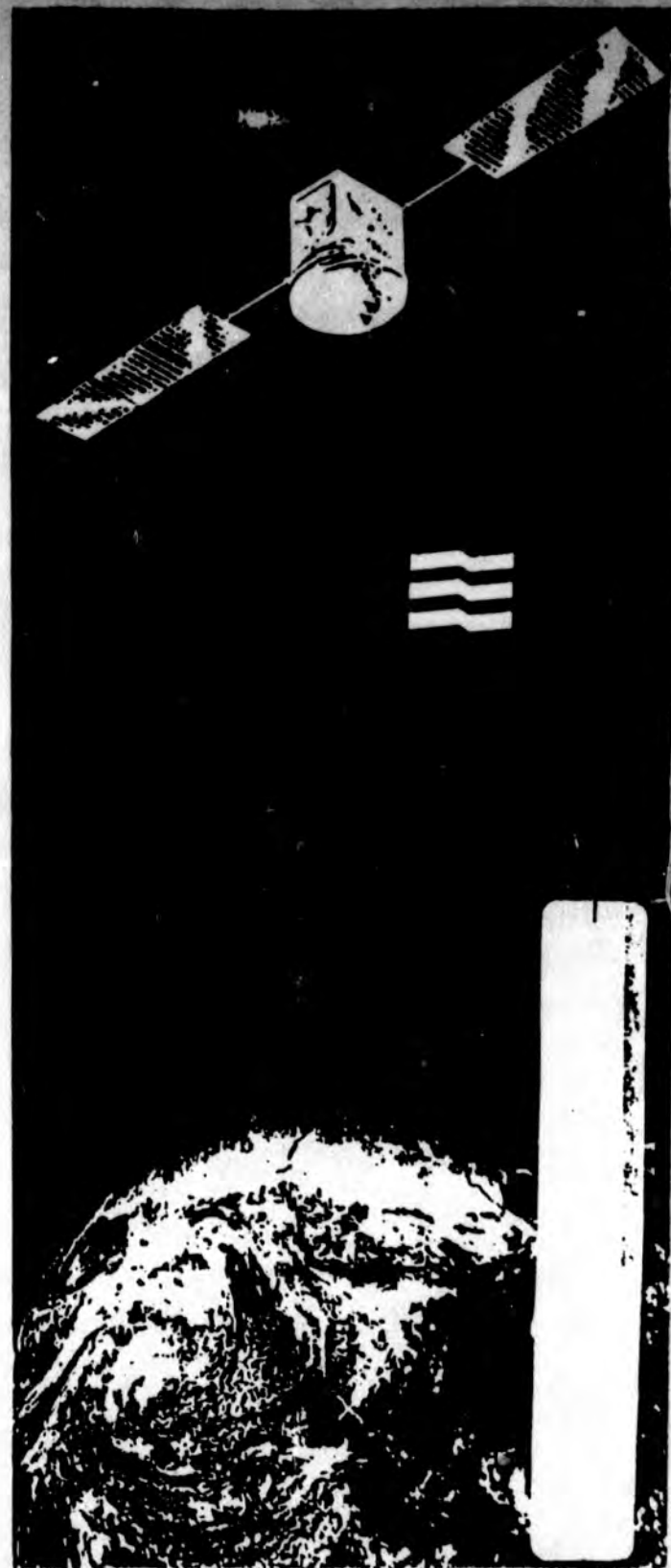
1 - 800 - 832 - 4321

or

1 - 206 - 827 - 2711

**FREE DISH PROGRAM AVAILABLE
TO EARLY CUSTOMERS**

5808 LK. WASH. BLVD. NE
SUITE 101
KIRKLAND, WA 98033



NETLINK USA SERVICE AGREEMENT

1. Parties. This Agreement is made between Netlink USA, a partnership, with its principal place of business at 5808 Lake Washington Boulevard N.E., Suite 101, Kirkland, Washington 98033 ("Netlink"), and _____, with its principal place of business at _____, ("Customer").

2. Services. Netlink shall deliver, on a nonexclusive basis, certain television broadcast and other signals ("Services") to earth stations listed by Customer in Schedule A to this Agreement. Netlink shall also enable, on a nonexclusive basis, the descrambling devices listed on Schedule A to descramble, when necessary, the Services selected by Customer in Schedule A.

3. Distribution to Subscribers: Customer shall distribute the Services selected for reception in Schedule A to its wired cable subscribers in accordance with the terms and conditions of this Agreement, including the Schedules to this Agreement, which are incorporated herein. Customer shall be responsible for providing, installing, and maintaining all equipment that is necessary to receive the Services selected in Schedule A and to deliver high quality signals of such Services to subscribers. Customer shall not authorize or permit the Services selected for reception in Schedule A to be used for any purpose other than distribution to Customer's wired cable television subscribers.

4. Change of Satellite/Scrambling Technology: Netlink transmits its Services via RCA Americom Satellite IR. If Netlink decides to change the domestic communications satellite from which Netlink transmits any Service received by Customer, or requires the replacement or modification of the descrambling devices listed in the Schedule A, Netlink shall give Customer 60 days advance written notice of such change, unless such change is due to Force Majeure (as defined in Paragraph 8 herein), in which case Netlink shall give Customer as much advance notice as is reasonably practicable. Customer shall be responsible for replacing or for making any modifications to earth stations, descrambling devices and related equipment to the extent necessary for Customer to continue to distribute the Services listed in Schedule A to Customer's wired subscribers.

5. Service Fees: Rates for Services are specified in Schedule B. Customer shall pay Netlink for the delivery of Services monthly in advance on the first day of each month. However, if Customer elects the annual prepayment option (described below) as to any earth station receiving Services, it shall pay Netlink for the delivery of Services to such an earth station annually in advance on the first day that such Services are distributed from such earth station to Customer's subscribers.

a. Monthly Payment Option. On or before the first day of each month during the term of this Agreement, Customer shall deliver a statement to Netlink showing Customer's computation of the amount due Netlink with respect to each Service to be received by Customer ("Service Fee") for such month together with payment of such Service Fee.

b. Annual Prepayment Option. On or before the first day that Services are distributed from an earth station to Customer's subscribers and/or any anniversary thereof, Customer shall deliver a statement to Netlink showing Customer's computation of the Service Fee with respect to each Service to be distributed to Customer's subscribers by such earth station for the succeeding twelve months together with payment of such Service Fee. On or before the first day of each of the succeeding twelve months, Customer shall submit a statement for Services distributed from the earth station. Such statement shall be in a form that is identical to that required under the monthly payment option; Customer need not submit any Monthly Service Fee with such statement, however. On or before the anniversary date of Customer's election of the prepayment option, Netlink shall deliver to Customer an accounting of the amount of Service Fees owed for the preceding twelve months based on such Customer's monthly statements. If such amount is greater than the amount of Customer's annual prepayment at the beginning of the preceding twelve-month period, Customer shall remit the difference to Netlink within 30 days after receipt of Netlink's

accounting. If such amount is less than the amount of Customer's annual prepayment at the beginning of the preceding twelve-month period, Netlink shall remit the difference to Customer at the time it delivers the accounting to Customer.

The form of the monthly and the annual prepayment statements required in paragraphs 5 and 5.b, and method of calculating Service Fees are set forth in Schedule C, which Netlink shall have the right to modify from time to time. Each such statement shall be true and correct and certified as such by a duly authorized agent or officer of Customer. Service Fees and the certified calculation form shall be delivered to the business office of Netlink located at 5802 Lake Washington Boulevard, Suite 101, Kirkland, Washington 98033, or to such other address as Netlink may designate in the future by provision of written notice to Customer. Service Fees are payable to Netlink without regard to whether Customer actually receives payment from its own subscribers. Any Service Fee, or portion thereof, not received at the foregoing address by the tenth day of each month (or year, if the annual prepayment option is elected) shall be delinquent and shall be subject to a late charge of 1-1/2 percent per month (or the maximum rate permitted by law, if less than 1-1/2 percent) until such Service Fee and any late charges have been paid in full. In addition to any other rights Netlink may have at law or in equity, Netlink reserves the right to terminate this Agreement, or to deauthorize some or all of Customer's descrambling devices if any Service Fee and any late charges remain unpaid more than 30 days after such Service Fee was originally due.

6. Access to Records: Upon request from Netlink, Customer shall provide Netlink with copies of Customer's current list of cable services offered to its subscribers. Furthermore, upon reasonable advance notice, Netlink shall be entitled to audit, during normal business hours, such books and records of Customer as necessary to ascertain whether Service Fees and subscriber count statements have been properly submitted by Customer. If any audit reveals that Customer has paid less than 95% of the correct amount of its Service Fees for any month, Netlink shall be entitled to recover its cost of conducting the audit from Customer, in addition to enforcing any other rights it may have at law or in equity.

7. Customer Representations: Customer represents that it and its wired subscribers constitute a cable system as defined by Section 111 of the Copyright Act of 1976 and that it has authority from the applicable governmental entity to use public rights of way for distribution of the Services to customer's subscribers. Customer further represents that it is complying and will comply throughout the term of this Agreement with all applicable Federal Communications Commission, Copyright Office and Copyright Royalty Tribunal rules and regulations (including those pertaining to filing statements of account and paying compulsory license fees), and all other laws applicable to Customer's distribution of any Service to subscribers. Customer represents that it will not distribute any Service for any unlawful purpose or in any unlawful manner. Customer further represents that it has not selected on Schedule A an ABC, CBS, or NBC affiliate whose network programming is duplicated by a full network station that the Customer is required to carry under FCC rules and that delivers a high quality picture, without significant interference, to Customer's principal headend. In addition to any other rights and remedies that it may have at law or in equity, Netlink may terminate the delivery of any or all services to Customer if any of Customer's representations in this Agreement are not true during the term of this Agreement. Furthermore, at Netlink's request, Customer will defend and/or indemnify Netlink against any claim or liability (including attorney's fees and court costs) arising directly out of any act or omission of Customer in connection with Customer's distribution of (or failure to distribute) any Service to Customer's subscribers.

8. Force Majeure: Neither party shall be liable to the other for any failure to perform its obligations under this Agreement arising out of any event outside of such party's reasonable control ("Force Majeure"), including but not limited to earthquakes, fires, other acts of God or natural calamities, acts of war or vandalism, strikes or similar work stoppages, shortages of essential supplies, or interruptions in or failures of the services of electrical utilities or other carriers used by Customer or Netlink to distribute any Service. Without limiting the foregoing, Netlink shall not be responsible for interruptions or discontinuance of satellite transmissions or signal encryption systems, or for any discontinuance of any Service if Netlink determines in its sole discretion that

**NETLINK USA SERVICE AGREEMENT
SCHEDULE A**

EARTH STATIONS AND AUTHORIZED SERVICES
(One page required for each earth station site)

SITE NAME: _____

SITE ADDRESS/LOCATION: _____

LOCATION: Antenna Size: _____ Antenna Type: _____

CONTACT PERSON: _____

CONTACT TELEPHONE: Day: _____ Evenings/Weekends _____

START SERVICE DATE: _____

SERVICES AUTHORIZED

DESCRAMBLER NO.

ABC	CBS	NBC	PBS	IND	CABLE
KUSA	KMGH	KCNC	KRMA	KDVR	KSPN

_____	---	---	---	---	---
_____	---	---	---	---	---
_____	---	---	---	---	---
_____	---	---	---	---	---
_____	---	---	---	---	---
_____	---	---	---	---	---

TOTAL LINE FOR EARTH STATION SITE

Enter an "X" if service indicated above column _____
(transfer to Schedule C for fee calculation)

continued distribution of such Service may violate any law, rule, regulation, or the rights of any third party ("Potential Claim"), or any order of an administrative agency or court of competent jurisdiction ("Order"). Netlink reserves the right to discontinue distribution of any Service for any reason, provided that Netlink shall give Customer 30 days' written notice of such discontinuance, except in the event of Force Majeure or in the case of a Potential Claim or Order. Netlink's decision to discontinue distribution of any Service shall not terminate this Agreement as to any other Services selected for reception by Customer on Schedule A. In the event of any interruption or discontinuance of a Service, for any reason, Netlink's liability shall be limited to a pro rata refund of any Service Fees paid by Customer for the period during which such Service was not provided.

9. Term: The term of this Agreement shall begin upon the date of acceptance by Netlink, indicated below, and shall expire on the third or fifth anniversary thereof, as specified by Customer's initialing the appropriate line below.

_____ - three year term

_____ - five year term

Upon the expiration of the initial term, the Agreement shall automatically renew for successive terms of one year each, unless Netlink or Customer elects by written notice to the other, at least 90 days prior to the expiration of the then current term, to terminate this Agreement as of the end of such term. Customer shall not assign this Agreement without the prior written consent of Netlink. If Customer discontinues distribution of any Service selected for reception in Schedule A prior to the expiration of the then current term of this Agreement, Customer shall be liable to Netlink for the total of those Service Fees that would have been payable with respect to the discontinued Service during the remaining term of this Agreement.

10. Independent Contractors: Customer and Netlink are not joint venturers, and their relationship is solely that of independent contractors. No subscriber of Customer shall have any privity of contract with Netlink and shall not be entitled to recovery of any damages or any other remedy against Netlink by virtue of this Agreement.

11. Supervening Laws and Tariffs: This Agreement is subject to the federal Communications Act of 1934, the federal Copyright Act of 1976, any rules or regulations issued pursuant to such acts, and the provisions of tariffs issued by domestic satellite carriers from whom Netlink has ordered or may order satellite transponder services. Furthermore, Netlink reserves the right to file tariffs for the transmission of any Service. This Agreement may be amended by Netlink to conform to any such tariff, provided that, if any such amendment materially diminishes Customer's rights hereunder (or materially increases Customer's obligations), Customer may terminate this Agreement upon written notice to Netlink.

NETLINK USA by Teelluride
Cablevision, Inc., its general partner

By _____
Name and Title: _____
Acceptance Date: _____

CUSTOMER

(Company name)

By _____
Name and Title: _____
Date: _____

Volume Discounts are applied to Basic Service Fees, as reduced by Charter Customer Discounts and Multiple Service Discounts if applicable.

6. Annual Prepayment Option. Customer shall not be required to pay the minimum monthly Service Fee of \$75 per earth station if Customer elects to prepay its estimated Service Fees for subscribers to be served by such earth station during the succeeding twelve months. Customer shall make such election by submitting: (a) a properly completed Schedule C; (b) payment of the estimated Service Fees for such earth station on or before the first day on which Services are distributed to Customer's subscribers from such earth station and/or any anniversary thereof; and (c) payment of \$50.00, at the time Customer first elects the prepayment option, to establish Customer's prepayment account. Customer shall comply with the monthly reporting and other requirements set out in Paragraph 5 of the Agreement. Notwithstanding the foregoing, if at any time during the twelve months following Customer's prepayment election, the monthly Service Fees that would be owed by Customer (if Customer were on the Monthly Payment Option) exceed \$200.00 with respect to any earth station covered by the election, Netlink may terminate Customer's annual prepayment option as to such earth station by so notifying Customer in writing, and by crediting Customer's prepayment to the amounts of monthly Service Fees owed by Customer for Services received and to be received by such earth station during the twelve months following Customer's election.

NETLINK USA SERVICE AGREEMENT
SCHEDULE B

SERVICE FEE CALCULATION

For each Service that Netlink provides Customer as specified in Schedule A of this Agreement, Customer shall pay Netlink a monthly Service Fee based upon the total number of Customer's subscribers entitled to receive such Service, or a minimum monthly Service Fee per earth station of \$75, whichever is greater, unless Customer elects for the annual pre-payment option under Section 6 below.

1. Total Number of Subscribers: The total number of subscribers for each Service is determined by adding (a) the total number of subscribers entitled to receive such Service who reside in private homes or dwellings, other than institutional residences ("Residential Subscribers"); and (b) the result of dividing (i) the total amount billed by Customer to all other subscribers with respect to that tier or level of cable services that includes the Service by (ii) Customer's standard monthly rate to Residential Subscribers for the same tier or level of service. In all cases, the total number of subscribers shall be determined in accordance with subscriber data for the month ending one full month before the due date for Service Fees. (E.g., for the calculation of Service Fees due January 1, Customer shall use its total number of subscribers as of November 30).

2. Basic Service Fee Calculation: For each Service, the Customer's Service Fee shall be calculated by multiplying the total number of subscribers by the relevant amount shown below:

<u>SERVICE</u>	<u>NORMAL FEE</u>	<u>CHARTER CUSTOMER</u>	<u>CHARTER CUSTOMER</u>
		<u>1987</u>	<u>After 1987</u>
KUSA (ABC-DENVER)	.30	.24	.27
KMGH (CBS-DENVER)	.30	.24	.27
KCNC (NBC-DENVER)	.30	.24	.27
KRMA (PBS-DENVER)	.30	.24	.27
KDVR (IND-DENVER)	.10	.08	.09
KSPN (CABLE-ONLY IND.)	.15	.12	.135

3. Charter Customer Discount: Customers that order Services pursuant to this Agreement by June 30, 1987, are entitled to reduce their monthly Service Fees for all Services by 20% through December 31, 1987, and by 10% thereafter for the initial term of the Agreement as selected by Customer in Paragraph 9 of the Agreement. The amounts of Charter Customer Discounts are shown in the table above. Discounts apply to current and future-acquired subscribers served by Customer.

4. Multiple Service Discount: Customers that order more than one Service for distribution from an earth station site are entitled to reduce their monthly Service Fees for all such combined Services as follows:

2 Services	-	5% discount
3 Services	-	10% discount
4 Services	-	15% discount
5 Services	-	20% discount
6 Services	-	20% discount

Multiple Service discounts are applied to Basic Service Fees, as reduced by Charter Customer Discounts, if any.

5. Volume Discount: Customers that distribute any Service to more than 25,000 subscribers are entitled to reduce their Service Fees for that Service by the following amounts:

25,000 to 249,999 subscribers	- 17% discount
250,000 or more subscribers	- 33% discount

APPENDIX G

EARTH STATION PURCHASE AND INSTALLATION

COST BREAKDOWN

Purchase Costs

Satellite Dish	\$ 5,000
Receiver	1,700
Low-noise Amplifier	225
Misc. cables, etc.	500
Surface Freight	<u>2,000*</u>

Total Purchase Costs \$ 9,425**

Average Installation Costs \$ 7,575***

TOTAL COST ESTIMATE \$17,000

* Ranges between \$1,000 and \$2,000.

** Total material purchase cost will be less with probable volume discount.

*** Installation costs would vary depending on location. Installation in Hope, a relatively low cost site, would be about \$3,000. Installation in Yakutat, a higher cost locale, would be about \$7,500. In the Aleutian Chain, costs are much higher, around \$11,000.

APPENDIX H

Alaskan Communities with TVP - No Commercial or Cable TV

Akhiok	Hollis	Ouzinkie
Akutan	Holy Cross	Pedro Bay
Aleknagik	Hughes	Pelican
Allakaket	Huslia	Perryville
Ambler	Iliamna	Pilot Point
Aniak	Ivanoff Bay	Pitkas Point
Anvik	Kalskag	Point Baker
Arctic Village	Kaltag	Port Alice
Atka	Karluck	Port Alsworth
Atmautluak	Kasaan	Port Graham
Beaver	King Cove	Port Heiden
Bettles	King Mountain	Port Moller
Birch Creek	Kluckwan	Portage Crk. (via Dlg.)
Brevig Mission	Kobuk	Rampart
Cantwell	Kokhonak	Red Devil
Cape Pole	Kolignek	Rowan Bay
Central	Kongiganak	Ruby
Chalkytsik	Koyuk	Russian Mission
Chefornak	Koyukuk	Sand Point
Chignik	Kwethluk	St. George
Chignik Lagoon	Kwigillingok	St. Paul
Chignik Lake	Labouchre Bay	Scammon Bay
Chikaloon?	Lake Louise (via trans)	Shageluk
Chistochina	Larsen Bay	Shaktoolik
Chitina	Levelock	Sheep Mountain
Chuathbaluk	Lime Village	Sheldon Point
Circle	Long Island	Slana
Circle Hot Springs	Lower Kalskag	Sleetmute
Clark's Pt. (via trans)	Manley Hot Springs	Sparrevohn ?
Coffman Cove	Marshall	Stevens Village
Cold Bay	McGrath	Stoney River
Cooper Landing?	McKinley Park ?	Takotna
Corner Bay (via trans)	Mekoryuk	Tanunak
Council	Mentasta Lake	Tatitlek
Crooked Creek	Meyers Chuck	Tanana
Diomede	Minchumina	Telida
Dutch Hbr. (via trans)	Minto	Tazlina
Eagle (via trans)	Mosquito Lake	Teller
Eagle Village	Napaskiak	Tenakee Springs
Eek	Naukati Bay	Tetlin
Egegik	Nelson Lagoon	Tin City
Eight Fathom Bight	New Stuyahok	Tolsona
Ekuk	New Halen	Trapper's Creek
Ekwok	Newtok	Tuluksak
English Bay	Nightmute	Tuntutuliak
False Pass	Nikolski	Twin Hills
Freshwater Bay	Noatak	Tyee ?
Golovin	Nondalton	Venetie
Goodnews Bay	Noorvik	Wales
Graylina	Northway	Whale Pass
Gustavus	Nulato	White Mountain
Halibut Cove	Old Harbor	Whittier
Hobart	Oscarville (via Bethel)	Woman's Bay
		Yakutat

APPENDIX I

distribution and transmission of public telecommunications services to public telecommunications entities;

(F) hire or accept the voluntary services of consultants, experts, advisory boards, and panels to aid the Corporation in carrying out the purposes of this subpart;

(G) conduct (directly or through grants or contracts) research, demonstrations, or training in matters related to public television or radio broadcasting and the use of nonbroadcast communications technologies for the dissemination of noncommercial educational and cultural television or radio programs;

(H) make grants or contracts for the use of nonbroadcast telecommunications technologies for the dissemination to the public of public telecommunications services; and

(I) take such other actions as may be necessary to accomplish the purposes set forth in subsection (a) of this section.

Nothing contained in this paragraph shall be construed to commit the Federal Government to provide any sums for the payment of any obligation of the Corporation which exceeds amounts provided in advance in appropriation Acts.

(3) To carry out the foregoing purposes and engage in the foregoing activities, the Corporation shall have the usual powers conferred upon a nonprofit corporation by the District of Columbia Nonprofit Corporation Act [D.C. Code, § 29-501 et seq.], except that the Corporation is prohibited from—

(A) owning or operating any television or radio broadcast station, system, or network, community antenna television system, interconnection system or facility, program production facility, or any public telecommunications entity, system, or network; and

(B) producing programs, scheduling programs for dissemination, or disseminating programs to the public.

(4) All meetings of the Board of Directors of the Corporation, including any committee of the Board, shall be open to the public under such terms, conditions, and exceptions as are set forth in subsection (k)(4) of this section.

(5) The Corporation, in consultation with interested parties, shall create a 5-year plan for the development of public telecommunications services. Such plan shall be updated annually by the Corporation.

(6) Redesignated (5).

(h) Free or reduced rate interconnection service; access to facilities

(1) Nothing in this chapter, or in any other provision of law, shall be construed to prevent United States communications common carriers from rendering free or reduced rate communications interconnection services for public television or radio services, subject to such rules and regulations as the Commission may prescribe.

(2) Subject to such terms and conditions as may be established by public telecommunications entities receiving space satellite interconnection facilities or services purchased or arranged for, in whole or in part, with funds authorized under sections 390 to 399 of this title, other public telecommunications entities shall have reasonable access to such facilities or services for the distribution of educational and cultural programs to public telecommunications entities. Any remaining capacity shall be made available to other persons for the transmission of noncommercial educational and cultural programs and program information relating to such programs, to public telecommunications entities, at a charge or charges comparable to the charge or charges, if any, imposed upon a public telecommunications entity for the distribution of noncommercial educational and cultural programs to public telecommunications entities. No such person shall be denied such access whenever sufficient capacity is available.

(i) Report to Congress

(1) The Corporation shall submit an annual report for the preceding fiscal year ending September 30 to the President for transmittal to the Congress on or before the 15th day of May of each year. The report shall include—

(A) a comprehensive and detailed report of the Corporation's operations, activities, financial condition, and accomplishments under this subpart and such recommendations as the Corporation deems appropriate;

that this section should not be construed as providing for free or reduced rates for interconnection among nonbroadcast stations. Section 397(8) states that, for the purpose of the act, "The term 'interconnection' means the use of microwave equipment, boosters, translators, repeaters, communication space satellites, or other apparatus or equipment for the transmission and distribution of television or radio programs to noncommercial educational television or radio broadcast stations," 47 U.S.C. 397(8). (Italic supplied.)

11. Finally, we understand the concern of the carriers as to how the costs of service rendered pursuant to section 396(h) are to be recovered by the carriers. We believe that it is desirable to state the Commission's policy in this area so far as it is possible at this time. Consistent with the policy of the Public Broadcasting Act, it is reasonable and appropriate that all costs, including the cost of new construction, shall be treated as related to common carrier interstate service and as such shall be included in the carriers total interstate rate base and operating expenses. It should also be made clear that, although the language of section 396(h) is permissive, the national policy expressed is that the public interest is served by the expansion of noncommercial educational broadcasting service to the public through free or reduced rate interconnection common carrier services for educational broadcast stations. While we need not definitively resolve the question raised by USITA as to whether or not the Commission can require or order common carriers to provide such free or reduced rate service, we do believe that we have ample authority to promote the congressional purpose and the public interest in this important area.

12. Authority for the adoption of the addition contained herein is contained in sections 4(i), 218, 219(b), and 396(h) of the Communication Act of 1934, as amended.

13. In view of the foregoing, *It is ordered*, That effective July 1, 1969, part 43 of the Commission's rules is amended to add section 43.74 to read as follows:

Section 43.74 Service rendered free or at reduced rates pursuant to section 396(h) of the act; reports relative thereto.

Any common carrier subject to the Communications Act may render free or reduced rate communications interconnection services for noncommercial educational television or radio services, subject to the rules contained in this part. Every carrier furnishing such service shall make and file, in duplicate, with the Commission within 45 days after the end of each calendar quarter, two certified copies of reports covering each quarter of the year. The reports shall show the call signs and locations of the stations to which such service was rendered pursuant to this rule and the date such service was rendered; the names of any agency, corporation or association of stations, other than the stations interconnected, to which service was charged or credited; the general character of the service provided; the charges in dollars which would have accrued to the carrier for such services rendered if all charges for such services had been calculated at the published tariff rates; the charges in dollars, if any, actually made or credited for such service; the name and address of any person whose request for such service is pending as of the last day of the reporting period; the date of such request; a general description of the service requested, and the expected date of decision on the pending request; the name and address of any person whose request for such free or reduced rate service has been denied during the reporting period together with a general description of the service requested, and the reasons for such denials of service and the dates thereof.

FEDERAL COMMUNICATIONS COMMISSION.

BEN F. WAPLE, Secretary.

24. IT IS FURTHER ORDERED, That CPB's aforementioned supplemental pleading requesting a ruling that "free" service is required under 396(h) of the Act, IS DENIED.

25. IT IS FURTHER ORDERED, That the Bell System companies shall commence construction forthwith of the remaining portions of the facilities needed to provide the 71-point and 110-point networks specified by CPB and shall expedite such construction so as to complete the 71-point network by March 31, 1972 and the 110-point network by January 1, 1973.

26. IT IS FURTHER ORDERED, That the Bell System companies shall submit a report, in writing, to the Commission by the 10th of each month, beginning in July, 1971 of the progress made by the Bell System in the prior month in constructing, installing and placing into operation the facilities needed by CPB for the 71-point and 110-point interconnection service requested.

FEDERAL COMMUNICATIONS COMMISSION,
BEN F. WAFLER, *Secretary*.

AUGUST 13, 1970.

MR. JOHN W. MACY, JR.,
President,
Corporation for Public Broadcasting,
288 16th Street, Northwest,
Washington, D.C. 20006

DEAR MR. MACY: As you know, the Commission has been following the progress of discussions between AT&T and CPB regarding the establishment of charges for interconnection service and facilities to be furnished to CPB by AT&T for a 110 station network. In this connection, our staff and CPB are each reviewing a study made by AT&T of its "incremental" costs of providing such a network. On the basis of the study, AT&T has quoted annual charges to CPB for the requested network.

With a view to facilitating resolution of this matter, I believe it may be helpful to advise CPB and AT&T of certain conclusions reached thus far by the Commission.

First, a majority of the Commissioners holds the view that in the interest of promoting the most efficient use of facilities, interconnection service to CPB should not be free of charge. It is our further opinion that charges for interconnection service to CPB that are designed to enable the carriers to recover at least the incremental costs they incur in furnishing such service would be entirely appropriate. Although we have arrived at no conclusions as to the merits of the specific methodology or results of AT&T's study, we understand, based on our staff's analysis, that AT&T's study is designed to identify the "incremental" costs of service to CPB and that it produces charges to CPB which are about 33 percent of the charges for comparable commercial service. It would appear to us that such level of charges comports with the spirit and objective of the free or reduced rate provisions of Section 396 (h) of the Public Broadcasting Act of 1967.

Secondly, we recognize the current funding limitations and uncertainties confronting CPB at this time. The Commission would, there-

fore. interpose no objection to the provision of regular interconnection service to CPB under an arrangement which recognizes CPB's budgetary problems in the early years consistent, as far as practical, with the general principles outlined above.

It is the Commission's belief that, whatever arrangements are ultimately formulated by the Congress for the permanent funding of CPB should include provision for the charges involved in obtaining its required interconnection service.

Sincerely,

DEAN BURCH, *Chairman.*

CONCURRING STATEMENT OF COMMISSIONER THOMAS J. HOSER

I take this opportunity to concur in the Commission's proposed settlement of the CPB-AT&T interconnection problem. My essential concern revolves around the specification of a \$4.9 million dollar charge for the ultimate interconnection of the public broadcasting network. I have been impressed by the difficulties encountered by CPB in securing adequate short range financing and assurances of long term economic stability. An expense approaching five million dollars appears to be a high price for "free or reduced rate interconnection."

However, I recognize that the Commission's action today represents a reasoned compromise which recognizes CPB's current financial shortcomings and will, hopefully, expedite the inauguration of this vital network service.

2

APPENDIX J



September 2, 1987

RECEIVED
SEP 1 1987

Mr. Jerry Brigham
General Manager
K Y U K - TV
P. O. Box 468
Bethel, AK 99559

ALASKA PUBLIC
BROADCASTING COMMISSION

Dear Jerry:

I am writing in response to your query on behalf of all the Alaska public television stations last month about the possible financial implications of consolidating all the Alaska public TV stations into an entity that would be eligible for only one CPB Community Service Grant (CSG). We have done some projections and the results are interesting.

I won't bore you with all the details of how we worked up the figures, but if you want to know, I'll be happy to explain. At the bottom line, here's how it looks.

	<u>Current CSG \$</u>	<u>Current CSG Factor</u>	<u>Current Nat'l Expenses*</u>
KAKM	475,283	0.00439868	\$ 364,572
KTOO	406,019	0.00375765	307,451
KUAC	388,963	0.00359980	297,708
KYUK	<u>351,701</u>	<u>0.00325495</u>	<u>272,642</u>
TOTAL	1,621,966	0.01501108	1,242,373

By comparison, if you created a single, consolidated CSG for the Alaska stations, we estimate that such a CSG would amount to \$851,565 and would result in a CSG Factor of 0.00793772. Consequently, we estimate that the "Current National Expenses" would be reduced to \$658,009.

* "Current National Expenses" included in this calculation are the FY88 PBS General Assessment, FY88 SIP dues (est.), SPC-14 program costs, FY88 Program Challenge Fund, and the Election '88 program package.



Mr. Jerry Brigham
September 2, 1987
Page Two

Thus, by consolidating and receiving one CSG instead of four, we estimate that the Alaska stations would lose \$770,401 in CSG dollars, but would also reduce their national expenses by \$584,364. Thus, at least with respect to national revenue and expenses, consolidation of the four stations into one CSG-eligible entity would yield a net loss of \$186,037.

At the same time, however, we all recognize that it costs money for each station to maintain enough staff and stay on the air long enough to qualify for a CSG. The next question, then, which you and your colleagues will have to answer for yourselves, is whether you could save \$186,037 (or more) by consolidating. Put another way, if it is costing the four stations collectively more than \$186,037 to maintain separate staffs, etc. in order to qualify for four CSG's, then perhaps it would be cost-efficient to consolidate.

Undoubtedly there are many other factors you will have to consider as you ponder the future of public television in Alaska. Please let me know if you need any more detail on this aspect, or if there is anything else we can do for you here.

Best regards,

A handwritten signature in black ink, appearing to read "Lance", is written below the typed name.

Lance W. Ozier
Vice President
Program Administration
and Information

cc: Peter Frid, KTOO
Elmo Sackett, KAKM
Bruce Christensen
Peter Downey
Mike Hobbs



September 9, 1987

Mr. Jerry Brigham
General Manager
K Y U K - TV
P. O. Box 468
Bethel, AK 99559

Dear Jerry:

Per your request during our telephone conversation last week, I am enclosing copies of documents relating to PBS's "Unserved Areas" policy. So that we're starting from the same point, I think the best way to proceed here is for you to look them over, then call me with your questions.

The two documents contain the following:

1. "Resolution: Extension of Public Television Service to Unserved Areas" -- Basic policy statement, definition of "unserved area," and guidelines for licensing PBS program service to non-PTV entities in unserved areas.
2. "Unserved Areas Policy" (excerpt from Minutes of Interconnection Committee, November 13, 1984) -- Further interprets the definition of what is considered to be an "unserved area." In effect gives PBS management some flexibility in applying the definition of "unserved areas" to include areas which, in the judgment of PBS management (with advice from local or nearby PTV stations), may be "not adequately served" (and thus may be eligible to take programs off the satellite).

Give me a call if you need more information on all of this. I'll be happy to help.

Best regards,

A handwritten signature in cursive script, appearing to read "Lance W. Ozier".

Lance W. Ozier
Vice President
Program Administration
and Information

Enclosures

RECEIVED
SEP 10 1987

ALASKA PUBLIC
BROADCASTING COMMISSION

Public Broadcasting Service
Board of Directors
January 20-21, 1982
Washington, D.C.

RESOLUTION: EXTENSION OF PUBLIC TELEVISION
SERVICE TO UNSERVED AREAS

The public television system is committed to bringing its program services, to the extent possible, to all areas of the United States, including those areas where such services are presently unavailable.* With increasing frequency, PBS has received requests from non-public television entities for consent to use PBS satellite-fed programming in areas unserved by existing public television stations.

The Board has reviewed the arrangements made with the University of Alaska Instructional Telecommunications Consortium (UAITC) for the provision of PBS programming to unserved areas in Alaska and has considered other appropriate conditions for provision of service to unserved areas elsewhere within the United States.

Based on this review, the Board hereby adopts the following guidelines for the provision of service to unserved areas. These guidelines are premised on the principle that the responsibility to provide PBS programming to unserved areas in any state rests firmly with the public television licensees within that state, working with the public telecommunications agencies within that state. PBS's role is not to supplant the function of the licensee, but to assist its member licensees to extend their services to presently unserved areas.

In view of the rapidly changing technological environment, the authority to license the PBS Program Service provided by these guidelines shall be in effect for contracts running through, but not beyond, calendar year 1983; Board review as to the extension of the policies for contracts to be entered for calendar year 1984 and thereafter, shall occur sometime during 1983.

Guidelines

1. PBS will enter into a license agreement with any public television licensee desiring to relicense the PBS Program Service to non-public television entities seeking to serve areas within its state which are unserved by public television. Upon receiving requests for access to the PBS Program Service from entities in a state where no public television licensee exists (e.g., Montana and Wyoming) and, in the event that a public television licensee in a nearby

*An unserved area is defined as an area outside a public television station's Grade B contour and unserved by cable, translator or other retransmission of any public television station.

state expresses interest in licensing the Program Service to those entities, PBS will enter into a license agreement with that licensee, if the licensee so desires. Otherwise, PBS will enter into a license agreement directly with the non-public television entity.

2. If an area served by a non-public television entity under these licensing arrangements becomes served by a public television licensee then, within a reasonable time period, the non-public television entity's authorization to use the PBS Program Service must be withdrawn.
3. Each public television licensee may authorize receipt of the entire PBS Program Service via satellite or other means of transmission, subject to PBS having the required program rights for any individual program.
4. The requesting entity must have the technical and administrative capability to delete any matter from the PBS satellite feed which it is not authorized to use.
5. All PBS programs authorized for use may be broadcast only on a non-commercial sustaining basis.
6. The requesting entity must agree not to make any edits or alterations in programs and to erase any recording made of any PBS program no later than six months after use.
7. The requesting entity must take responsibility for Fairness Doctrine and political broadcasting obligations (such as "equal time" and "reasonable access" provisions) and for broadcast of any material which might be considered obscene in any local community.
8. The public television licensee will pay PBS a reasonable fee for its right to relicense the PBS Program Service and will in turn be free to charge the requesting entity a fee determined at the licensee's discretion.
9. The requesting entity must be capable of exercising local responsibility and control over the programming services it provides including PBS programming. Such entity must be capable, at the local level or at least at the statewide level, of choosing to carry or not carry an individual PBS program. In addition, it must be capable of inserting programming responsive to local or statewide needs, which capability can be exercised either at the local or at a statewide level.

10. While PBS prefers that such local responsibility and control of programming be exercised by requesting entities at least on a statewide level, licensees may authorize such entities to receive PBS programming from program distributors from out-of-state on the condition that such entities retain the capability to select locally-oriented programming to be received from such program distributor which is responsive to statewide or local needs.

(12)

Excerpt from Minutes, Interconnection Committee, November 13, 1984

Task Force on PBS Membership and Services

The Committee resumed in public session at 11:00 a.m. The Committee reviewed a draft agenda prepared for the Task Force on PBS Membership and Services, and offered advice and counsel on preparation of discussion papers on the issues having to do with availability of service via direct satellite reception to do with non-public-television entities in areas served or not served by public television broadcast signals. The Committee applauded the effort to initiate a thorough and deliberate review of these policies through the work of the Task Force, and pledged its assistance. Management confirmed that the Task Force's report on the "service policy" questions would be considered by the Interconnection Committee at a subsequent meeting, with that Committee then to forward its recommendations to the Executive Committee.

In the course of the discussion, the Committee received a report of arrangements being developed by SECA for licensing direct school use of public television satellite-distributed instructional services. The Committee applauded SECA's initiative in bringing the subject to the Interconnection Committee, and the emphasis in the proposal on licensee responsibility; stressed also the need for consistent and coordinated public television policy in this area; and emphasized the desire to permit experimentation within the framework of the planned review and development of policy by the Task Force and the Committee. By motion duly made, seconded, and unanimously carried, the Committee advised SECA that it would not object to SECA's implementation, on an experimental basis, of proposed guidelines for authorization of direct satellite reception by schools of SECA-distributed ITV services: provided such authorizations were extended by participating public television stations only, were confined to present users, and were extended with the understanding that the Task Force on PBS Membership and Services and the Interconnection Committee would be endeavoring in advance of the next school year to develop a more comprehensive policy to govern such uses over the longer term.

Unserved Areas Policy

The Committee received a presentation from Messrs. Daniel Tone and Lee Goode of Rural Television System, Carson City, Nevada, regarding that agency's request for access to the PBS satellite signal in support of plans for the extension of public television service to several communities in Nevada and Montana. The Committee discussed the proposed arrangements in Incline Village, Nevada, as an illustrative situation for the application of PBS's "unserved areas policy."

The Committee considered the nature of the local organizations that will exercise responsibility and control of the service provided to the communities; the technical arrangements that have been made for that service, in accordance with the Unserved Areas Policy guidelines; and the relationships of the local organizations and the planned service to the public television broadcast licensee in the state, in furtherance of plans for completion of a statewide public television network. The Committee noted that in most of the communities proposed to be served, there was now no public television service at all; and that in two cases, although public television signals were available on cable systems serving a portion of the community, the signals were from out-of-state stations, were technically inferior and unreliable, and could not be regarded as an adequate public television service for the community. By consensus the Committee concluded that a proper interpretation and application of the policy would permit extension of the PBS service in circumstances where there is otherwise only minimal cable service available, where in the view of the parties most directly knowledgeable of the situation that service is unreliable or inadequate, and where the other guidelines of the policy are met; authorized management to work with the representatives of Rural Television System and of Nevada's public television stations to implement the policy in Incline Village; and authorized management to proceed in the same manner with respect to the other instances described, if on investigation it is determined that those communities should properly be considered to be "unserved" areas.

APPENDIX K

STATE OF ALASKA

OFFICE OF THE GOVERNOR
OFFICE OF MANAGEMENT AND BUDGET
DIVISION OF POLICY

STEVE COWPER, GOVERNOR

P.O. BOX AD
JUNEAU, ALASKA 99811-0199
PHONE: (907) 485-3568

December 3, 1987

Mr. Richard Zook
KIMO TV Channel 13 ABC
2700 East Tudor Road
Anchorage, AK 99507

Dear Mr. Zook:

The State-owned and maintained Southcentral microwave network (Turnagain Arm/Kenai Peninsula) is used by numerous State agencies as well as three commercial television stations. As you know, it carries your station's broadcasts outside of its immediate service area.

As part of the budget trimming process, the Legislature has directed this agency to find out the extent of your willingness and ability to contribute to preserving this service.

The cost of providing television service over the Southcentral microwave is estimated to be \$30,000 per year. Allocated among four stations, the annual cost of transmitting the signal for each is \$7,500. Are you interested in having the service continue? If so, are you willing to make the annual payment of approximately \$7,500?

Attached is a copy of the relevant legislative intent from the FY88 operating budget. Your thoughts on this issue will be appreciated. Thank you.

Sincerely,

Mary Halloran

Mary Halloran, Director
Division of Policy

Enclosure

cc: Senator Jalmar Kerttula
Senator Mike Szymanski
Senator Paul Fischer

Representative Bette Cato
Representative Jim Zawacki
Representative Mike Navarre
Representative C.E. Swackhammer
Bob Evans, Legislative Liaison, Office of the Governor
John Andrews, Commissioner, Department of Administration
Jim Fox, Deputy Commissioner, Department of Administration
Mel Hoversten, Director, Division of Telecommunications
Charles Northrip, Executive Director, Alaska Public
Broadcasting Commission
Professor Larry Pearson, for the House Special Committee on
Telecommunications

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 8672
1555 SCOMM 58: HOUSE SPEC. COMM. ON TELECOMMUNICATIONS, 1987-1988₂



NORTHERN TELEVISION, INC.
THE BROADCAST CENTER

P.O. BOX 102200 ANCHORAGE, ALASKA 99510
KTVA-TV/KBYR-AM/KNIK-FM/MUZAK
(907) 562-3456

PO. BOX 950 FAIRBANKS, ALASKA 99707
KTVF-TV/KCBF-AM
(907) 452-5121

Anchorage, Alaska
January 6, 1988

Ms. Mary Halloran, Director
Division of Policy
Office of Management & Budget
State of Alaska
P. O. Box AD
Juneau, AK 99811-0199

Dear Ms. Halloran:

Your letter of December 3 regarding proposed payment of microwave maintenance services to the Kenai Peninsula and the Turnagain Arm/Girdwood areas did not reach all Anchorage Television broadcasters at the same time. For example, the one addressed to KTVA did not arrive until a copy was sent by Ms. Joan Kasson and finally received on January 4, 1988, causing this delay in responding to your request for comments.

Some historical perspective might be useful to you and the others concerned with addressing the problem of costs to provide television service by means of State-owned translators, fed by State-owned microwave systems.

In the early 1960's, KENI-TV (now KTUU-TV) and KTVA began an effort to bring TV reception to the Kenai-Soldotna area. We both engineered, applied to the FCC, and installed units to serve as best we could the growing population in that area. At first they were one-watt in power, the maximum power originally allowed by the FCC, later replaced by ten-watt transmitters with multiple output amplifiers and directional antennas to give maximum coverage. Later, KIMO-TV and KAKM-TV followed suit and installed their own units with similar coverage.

Unfortunately, the southern end of the Peninsula, from approximately Kasilof to Seldovia to Homer received no service, and Representative Hugh Malone, who is now a member of the Governor Cowper Cabinet, sponsored a bill for the State to provide service to the entire Peninsula. This was done with a series of translators down the peninsula, eventually a five-hop system with one relaying to the next unit.

This system did provide service all the way to Seldovia and Homer, but each relay lost significant quality in the retransmission of TV signals, and if one unit failed, the remaining down-stream translators went off the air. The cost to maintain such a relay system was high and maintenance success was erratic at best.

Ms. Mary Halloran
January 6, 1988
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The State Division of Communications engineered an ideal solution through installation of a high quality microwave system, with a head-end on the Anchorage Peninsula, and a direct link to all translator sites, which meant that the failure of any individual translator would not cause failures of others in the system at downstream locations. The microwave system was designed and built by the State to accommodate all four television stations, three commercial and one public licensed to Anchorage and operating at the time. Subsequently KTBY-TV was licensed to Anchorage and now several UHF-TV low power stations are in operation here and a construction permit for Channel 5 has been granted by the FCC.

A similar project, to provide TV service to the Turnagain Arm area and Girdwood, had been undertaken by the same four Anchorage stations, who bore the expense of engineering, applying for FCC construction permits and acquiring translator equipment. Some of these translators were on the air, others were in a construction permit mode, but the equipment was all acquired, when the State undertook a second microwave project, identical to the Kenai Peninsula linkage concept, except that the length of the microwave path was shorter and less equipment was required.

It is important for you to know that in both the Kenai Peninsula microwave project and the Turnagain Arm/Girdwood project, Anchorage TV stations donated their existent licenses and equipment to the State at no charge. In some cases this equipment was used, in others the State installed new equipment, sometimes more powerful, sometimes newer models, and generally vastly improved the services that had been provided, or could have ever been provided by the four Anchorage stations.

It is important to note for the record, that the State of Alaska Legislature initiated the concept of providing this service at State expense. While the TV broadcasters applauded the notion that improved service to the public was commendable, they did not promote the idea of a microwave system of State-ownership of these translators, nor did they lobby the Legislature to create necessary funding. As a matter of fact, in these instances, as well as the TV demonstration project initiated in January, 1977 to bring TV service to remote Alaskan bush communities by satellite (TVDP), the TV broadcasters always admonished State planners not to get into any such projects with high consumer interest, which would create an appetite for service, and then bail out leaving the consumer without service. Broadcasters were especially concerned with what was perceived as a great danger: that the State would bail out and leave the implication that it was the broadcasters' fault and their responsibility to the public. We specifically made it clear that we would cooperate all the way, but not to leave dirty State linen in the broadcasters' laundry hamper.

Naturally we are at present very concerned with the economy of the State, and are painfully aware of the difficult times faced by all concerned, including State budgeting. In good faith and in the spirit of trying to reduce State spending, several Anchorage TV broadcasters, including the undersigned, testified nearly a year ago in a State-wide teleconference. We wrote letters and lobbied Legislators to abandon the Capital-87 type legislative TV coverage,

Ms. Mary Halloran
January 6, 1988
Page 3

which would have saved Alaskan taxpayers approximately a quarter-million dollars in 1987. Not only were we ignored, but it appears this may be another favorite spending project by the Legislature in 1988, based on recent media publicity out of Juneau.

The shaky State economy has negatively impacted the TV broadcasting business income too. The burden of another \$7,500 per year cost to each station simply is not feasible at this time, at least not to KTVA. The added TV coverage by virtue of the State operated microwave-translator system does not enrich our coffers significantly at all. It is a fine service to the public, that's how the Legislature originally intended it to be and that is how it should remain. If it is terminated, it will be imperative that the public be made fully aware of who is responsible for the termination.

There is a viable solution other than dumping the burden on the broadcasters, one that has been in successful operation in the Rocky Mountain areas for many years. Those States never had the benefit of vast sums of oil revenues to solve all kinds of consumer interests and desires. Several States comprising the Rocky Mountain population served by TV translators is greater than the entire population of the State of Alaska. Many installations are in so-called Translator Service areas, where the communities served have devised methods of collecting money to engineer, apply for, equip, install and maintain their translator system. Methods to finance them vary, from voluntary contributions, to collection by locally organized entities such as telephone companies or power companies, by means of dedicated surcharges by the month to consumers connected to their service lines. In other words, theirs is a logical concept and it has worked for years; the people who benefit from the service pay for the service, it is their responsibility alone, and if they don't want it any longer they drop it, but without recrimination aimed at TV stations or any political entity. The State might well investigate the possibility of either disposing of their microwave/translator system to similar local entities, or leasing it out in some similar fashion if the cost of maintaining the system is too burdensome for the State budget. \$30,000 per year annual maintenance costs, however, hardly appears to the undersigned to be a back-breaking budgetary item, especially when hardly a day goes by without some revelation out of Juneau of much higher cost activities involving fiscal commitments by Alaskan legislators which appear to be considerably more self-serving and less consumer oriented than providing TV education, entertainment, sports and news, both public and commercial, to remotely located Alaskans who have no local TV service and never will be in a position to support such a service.

Very truly yours,

NORTHERN TELEVISION, INC.

A. G. Hiebert
Chairman/CEO

klm



OFFICE OF
MANAGEMENT & BUDGET

JAN. 4 1988

STRATEGIC PLANNING

THE ALASKA NETWORK

Richard M. Zook
Executive Vice President &
Chief Operating Officer

December 30, 1987

Ms. Joan M. Kasson
Policy Analyst
State of Alaska
P O Box AD
Juneau, AK 99811-0199

Dear Ms. Kasson:

You asked for our comments on DISCUSSION DRAFT, a report on the Rural Alaska Television Network in response to Telecommunications in the FY88 Operating Budget.

For the state to subsidize television in some minds is quite questionable. But, in a state the size of Alaska, the economics of commercial television covering the state or public television covering the state are unrealistic. We feel that RATNET is the only system which allows the necessary linking of the state together in a national or statewide emergency. It also allows a cultural exchange to exist. Without it I am afraid that the people of the state would never really learn to know each other.

Our belief in communication for the state has been evidenced in that here at KIMO we have produced a statewide newscast that over the years was partially underwritten by a major advertiser but for each dollar they put into it, KIMO put in three. So, in essence, we have underwritten a newscast for the state for many years. In this economy, that is a large chunk to swallow.

Upon reading your comments on how to reduce the operational cost of RATNET, I believe that the low power television stations and the satellite have to be underwritten by the state of Alaska. Program delivery through its Tape Delay Center possibly could be operated better and at a lesser cost if operated contractually. The idea of having the local communities being able to insert programming is nice, but should be totally borne in cost by the community in which it occurs. Most home equipment today complies with the standards set forth for video transmission by the FCC. Your statements at the top of Page 9 regarding cost, I believe, are incorrect because the home cameras and recorders can be used (probably with this a time base corrector) and would still comply with FCC standards. We are seeing on new network shows home video film that has simply been time based.

Ms. Joan M. Kasson
State of Alaska
December 30, 1987
Page 2

One of our wonderments has been the lack of usage of the television channel for additional data, as well as the use of it as a subcarrier for public radio (which it now does).

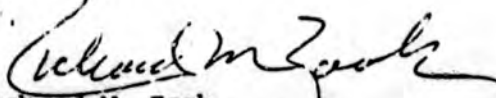
In Section 4 I find a major problem in the low power television stations. Our network attorneys and our FCC attorneys believe it would be a case of piracy for a low power television station to retransmit either Cancom or Netlink. That would be in violation of the program producers' individual copyrights which cannot be extended by either of those two corporations to over-the-air broadcasters. Under our present system the networks, through their local affiliates, offer shows to RATNET. Not all of our sign-on to sign-off programming can be offered due to our contractual limitations with the syndicators. In some cases we own exclusive statewide rights to shows and to take them from a Denver station, for example, and show them in Alaska would break copyrights and contracts.

This would also apply to the majority of the services on satellite and definitely would apply to all commercial broadcasting. Again, this is an area that is being hotly contested by the networks and the cable operators. The low power television stations would have nothing but grief in this area. Your whole discussion in this section cannot apply since neither have the rights to sell programming for over-the-air use.

Here at KIMO we have realized since the conception of RATNET that some day the cost per viewer would be questioned and maybe the source would be asked to pay for the delivered service. In Section 6 you talk about commercial payment for the state owned Southcentral microwave network. Concerning this subject, again, we feel that the communities being served probably are the ones who should be paying. We could say that the advertisers should pay for this service, but unfortunately the population base of the areas being served do not necessarily generate enough revenue to underwrite this service as a commercial venture. Again, a lot of thinking and discussion is needed in this area.

In order to make the system cost effective we simply have to utilize the transponders for more than just video. We need to incorporate public radio, as well as additional data transmission to offset its cost.

Sincerely,



Richard M. Zook
Executive Vice President
& Chief Operating Officer

RMZ/db

APPENDIX L

MANAGEMENT AGREEMENT

THIS AGREEMENT is made that _____ day of _____, 1987, by and between the California State University, Long Beach, Foundation ("Foundation") and Pacific Public Radio, Inc., a California non-profit public benefit corporation ("PPR").

RECITALS

A. Foundation is the Federal Communications Commission ("FCC") licensee of non-commercial radio station KLON-FM ("Station") located on the campus of California State University, Long Beach; and

B. Foundation desires that PPR undertake the full management and operation of Station for and on behalf of Foundation.

NOW, THEREFORE, the parties hereto, for good and valuable consideration, agree as follows:

1. MANAGEMENT

PPR hereby agrees to manage and operate the Station under the supervision and control of Foundation, as

licenses. The management services provided herein shall include all aspects of the full operation and management of Station, including, but not limited to, the production and acquisition of programming, administration of all Station activities and personnel, employment and training of all personnel for the administration and operation of Station, financial and accounting services, engineering services, development of financial support, and compliance with all applicable laws and regulations.

2. TERM OF AGREEMENT

This Agreement shall commence on the _____ day of _____, 1987, and it shall continue in full force and effect until the 1st day of December, 1990, the date of expiration of the FCC license for the operation of the Station. This Agreement shall be automatically renewed for the term and run concurrently with each subsequent FCC license period unless sooner terminated in accordance with the provisions of this Agreement.

3. CANCELLATION

This Agreement may be cancelled upon ninety (90) days prior written notice by either party to the other. Notwithstanding the above, both parties agree that the Foundation may cancel this Agreement immediately without prior written notice if, in the sole judgment of the

Foundation, the Station is being operated by PPR in a manner contrary to the public interest, convenience and necessity, FCC rules and regulations, the Communications Act of 1934, as amended, or in a manner which may cause a loss of the FCC license to the Foundation.

4. COMPENSATION

No compensation will be paid by either party to the other under this Agreement, except as set forth in Paragraph 5.

5. GRANTS

The Foundation agrees to turn over, deliver and pass-through to PPR immediately upon receipt, any and all grants, awards, or other monies (hereinafter collectively referred to as "grants") received by the Foundation for the use or benefit of the Station, including, but not limited to, the annual CPB Community Service Grant, the CPB National Program Production and Acquisition Grant, and any other grants applied for in the name of the Foundation and intended for the use and benefit of the Station. The Foundation shall not deduct or charge overhead or other fees or costs from the grants unless accounting services are requested in writing by PPR or as required as a condition of the award of the grants. In the event the Foundation, pursuant to this paragraph,

charges overhead, fees or costs, PPR shall pay to the Foundation such overhead, fees or costs in the amount and manner as previously agreed upon by the parties in writing.

6. LICENSE RENEWAL ACTIVITIES

The Foundation, as FCC licensee, has the ultimate responsibility with respect to all activities in connection with FCC license renewals, applications for power increases and such other filings and reports as may be required by the FCC. PPR agrees to assist and advise the Foundation in all such activities and to prepare all necessary documents, filings and reports for the Foundation in a timely manner.

7. RESPONSIBILITY OF LICENSEE

The Foundation and PPR agree and acknowledge that the operation of the Station in compliance with all laws, rules and regulations of the FCC is the ultimate responsibility of Foundation, as licensee. Nothing in this agreement shall be construed as limiting, transferring, assigning or relieving Foundation of such responsibility.

8. STANDARDS OF OPERATION

PPR agrees that it will manage and operate the Station in order that the Station continue to meet or exceed the standards for qualification for Federal funding which

have been or may be promulgated by the Corporation for Public Broadcasting. PPR further agrees to manage and operate the Station in such a manner in order to produce and to acquire radio programming of community value; to combine these programs into a nonprofit radio service of the highest quality for broadcast to the people of Southern California; to reflect the culture, events, issues and ideas of California and its people in radio broadcasts designed for national and international audiences; and to provide an environment for the training of the next generation of broadcasting professionals."

9. INSURANCE

PPR shall maintain in full force and effect during the term of this Agreement and any extensions or renewals thereof the following types of insurance and in the amounts set forth:

- | | |
|-------------------------------|------------------------|
| (a) Broadcast libel insurance | - at least \$1,000,000 |
| (b) General liability | - at least \$ _____ |
| (c) Worker's compensation | - as required by law |

All such policies of insurance shall name the Foundation as an additional named insured and provide that coverage may not be reduced or terminated without at least thirty (30) days prior written notice to the Foundation.

10. ACCOUNTING

PPR shall keep full and adequate financial and accounting records of its activities in connection with the Station and make such records, including, but not limited to bank records, ledgers, accounts, journals, and audits, available for inspection by the Foundation upon reasonable prior written notice. PPR shall cause its operations and records to be audited annually by a "big eight" accounting firm.

11. RELATIONSHIP

Except as otherwise specifically set forth in this Agreement, no partnership, joint venture, employment, agency, or other relationship is created between the parties. PPR is not authorized to represent itself in any way as representing the Foundation, nor is PPR authorized to enter into any contract for or on behalf of the Foundation, except with the prior written consent of the Foundation.

12. REPORTS

PPR shall submit to the Foundation a daily written report* of activities of the Station. Not more frequently than once per year PPR shall include in such report PPR's most current audited financial statement.

** COPIES OF PROGRAM LOGS*

13. INDEMNIFICATION

PPR shall indemnify the Foundation and hold the Foundation harmless from and against any and all claims, liens, liability, damage or loss arising from PPR's management and operation of the Station or from any default in the performance of any obligation on PPR's part to be performed under the terms of this Agreement.

14. NOTICES

Any written notice to any party required or permitted under this Agreement shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the second (2nd) day after mailing if mailed to the party to whom notice is to be given, by first class mail, postage prepaid, and addressed to the addressee at the address stated opposite its name below, or at the most recent address, specified by written notice, given to the sender by the addressee under this provision.

If to Foundation: California State University,
 Long Beach, Foundation
 1250 Bellflower Boulevard
 Long Beach, California 90840

If to PPR: Pacific Public Radio, Inc.
 c/o KLON/FM 88
 1250 Bellflower Boulevard
 Long Beach, California 90840
 Attention: Mr. Rick Lewis

15. HEADINGS

The paragraph headings in no way define, limit, extend or interpret the scope of this Agreement or of any particular paragraph hereof.

16. SEVERABILITY

In the event that any provision of this Agreement shall be held invalid, illegal, or unenforceable, the same shall not affect in any respect whatsoever the validity of any other provisions of this Agreement.

17. BINDING ON SUCCESSORS

The provisions of this Agreement shall, subject to the terms and conditions hereof, be binding upon and inure to the benefit of the successors and assigns of each party.

18. COMPLETE AGREEMENT

This Agreement contains the entire agreement of the parties and, except as specifically referred to herein, all prior obligations, proposals and agreements relating to the subject matter hereof have been merged herein. This Agreement shall not be modified or amended except by agreement in writing duly executed by all the parties hereto.

19. ATTORNEYS' FEES

Should any litigation be commenced between the parties hereto or their representatives concerning any provision of this Agreement or the rights and duties of any person or entity in relation thereof, the party or parties prevailing in such litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as and for its attorneys' fees and court costs in such litigation which shall be determined by the court in such litigation or in a separate action brought for that purpose.

20. NO ASSIGNMENT

This Agreement and all of its rights and obligations may not be assigned by PPR without the prior written consent of the Foundation, which consent may be withheld in the Foundation's sole discretion.

21. INCORPORATION BY REFERENCE

The Fair Employment Practices Addendum attached to this Agreement is incorporated herein by this reference and shall be considered a part of this Agreement as if fully set forth.

22. GOVERNING LAW

This Agreement shall be construed in accordance with, and governed by, the laws of the State of California.

IN WITNESS WHEREOF, the parties to this Agreement have duly executed this Agreement as of the date set forth above.

Foundation
CALIFORNIA STATE UNIVERSITY,
LONG BEACH, FOUNDATION

PPR
PACIFIC PUBLIC RADIO, INC.
A California non-profit
public benefit corporation

By _____

By _____

Its _____

Its _____

FAIR EMPLOYMENT PRACTICES ADDENDUM

1. In the performance of this contract, the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, sex*, age*, national origin, or physical handicap*. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, ancestry, sex*, age*, national origin, or physical handicap*. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the State setting forth the provisions of this Fair Employment Practices section.

2. The Contractor will permit access to his/her records of employment, employment advertisements, application forms, and other pertinent data and records by the State Fair Employment Practices Commission, or any other agency of the State of California designated by the awarding authority, for the purpose of investigation to ascertain compliance with the Fair Employment Practices section of this contract.

3. Remedies for Willful Violation:

- (a) The State may determine a willful violation of the Fair Employment Practices provision to have occurred upon receipt of a final judgement having that effect from a court in an action to which Contractor was a party, or upon receipt of a written notice from the Fair Employment Practices Commission that it has investigated and determined that the Contractor has violated the Fair Employment Practices Act and has issued an order, under Labor Code Section 1426, which has become final, or obtained an injunction under Labor Code Section 1429.
- (b) For willful violation of this Fair Employment Practices provision, the State shall have the right to terminate this contract either in whole or in part, and any loss or damage sustained by the State in securing the goods or services hereunder shall be borne and paid for by the Contractor and by his/her surety under the performance bond, if any, and the State may deduct from any moneys due or that thereafter may become due to the Contractor, the difference between the price named in the contract and the actual cost thereof to the State.

*See Labor Code Sections 1411 - 1432.5 for further details.

APPENDIX M

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF ADMINISTRATION DIVISION OF TELECOMMUNICATIONS OPERATIONS

5900 EAST TUDOR ROAD
ANCHORAGE, ALASKA 99507-1296
907-269-5744

December 22, 1987

TO WHOM IT MAY CONCERN:

The RATNET Council discussed the "use of telecommunications to lower travel costs" at their regular meeting on December 4, 1987.

The RATNET Council recognizes the value of teleconferencing for conducting meetings dealing with limited topics and lasting a few hours. The average Council meeting lasts 6 to 8 hours per day for two to three days. These meetings are heavily dependent on the visual material presented to the Council by broadcasters and independent producers for airing on the RATNET system. In addition to the visual materials, broadcasters and other parties are frequent visitors to meetings presenting a variety of proposals.

Past experience with teleconferencing has been disastrous, resulting in a general consensus among members that teleconferencing be limited in its use to executive council meetings. Minutes of meetings that have been held by teleconference have been difficult to record accurately.

The Council offers the following cost comparison of teleconferencing vs. travel.

For ease of comparison, the Alaska Teleconference Network (formerly LearnAlaska) figures for collect call in service have been used. These figures indicate the cost would be \$570 per hour of teleconferencing based on 15 sites. This translates to a cost of \$6,840 for 12 hours (two days at 6 hours per day) and \$9,120 for 16 hours (two days at 8 hours per day). Indications are that some slight improvement in these figures might be realized if the conference could be considered a Department of Education function.

The conclusion is clear; the use of teleconferencing will not serve very well to conduct the business of the Council as a whole and if the meeting were to take the usual amount of time, the cost would be approximately the same.

Isaac Kayutak
Council President

by John Morrone
Deputy Director

APPENDIX N

RATNET MEMBERSHIP

November 3, 1987

*ISAAC KAYUTAK Box 764 Barrow 99723 (Msg) 852-2070 (H) 852-4750 (W) 659-2635	President	Inupiat Community
*LINDA DAVIDOVICS C/O Maniilaq Corp. Box 256 Kotzebue 99752 442-3311 (W) 442-3711 (H)	Vice-President	Maniilaq Corporation
*KAY SHEPHERD Box 727 Whittier 99693 472-3250 (H)	Secretary	Governor's Appointee
*HENRY IVANOFF Box 178 Unalakleet 99684 624-3974 (H)		Kawerak
*RUSSELL NELSON Box 161 Dillingham 99576 (Msg) 842-5471 842-2370		Bristol Bay Native Assn.
*PETER TWITCHELL Box 703 Bethel 99559 543-3131 (W) 543-3640 (H)		Association of Village Council Presidents, Inc.
*HAROLD HOPPER Box 245 Haines 99827 766-2249 (H)		Governor's Appointee
CHRIS GENE Box 124 Gakona, AK 99586 822-3497 (H)		Copper River Native Assn.
RHEA MAE KNAGIN Box 265 Port Lions 99550 454-2276 (H)		Kodiak Area Native Assn.

VERA SCHAFFER
Box 80888
College 99708
479-3029 (H)
451-8592 (W)

Tanana Chief's Conference

NELLIE M. VALE
Box 193
Yakutat 99689
784-3423 (H)

Tlingit/Haida

THOMAS ABEL
C/O CINA
900 W. 5th Ave., Suite 300
Anchorage 99501
265-1270 (W)

Cook Inlet Native Assn.

ARNOLD MELSHEIMER
722 Ocean View
English Bay via
Homer 99603
281-2231 (H)

North Pacific Rim

DIMITRI PHILEMONOF
C/O APIA
1689 "C" Street
Anchorage 99503
248-5341 (H)

Aleutian/Pribilof Is. Assn.

JERRY BRIGHAM
C/O KYUK TV
P.O. Box 468
Bethel 99559
543-3131(W)

Alaska Public Broadcasting

LOIS STIEGEMEIER
Box F
Juneau 99811
465-2884 (W)

Department of Education

EDIE LYNCH
ACC/K-102
2533 Providence Drive
Anchorage 99508-4670
786-1990 (W)

UAA/ACC Instructional
Telecommunications

Alternates:

Billie Benedict (Russell Nelson)
Box 1011
Dillingham 99576

Bonnie Eastburn (Thomas Abel)
C/O CINA
900 W. 5th Ave., Suite 300
Anchorage 99501
265-1270 (W)

Reggie Cleveland (Linda Davidovics)
General Delivery
Shunghak 99773
437-2168

Ramona Anderstrom (Nellie Vale)
Box 184
Yakutat 99689
784-3243

Larry Sinyon (Chris Gene)
St. Rt. Box 150
Gakona 99586

BYLAWS

Established by the Rural Alaska Television Network Council
February 17, 1982

I. PURPOSE

The Rural Alaska Television Network Council (RATNET) was formed as a result of the Letters of Intent accompanying FCCS HB 50 (SLA 81, Chapter 82) and (SLA 86, Chapter 129). The Council serves as the policy committee programming the rural television distribution segment of the State of Alaska Satellite Television Project.

The Council represents the residents of the communities participating in the Television Project and provides the Division of Telecommunications Operations, Department of Administration, the State managing agency, direction regarding programming, policy, and Council goals.

II. ORGANIZATION

- A. The Council is established pursuant to both Letters of Intent accompanying FCCS HB 50 (SLA 81, Chapter 82) and (SLA 86, Chapter 129).
- B. The Council engages in business through the RATNET Council, which is composed of 12 individuals appointed by regional nonprofit Native associations and two individuals appointed by the Governor of the State of Alaska, one individual from the University of Alaska, one individual from the Department of Education, and one individual from Public Broadcasting.
- C. The Council shall elect an Executive Committee composed of not less than three members in addition to the Council officers. This Committee shall act as authorized by the Council to conduct Council business between regularly scheduled meetings of the Council as a whole. Four Executive Committee members shall constitute a quorum.
- D. Nine voting members shall constitute a quorum of the Council as a whole.
- E. If an appointed Council member is absent, unexcused, from three consecutive meetings, the Council will direct the State managing agency to notify the affected organization, i.e., the regional nonprofit Native association, the Governor's Office, the University of Alaska, the Department of Education, or Public Broadcasting, of the lack of representation and request the appointment of another representative.

- F. Council officers and Executive Committee members shall be elected annually from the Council membership at the first meeting of the new fiscal year. Officers shall consist of a Chairperson, a Vice Chairperson, and a Secretary.
- G. Regular Council meetings shall be held quarterly or more frequently if called by the Council, Chairperson, or two Council members.

III. FUNCTIONS

- A. To act as ombudsman, regarding the management of the Satellite Television Project, for the residents living in rural communities of the state which are served by the Satellite Television Project.
- B. To provide programming, policy guidelines, and direction to the State agency managing the Satellite Television Project.
- C. To establish and revise, as necessary, the Program Policy Guidelines regarding all programming intended to serve the rural residents of the state and communities participating in the Satellite Television Project.
- D. To ensure compliance with the Program Policy Guidelines by the State agency managing the Satellite Television Project.
- E. To develop the means by which to implement a regular policy of community assessment to survey community television preferences.
- F. To implement the use of the Satellite Television Project to bring the residents of rural Alaska into sharper focus as informed and viable members of the state as a whole.

IV. AMENDMENTS

These Bylaws can be amended by an affirmative vote of no less than nine members of the Council, provided 30 days' notice of the proposed amendment has been sent by certified mail to all Council members. In the case of a Council-as-a-whole meeting, the Bylaws can be amended by an affirmative vote of a majority of Council members in attendance if a quorum is present.

POLICY GUIDELINES

Regarding the Use of the State of Alaska Satellite Television Project
Adopted by the Rural Alaska Television Network Council
December 3, 1981

INTRODUCTION

The State Satellite Television System is a shared system providing four general types of service, which are: live news and sports, public service, instructional, and entertainment.

While every attempt should be made to keep the system as flexible as possible regarding use, certain scheduling policies have been established for the various user classes. These policies have, more or less, grown with the system and have become established in line with the actual usage of the system. These scheduling policies are outlined below.

RESPONSIBILITIES

The Department of Administration, Division of Telecommunications, is the managing agency responsible for the State of Alaska Satellite Television Project. The managing agency ensures the proper management of the Television Project and provides the avenues for necessary rural representation for selecting television programs to be carried on the Satellite Television Project to rural audiences.

The Rural Alaska Television Council (RATNET) is the organization responsible for making programming decisions as to what programs will be provided to the rural residents of the State, as well as to what times such programs shall be carried.

The RATNET Council is composed of 17 representatives recognized by the Alaska State Legislature and appointed by the 12 regional nonprofit Native associations (12 members), the Governor's appointees (2 members), and the University of Alaska, the Department of Education, and Public Broadcasting (1 member each). The Council members volunteer their services without pay.

It is the function of this Council to represent the interest of the rural residents of the State of Alaska in the matters of programming the State of Alaska Satellite Television Project.

It is the responsibility of this Council, as a whole body, to serve without bias or preferential treatment to any select group, agency, or organization and to respect the rights and opinions of all in a fair and equal manner.

All policy decisions made by the RATNET Council must be in compliance with the legal requirements and the contractual provisions by which the State of Alaska Satellite Television Project successfully operates.

SCHEDULING POLICIES

The time from sign-on to sign-off will be scheduled by the RATNET Council. All scheduling time referred to in this document is local Alaska time (LAT).

Public Service Time: National, state, and local emergency announcements will preempt all programming.

Requests for Satellite Time: All requests for satellite time will be evaluated by the RATNET Council.

Instructional Programming: Instructional programming is considered to be consistent in quality with network programming and will be assigned on a time slot basis.

Policy Revisions: Periodic review of the Policy Guidelines will occur at the regular meeting at the end of the fiscal year.

PROGRAM GUIDELINES

This section establishes guidelines regarding program material submitted by organizations requesting time on the State of Alaska Satellite Television Project.

1. Independent producers requesting satellite time must present their requests in writing and 3/4-inch videotape format to the RATNET Council.
2. Program material, if approved, must meet acceptable broadcast standards with regard to quality of content and production.
3. Entertainment Program Selection: Entertainment programs will be selected from the local affiliates of all major networks and independent program producers, if permission to carry programs is available.
4. Sports Programming: Sports programming will be evaluated on a seasonal basis.
5. Public Service Programs: Sustaining public service programs will be evaluated on a quarterly basis.

6. Political Broadcasting: The RATNET Council recognizes the importance of political broadcasting to the public. In addition, reasonable access to broadcasting facilities and equal opportunities for candidates to access the air waves contribute to public participation in the election process. Recognizing these benefits to the public, the RATNET Council will promulgate its political broadcasting policies three months prior to primary elections to ensure that legally qualified candidates for statewide and federal offices have access to broadcast time on the State of Alaska Satellite Television Project.
7. Religious Groups/Faiths: Religious groups are subject to the following guidelines:
 - A. Program material may not be used to proselytize.
 - B. Religious music may be treated as any other cultural art form, but may not be used to proclaim a specific religious doctrine (i.e., traditional music of the various religious festivals is acceptable).
 - C. The Bible or other holy books representing the various faiths and denominations may be treated as any other document used in a comparative discussion of the many faiths or when used during an interview or other newsworthy coverage.
 - D. Historical documentaries accepted on the national level depicting one aspect of our multi-faceted culture will be considered just as any other historical documentary.
8. Alaska-Produced Programs: The RATNET Council encourages locally produced programs for the Alaska statewide audience.
9. Deviations From the Established Schedule: It is the intent of the RATNET Council to keep deviations from the established schedule to an absolute minimum. The following guidelines are to be consulted when changes to the RATNET schedule are requested or required:
 - A. The RATNET Council is to be notified in writing at the regularly scheduled meetings.
 - B. If No. A above is not possible due to the time frame involved, as might occur in the case of important news stories, then telephone confirmation with the RATNET Executive Committee, by the Project Coordinator, is required.

- C. If neither No. A or No. B above is possible, then the television project managing agency (the Division of Telecommunications Operations and the Tape Delay Center) will use its best judgment as to rural acceptance of the proposed schedule change. Such judgment shall take into account the policy guidelines as established in this document, and the Executive Committee will be advised at the earliest possible time.
- D. In all cases when the rural feed schedule has to be altered, changes will be announced on the schedule.
10. Schedule Dissemination: It is the intent of the RATNET Council to provide rural viewers with the broadcast schedule in one or more forms. It is the responsibility of the project managing agency to expedite the distribution of the Satellite Television schedule monthly to rural media representatives. In addition, the Tape Delay Center will carry the daily program schedule at the earliest possible times, repeating the schedule information as often as possible. When the situation arises requiring preemption of the rural programming, the given changes will be disseminated by the Tape Delay Center.
11. Amendments: These Policy Guidelines can be amended by an affirmative vote of no less than nine members of the Council, provided 30 days' notice of the proposed amendment has been sent by certified mail to all Council members. In the case of a Council-as-a-whole meeting, the Policy Guidelines can be amended by an affirmative vote of a majority of Council members in attendance if a quorum is present.

APPENDIX O

KTOO - TV
Juneau, Ak. 99801

224 Fourth Street
907 586-1695

KAKM
Anchorage, Ak. 99504

2677 Providence Drive
907/276-7070



KUAC - TV
Fairbanks, Ak. 99701

University of Alaska
907 474-7431

KYUK - TV
Bethel, Ak. 99559

Post Office Box 466
907 543-3131

RECEIVED
JAN 11 1988

January 06, 1988

JAN 11 1988

Joan M. Kasson
Policy Analyst
Office of Management and Budget
Division of Policy
PO Box AD
Juneau, Alaska 99811-0199

STRATEGIC PLANNING

Dear Ms Kasson:

I read the draft of the report dealing with alternatives to try and identify cost efficiencies in the operation of RATNET and Public TV in Alaska. I was favorably impressed with the end product. Much effort and outstanding co-operation between agencies was apparent in the end product.

I am probably more concerned with the report than most because I am in the unique position of being a RATNET Board member (the Public Television representative) and a Public TV station manager (KYUK in Bethel). So, I have multiple concerns and did some work on the report with PBS and APBC in the early stages.

I have only one suggestion:

RATNET is sort of like a secret society in many ways; everyone is aware of its presence, but few know (1) How and why it was created, (2) What is its mission and role as stated in bi-laws (3) Who are the Board members and how are they chosen (4) How are programming decisions made for the entire state and (5) What is its relationship with other state agencies?

Perhaps this information could be given in the Appendices or supplied to the Legislature as a packet.

Although not addressed in this project, perhaps such a collection of documents could bring about some interest in the related area of restructuring the Board, re-defining its role and perhaps insuring different means for a better system of feedback from users and tighter guidelines on crucial RATNET decisions. This could perhaps engender some future cost savings.

Sincerely,

Jerry Brigham
General Manager
KYUK TV-Bethel

PUBLIC TELEVISION NETWORK OF ALASKA

STATE OF ALASKA

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

ALASKA DIVISION OF EMERGENCY SERVICES

STEVE COWPER, GOVERNOR

3501 E. BOGARD RD
WASILLA, AK 99687
PH. 907-249-1370
907-376-2337

December 30, 1987

Ms. Joan M. Kasson
Policy Analyst
Office of Management and Budget
Division of Policy
P.O. BOX AD
Juneau, Alaska 99811-0199

Dear Ms. Kasson:

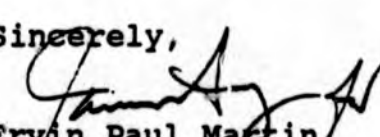
The Division of Emergency Services involvement with the Rural Alaska Television Network (RATNET) is one of expediency and cost effectiveness.

Tasked with the responsibility of providing timely warning and direction to the populace of Alaska in the event of a disaster or potential disaster, the Division developed a warning program to utilize the existing RATNET as a means of reaching thousands of Alaskans in a relatively short period of time.

At a cost of less than \$25,000 we were able to purchase equipment capable of using the RATNET to transmit an emergency tone connecting the 15 regional radio stations of the Emergency Broadcast Systems. Additionally, through use of the uplink facilities in Anchorage we were able to reach each of the communities served by RATNET, simultaneously, with an on-screen warning message.

Those options identified in this report that include a State Network System (Control) are acceptable to the Division. Under these circumstances we could continue to provide timely and effective warning and guidance statewide in the event of a disaster or potential disaster.

Sincerely,


Ervin Paul Martin
Director

EPM:DRD:kc



POUCH 400, NOME, ALASKA 99762 (907) 443-2201

January 11, 1988

Joan M. Kasson
Office of the Governor
Office of Management and Budget
P.O. Box AD
Juneau, AK 99811

Dear Joan:

Thank you for sending me the draft report which will be submitted to the legislature. Unfortunately, the draft arrived at my office after I left the state for Christmas vacation. Please give my compliments to the review team for presenting an excellent and comprehensive listing of the many options available to the legislature on the telecommunications issue.

It is obvious that the conclusion section of the report will allow rural communities to be given much attention as the deliberations unfold. The options for local control and flexibility for viewing choices has been recognized by your team, and fulfills many of the goals I have personally set for getting the government to provide villages with the services they deserve. Since I have now been given the responsibility by the University of Alaska-Fairbanks to coordinate educational media in the Norton Sound region, it is with great expectation that your report will persuade the legislature to make a decision in a timely fashion. So many people in these villages are waiting for the authorization to get started, and Northwest College can help expand the beneficial utilization of local television in these villages, as well as the many other colleges in the state.

Again, I thank you for giving me this information, and please keep me informed on the progress of the legislature's actions on the issue. If I can help you with any details which may arise regarding local television options, feel free to call or write.

Sincerely, .

Daniel Johnson
Media Center
Northwest College



an equal opportunity institution

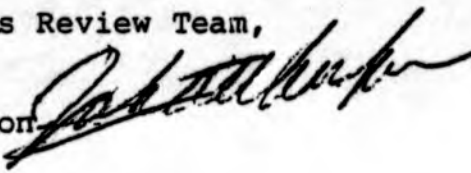


THE CENTER FOR COMMUNICATIONS
SAN DIEGO STATE UNIVERSITY
SAN DIEGO CA 92182

(619) 265-6933

January 21, 1988

To: Telecommunications Review Team,
State of Alaska

From: John P. Witherspoon 

Subj: Review Team Report

At the invitation of your Team and the Corporation for Public Broadcasting, I have reviewed your draft report dated December 18, 1987, and the comments you received through January 19. I also participated in meetings with members of the Team and other interested parties during a visit to Juneau January 18-19.

You have carefully addressed the issues mandated by the Legislature in 1987. There would be little purpose in my further recitation of most matters contained in your draft, but two comments may be pertinent:

1. One of the benefits of this inquiry has been to raise anew the issue of extending public television transmission to more rural areas. While I would certainly not recommend substituting such a service for the existing RATNET arrangements, the normal evolution of satellite communication service in the State should make it feasible to consider enhancing PTV distribution within the next few years. The LPTV transmitters formerly used by LearnAlaska, fed probably by a next-generation Ku-Band satellite system, should be an interesting prospect. The growing number of rural cable TV systems may also be part of this equation.

2. In terms of meeting the legislative goal of long-range savings, it appears that the most likely of the steps under consideration would be those that have

the practical effect of increasing competition among the State's telecommunication carriers. The key to that objective would be for the State, rather than any carrier, to own all of the earth stations used in the television service. As a footnote, one might recall that when the Federal Communications Commission adopted its domestic satellite policy in 1972, it permitted non-carrier ownership of earth stations precisely to achieve such competition.

Parenthetically, Mr. Shaginaw's letter of January 8 contains a significant historical error on page 2. The Public Broadcasting Act of 1967, which modified the Communications Act to permit "free or reduced rates" was not based on the assumption that such service would use excess capacity. I doubt that such a reference will be found in the legislative history, and I can assure you that no such assumption underlay the subsequent negotiations between AT&T and the Corporation for Public Broadcasting. I participated in that process during my tenure at CPB.

I appreciate this opportunity to comment on your excellent work. You have done a concise but thorough job of defining the issues and alternatives. To borrow some further language from the Public Broadcasting Act, you have provided a nice model of objectivity and balance.

JOHN P. WITHERSPOON

John P. Witherspoon is Professor of Telecommunications and Film and Director of the Center for Communications at San Diego State University. He is also a planner and consultant in telecommunications, specializing in applications of communication technology.

He is currently directing the University's Program on Communication for National Development, helping Third World nations to apply mass media and telecommunications technology appropriately in such areas as agriculture, public health, and economic development.

He was director of the 1983-85 project on Electronic Text for Higher Education, heading a consortium consisting of San Diego State University, the University of Wisconsin, the University of Nebraska, and WGBH Boston. The project was supported as a national technology evaluation by the Annenberg/CPB Project.

For the four years ending in mid-1979, Mr. Witherspoon served as President of the Public Service Satellite Consortium. During the previous decade, he was the first principal executive for television of the Corporation for Public Broadcasting, Vice-President of KCET Los Angeles, and the first General Manager of KPBS-TV/FM San Diego. He was the founding Chairman of the Board of Directors of National Public Radio.

He currently serves as a trustee of the Pacific Telecommunications Council and a director of the Public Service Satellite Consortium.

As a consultant he has included among his clients the Corporation for Public Broadcasting, National Public Radio, a number of major foundations, the Foreign Policy Association, the Overseas Development Council, the Western Interstate Commission on Higher Education, and numerous universities, businesses, public broadcasting agencies, and agencies of the Federal Government.

During the 1979-80 academic year, he served as Distinguished Visiting Lecturer in Telecommunications at San Diego State University. He has previously served on the faculties of San Diego State University and Stanford University.

OFFICE OF
BUDGET
JAN 8 1988
STRATEGIC PLANNING

January 5, 1988



Joan Kasson
Policy Analyst, OMB
P. O. Box AD
Juneau, AK 99811-0199

Dear Ms. Kasson,

In response to your draft report concerning RATNET, GCI would like to make the following comments:

1) In the Executive Summary, the Introduction, Section I, and again in Appendix C, the draft report suggests that the state should negotiate a better rate with Alascom for RATNET transmissions. Nowhere in the report is there mention of what the state's negotiating position might be in order to get a better rate.


By creating an environment in which fair market forces can function, the state will be in a better position to negotiate the rate for these transmission services. Consequently, full state ownership of the 146 small earth stations, currently owned by Alascom, would be requisite to the fair and open competition of the transmission facilities.

2) The GCI Estimated System Costs itemized on Table D (page 31), indicate that the savings inherent in GCI's pricing is only entered after FY93, when all of the Alascom-owned earth stations might be replaced. This model dilutes the potential savings which would be available to the state if the conversion of the Alascom owned earth stations was completed earlier. We recommend that the quoted GCI rates be applied from FY91 - the earliest reasonable date by which the conversions might be completed.

GCI appreciates the opportunity to contribute to this

report on alternatives to maximize the cost-efficiency of
RATNET. Please keep us informed as to how we might help in the
future. I would appreciate it if you would address all future
correspondence to my personal attention.

Sincerely,


Richard Stoltze
Account Manager
State of Alaska

OFFICE OF
MANAGEMENT & BUDGET

JAN. 4 1988

STRATEGIC PLANNING

THE ALASKA NETWORK

Richard M. Zook
Executive Vice President &
Chief Operating Officer

December 30, 1987

Ms. Joan M. Kasson
Policy Analyst
State of Alaska
P O Box AD
Juneau, AK 99811-0199

Dear Ms. Kasson:

You asked for our comments on DISCUSSION DRAFT, a report on the Rural Alaska Television Network in response to Telecommunications in the FY88 Operating Budget.

For the state to subsidize television in some minds is quite questionable. But, in a state the size of Alaska, the economics of commercial television covering the state or public television covering the state are unrealistic. We feel that RAINET is the only system which allows the necessary linking of the state together in a national or statewide emergency. It also allows a cultural exchange to exist. Without it I am afraid that the people of the state would never really learn to know each other.

Our belief in communication for the state has been evidenced in that here at KIMO we have produced a statewide newscast that over the years was partially underwritten by a major advertiser; but for each dollar they put into it, KIMO put in three. So, in essence, we have underwritten a newscast for the state for many years. In this economy, that is a large chunk to swallow.

Upon reading your comments on how to reduce the operational cost of RAINET, I believe that the low power television stations and the satellite have to be underwritten by the state of Alaska. Program delivery through its Tape Delay Center possibly could be operated better and at a lesser cost if operated contractually. The idea of having the local communities being able to insert programming is nice, but should be totally borne in cost by the community in which it occurs. Most home equipment today complies with the standards set forth for video transmission by the FCC. Your statements at the top of Page 9 regarding cost, I believe, are incorrect because the home cameras and recorders can be used (probably with this a time base corrector) and would still comply with FCC standards. We are seeing on new network shows home video film that has simply been time based.

Ms. Joan M. Kasson
State of Alaska
December 30, 1987
Page 2

One of our wonderments has been the lack of usage of the television channel for additional data, as well as the use of it as a subcarrier for public radio (which it now does).

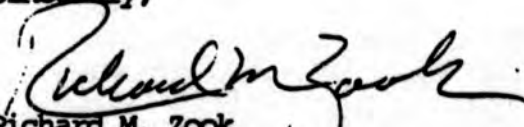
In Section 4 I find a major problem in the low power television stations. Our network attorneys and our FCC attorneys believe it would be a case of piracy for a low power television station to retransmit either Cancom or Netlink. That would be in violation of the program producers' individual copyrights which cannot be extended by either of those two corporations to over-the-air broadcasters. Under our present system the networks, through their local affiliates, offer shows to RAINET. Not all of our sign-on to sign-off programming can be offered due to our contractual limitations with the syndicators. In some cases we own exclusive statewide rights to shows and to take them from a Denver station, for example, and show them in Alaska would break copyrights and contracts.

This would also apply to the majority of the services on satellite and definitely would apply to all commercial broadcasting. Again, this is an area that is being hotly contested by the networks and the cable operators. The low power television stations would have nothing but grief in this area. Your whole discussion in this section cannot apply since neither have the rights to sell programming for over-the-air use.

Here at KIMO we have realized since the conception of RAINET that some day the cost per viewer would be questioned and maybe the source would be asked to pay for the delivered service. In Section 6 you talk about commercial payment for the state owned Southcentral microwave network. Concerning this subject, again, we feel that the communities being served probably are the ones who should be paying. We could say that the advertisers should pay for this service, but unfortunately the population base of the areas being served do not necessarily generate enough revenue to underwrite this service as a commercial venture. Again, a lot of thinking and discussion is needed in this area.

In order to make the system cost effective we simply have to utilize the transponders for more than just video. We need to incorporate public radio, as well as additional data transmission to offset its cost.

Sincerely,


Richard M. Zook
Executive Vice President
& Chief Operating Officer

RMZ/db



NORTHERN TELEVISION, INC.
THE BROADCAST CENTER

P.O. BOX 102200 ANCHORAGE, ALASKA 99510
KTVA-TV/KBYR-AM/KNIK-FM/MUZAK
(907) 562-3456

P.O. BOX 950, FAIRBANKS, ALASKA 99707
KTVF-TV/KCBF-AM
(907) 452-5121

Anchorage, Alaska
January 8, 1988

OFFICE OF
MANAGEMENT & BUDGET

JAN 11 1988

Ms. Joan M. Kasson
Policy Analyst
Office of Management and Budget
Division of Policy
State of Alaska
P. O. Box AD
Juneau, AK 99811-0199

STRATEGIC PLANNING

Re: Comments of Northern Television, Inc. in Response to Discussion Draft Entitled "A Report to the Alaska Legislature in Response to Intent Language Regarding Telecommunications in the FY 88 Operating Budget"

Dear Ms. Kasson:

Reference your letter of December 18, 1987, the request for response by January 4 was impossible to accomplish. Your letter and accompanying draft report were not marked First Class Mail, and must have languished with 4th class magazines in the postal system because they did not arrive at KTVA until Thursday, December 24.

The draft report is a most comprehensive piece of work and exhibits a high degree of concern and thoughtful study. There are many elements of the RATNET satellite distribution system which have an important historical background, not known to or understood by all concerned. I thought it might be useful to offer a comprehensive review of the genesis and implementation of the RATNET satellite distribution concept so that those responsible for the report would more fully understand its legal and regulatory ramifications. What is written here can be documented, if ever necessary, from my personal files and the files of Northern Television, Inc., of which I am Chairman and Chief Executive Officer.

Following the history I will comment on some of the draft report alternatives and suggest others which might be worth more study. I discuss, in addition, serious concerns (including legal) relating to this report. While this letter may be too late, (and I am not advocating that any of my material be actually part of the report), it might be useful reference material and provoke new lines of research and consideration.

In the early 1970's, what was then the Alaska Educational Broadcasting Commission ("AEBC"), under the very able leadership of Dr. Charles Northrip, created a concept that has had far reaching ramifications - the origination of

Ms. Joan M. Kasson
January 8, 1988
Page 2

programming by Translator stations or what we now know as "Mini-TV stations". Up to that time a very popular and effective way of extending the range of TV stations was by means of off-the-air Translator stations, operating automatically and simultaneously from the carrier signal of a TV station. The Federal Communications Commission ("FCC") licensed these Translators, and the license could be owned by the primary TV station, or a community group. To rebroadcast the station, however, permission was required from that station. If the station was network-affiliated, the network also had to give written authority to rebroadcast its proprietary programming material. Networks willingly provided such authority, at the primary station's (affiliate) request, and the Translator then operated under an extension of the station's affiliation agreement with the network. This authorization framework is an extremely relevant legal and contractual reality, and continues to be valid to this day.

The AEBC concept of the early 1970's coincided with the invention of color 3/4" U-Matic tape equipment and was entirely unique and unprecedented. If the area to be served was beyond the off-the-air reach of the primary TV station, why not substitute a video-tape input to the "Translator" instead of an off-the-air TV receiver, and provide service to the remote public on a tape-delay basis? The FCC authorized tests at three remote Alaskan sites and equipment manufacturers provided equipment to conduct the tests. Thus was born the Mini-TV concept which eventually spawned a similar system to provide network programming to Alyeska Pipeline construction and pumping stations camps, later the State Satellite TV Demonstration Project in January, 1977, and finally the RATNET State-wide system now in existence.

In 1974, when the Alyeska oil pipeline construction began, the Vice President, General Manager of my company's Fairbanks Division, Mr. Ted Lehne, conceived the idea that the Mini-TV concept might be useful to help entertain the some 22,000 pipeline workers between Prudhoe Bay and Valdez. I began negotiating with the FCC to determine whether the authority granted to the AEBC for three public Mini-TV stations might also be applicable to tape delayed network programming of entertainment, sports and news provided to pipeline workers. The FCC agreed.

It was also necessary to convince the CBS Television Network that this would not cause disastrous problems. The potential liability to the network was enormous. CBS had nothing to gain, because the entire Alaskan population was such a small part of its circulation universe that it meant nothing to CBS' bottom line. On the other hand, the network contracts with TV programming suppliers for millions of dollars worth of programming rights annually, and an abuse of those rights could create an enormous liability. Typical abuses would be to illegally tape record programming and sell it (for example, to Saudi Arabia for entertainment in their oil field camps) or to play back the tapes an unauthorized second time on the Mini-TV station. Network/programming contracts typically call for two runs - the original network release, and one rerun. A second, or unauthorized rerun would breach the contract and subject the network to suit and damages. Finally, through the genius of Mr. Don Clancy, CBS Network Vice President of Contracts and Legal Services, it was determined that the network could protect itself so long as the affiliated station did the taping and made the tapes available to Alyeska Pipeline authorities, which properly

Ms. Joan M. Kasson
January 8, 1988
Page 3

logged and identified the programs and returned the tapes to the affiliate for erasing after play at the Alyeska camps. The responsibility for this method of control was the affiliate's, and the network would be in compliance with their program suppliers and their contracts with the network.

The center of distribution to the Alyeska pipeline was Fairbanks. My company, Northern Television, Inc., owns and operates KTVF there, with a primary CBS network affiliation. Midnight Sun Broadcasting Company then owned and operated KFAR-TV, with a primary NBC network affiliation. KTVF and KFAR-TV both shared ABC network programming through a "per program" affiliation agreement because no third station existed in Fairbanks. Northern TV applied to the FCC for 18 Mini-TV licenses along the pipeline route, and shared this application data with Midnight Sun Broadcasting which requested identical Mini-TV licenses from the FCC. These applications were necessary to comply with the delicate network legal requirement that network programming could be used on a Translator/Mini-TV station only "as an extension of their affiliated station agreement."

The FCC subsequently granted identical Mini-TV licenses to both KTVF and KFAR-TV to serve all the camps, but with a unique twist to satisfy FCC legal requirements. It authorized different Mini-TV call letters to the KTVF licenses than to the KFAR-TV licenses! Technically, when a camp Mini-TV station transmitted a CBS network program at a camp, the KTVF Mini call letter applied; when an NBC program was aired, the KFAR-TV Mini-TV call letter applied. This unique system provided programming to the pipeline camps until 1976, when it was no longer needed. To provide the service, KFAR-TV and KTVF had to make as many program tape copies as there were Mini-TV stations operating in the camps, because Alyeska had an airlift distribution daily to the entire pipeline system out of Fairbanks and did not want to bicycle programming from one camp to another.

Impressed with the success of the Alyeska Mini-TV network, the State organized a meeting with Anchorage TV broadcasters in December, 1975. Professor Bob Merritt, on contract to the State from the University of Alaska, Fairbanks, in conjunction with representatives of the Governor's Office of Telecommunications, Director Robert Walp and Deputy Director George Shaginaw, requested that the TV stations and State representatives study the concept of implementing what became known as the TV Demonstration Project ("TVDP") - a system of distributing programming from Anchorage network affiliated stations to 23 remote Alaskan community Mini-TV stations via satellite. After several initial meetings, the principal State representative delegated by Mr. Walp to interface with the broadcasters was Mr. George Shaginaw who did an outstanding job.

All of 1976 was used to investigate and fine-tune this concept, again with FCC and network negotiations by all concerned. The State decided to schedule the beginning of TVDP on January 15, 1977.

Not all of the three New York network management officials thoroughly understood the concept. Therefore, I volunteered to represent the Anchorage network affiliated TV stations, and Mr. Shaginaw and I travelled to New York the first

Ms. Joan M. Kasson
January 8, 1988
Page 4

week in January, 1977 to attend meetings and obtain concurrence from all of the networks. After calls on their respective legal and affiliate relations officials, the networks authorized TVDP, with the understanding that it was a test demonstration, and if any abuses occurred potentially detrimental to the network, the agreement would be cancelled and the test terminated immediately. Mr. Shaginaw and I promised to return in one year with a report, at which time the networks would decide if the concept could be implemented on a continuing basis.

In the meantime, the State Office of Telecommunications had applied to the FCC for 22 of the 23 remote village sites to be part of the TVDP, but the FCC had not acted on them, although the system was scheduled to go on line January 15, 1977. (Diomedes Island, the 23rd site was dropped from the test because the earth station there could not "see" the satellite.)

Mr. Shaginaw had to return to Juneau from New York, but I proceeded on to Washington, DC to work with the State legal counsel at that time, and made contact with the Director of the Translator Division at the FCC, Mr. Gordon Oppenheimer. As it turned out, not only were the 22 State Mini-TV licenses not granted, some had not even begun to be processed at the FCC, and one or two were still in the FCC "in basket". This was the Thursday before the Monday, January 15 scheduled beginning of the TVDP! Credit Mr. Gordon Oppenheimer with being a most unusual and understanding bureaucratic regulator. He told us that if we guaranteed there would be no abuse of the system he would authorize the State by telegram the next day, Friday, and the necessary paperwork would follow as he had time to process it. TVDP thus began on schedule, Monday, January 15, 1977.

The TVDP turned out to be so successful and popular a project in the rural communities served, that the Legislature provided continuing funds, and Mr. Shaginaw and I returned to visit all three TV network in New York in January, 1978 to make our promised report. They were pleased with what they heard, and signed off on the whole concept as an acceptable continuing operation, but with the same admonition that if any abuse or deviation from the agreement occurred, they could terminate authority to their Anchorage affiliated stations at any time, and in turn those stations would have to deny access of network programming to what by then had become known as the State RATNET system.

In retrospect, I don't believe anyone would deny that the RATNET system was about as unique and unusual as anything ever conceived for service to both remote and urban areas throughout the vastness of Alaska. Satellite delivery made it possible, and it was and still is costly. However, to maximize use of the satellite transponder made available by Alascom, some very innovative technical developments were implemented. The local affiliated stations were provided tape equipment by the State to record their network or other programming which had been selected by the RATNET state-wide committee. Recording was done by each station at no charge to the State. In return, network news and sports programming, as transponder time permitted, came in to the three Anchorage affiliated stations on a live and direct basis by means of technical wizardry, receiving two TV channels with programming on one satellite

Ms. Joan M. Kasson
January 8, 1988
Page 5

transponder. This called for innovative and creative scheduling, but it worked, and at the same time an adequate schedule of TV programming in a single-channel per transponder mode was transmitted to the ever-growing number of rural community Mini-TV stations. A system that had all the potential for disagreements, impossible scheduling and disaster worked just fine. RATNET communities, through choice by their own committee representatives received virtually everything they wanted, and urban communities throughout the State received virtually all the live news and sports programming they desired. RATNET was and is a classic example of dedicated people working together to achieve a highly desirable goal.

This marvelous State system has become the model of interest by several foreign countries. I understand that Australian and Chinese representatives have inspected it. I personally escorted and introduced around a technical delegation from South Africa, who were recommended to me by CBS. Their view was that RATNET was a fantastic concept, and a highly successful one.

Returning to the year-long series of organizational/study meetings in 1976, the underlying and unanimous admonition by the participating broadcasters to the State was, "Don't start such a project, which will have a profound impact on rural communities, unless you are prepared to continue it". Our concern was that once the appetite for TV entertainment, sports and news was whetted, to terminate such a service would be political suicide on one hand, and - if not understood or perceived as a political decision - could become a public relations debacle for the participating Anchorage TV stations. This admonition is still very true today.

There is a very great difference now however, so far as station public relations is concerned. For the past two years all Alaskan stations have their own network provided satellite service and their own earth stations. They do not depend on the RATNET system for any incoming live news and sports programming. However, they still must give permission to the State, (as must their networks), to access programming. It must be understood that the network rights to programming made available at no cost to the State involve billions of dollars. The copyright law also is at play here too. One of the strictest network conditions for retransmission of network programming is that the program has to be transmitted in its entirety - no deletion at the beginning, at the end, and absolutely no commercial deletion. This condition is not self-serving to the networks; it protects the integrity of the program, complies with the rights of the proprietary owners and avoids copyright and related litigation. The networks do not make a nickel on distribution of their programs by the RATNET system, or to Alaska as a whole for that matter. Alaska is not included (neither is Hawaii) in the National Nielsen Index, which is the basis for what the networks charge in compensation for national advertising. In other words, Alaska and Hawaii TV households are not counted in any of the three networks' rate base. Indeed, whatever the networks pay their Alaskan affiliates has always pained the networks because to them we are an "expense" which is not recovered by offsetting income on their part based on our circulation. Therefore, the RATNET system is still a potential liability, if abused, to the

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networks, and in no way is it an asset or of any financial value to them.

In short, I have attempted to demonstrate by this historical discussion that the RATNET system has proven a strong and effective "Mini-TV" system in the State of Alaska. Such a successful effort should not be altered or abandoned absent compelling policy reasons.

So much for history. My assessment of the impact of several sections of the draft report follows:

Section Three: Transfer of ownership of RATNET Mini-TV stations to local entities is a nice theory, but would open a Pandora's box of trouble such as neglect, misuse, failure to comply with FCC rules, failure to renew licenses, and illegal operation. This occurred earlier before the State assumed responsibility. Rather than save money, this proposal would cost money because each local entity would be duplicating what had to happen at every other location. Larger communities might accomplish the transition fairly satisfactorily because management of even a Mini-TV operation requires skill and dedication. What about the smaller, less sophisticated communities? The rural communities would divide into "haves" and "have-not's" - and the smaller ones needing service the most would inevitably be left without adequate service. One need only look to the difficulties and failures experienced in the lower 48 states when the FCC authorized low power television service for the delivery of local programming to realize that the instant proposal is totally unworkable. It has become a historic fact that local communities - given the opportunity - provide virtually no local programming because they lack funds, the qualifications, the inclination - and the viewers, for the most part, are uninterested. Who would foot the bill for the expanded expense operating each locally owned entity throughout Alaska when transferred from the RATNET system? If it came from the State, it's trading dollars. Where else would it come from? If there is a perception that more locally produced programming should be available to rural communities, this local orientation could be accomplished by embellishing the existing RATNET system. If the local communities had the desire and capability, they could telecast their own particular programming of local interest such as school board meetings, City Council meetings, sporting events, etc. (As noted above, this programming would be of extremely limited duration.) There is no reason that local schedules could not pre-empt the RATNET satellite feed for local release of their own produced programming to satisfy their locally perceived needs. Such programming would not interrupt the over-all RATNET distribution system. The best of both worlds is thus possible without transfer of the local Mini-TV to the community at all. This would be a supplemental benefit to the RATNET system in a meaningful way, but not a replacement of it.

Further, the State should retain possession of the entire group of Learn Alaska Mini-TV transmitters at their present remote village locations. They represent an expensive investment and in time might well provide another valuable link to rural Alaska when new and less costly satellite delivery technology emerges. Learn Alaska was a noble project which was born because a few high minded

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theoretical educators decided what rural Alaska should have, rather than what rural Alaska wanted or would accept. A case of barrels of money available at the time so "let's spend it" on this grand idea. I believe the day will come when a very inexpensive satellite transponder will be available - perhaps upstream when there is a super-abundance of Ku Band or C Band satellite facilities - and this is where an uplinked KAKM-TV, Public TV program feed could be used to provide a full time alternative to the RATNET entertainment service. Some day it will be economically feasible.

As a matter of fact, this idea could very well couple with a coordinated system of feeding all public TV stations in the State identical PBS programming at the same time, thereby eliminating redundancy of effort and expense. For example, if KAKM-TV, Anchorage, were to devise a model PBS plus Alaskana schedule, after receiving PBS programming by satellite, and retransmitted it simultaneously to KUAC-TV, Fairbanks, KTOO-TV, Juneau and KYUK-TV, Bethel as well as to the 235 dormant Learn Alaska Mini-TV transmitters, great saving in staff time at all the stations would occur with a decrease in expense and State funding. All three of these "satellite" repeater stations are in the same time zone, and there would be only an hour time differential at some of the far Western Learn Alaska Mini-TV sites. If the reduced Public Broadcasting common carrier tariff applied, the cost effectiveness of this coordinated system might well be attractive. KAKM-TV does a superb job of programming, some of it appealingly whimsical, and it would be appreciated and viewed in rural Alaska as a beneficial second and/or alternative TV viewing opportunity. The Fairbanks, Juneau and Bethel public TV stations would still have total autonomy to cut away to telecast their own locally oriented programming, but the PBS schedule, which each of them telecast individually, could be packaged from one source, KAKM-TV, and at the same time benefit 235 rural Alaskan communities. Ideally, each of these three stations could produce programming for integration into the State-wide KAKM-TV program distribution schedule, resulting in a productive, tightly knit cooperative effort. In a word, program coordination should take place at a central location. This is most beneficial from a cost standpoint.

This same concept would also effect cost saving and efficiencies if applied to the State funded public radio stations. They could be fed a core programming of National Public Radio and Alaskana programming from a single source station by means of an audio sub-carrier of the KAKM-TV PBS signal.

Section Four: The draft report provides that low power television stations in Alaska may take and rebroadcast the satellite feeds of CANCOM or Netlink which in turn are taking, respectively, the network programming from Detroit, Michigan and Denver, Colorado network affiliated broadcast television stations. These programs would be provided to Alaskan homes two or more hours in advance of their broadcast by the Alaska broadcast affiliates (i.e., the six o'clock news would be broadcast at four p.m.). In this regard, the report states that "Conversations with Netlink officials have resulted in a commitment by that firm to allow any Alaska community licensee to receive Netlink programming and choose, from among the six channels, a single channel or any combination of channels, up to the total six available..." (p. 13). This critical underpinning

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to the proposal to dismantle RATNET is based on the false premise that Netlink, or any other entity, has the right to provide the low power stations with the networks' programming.

The CANCOM concept is international piracy of unauthorized proprietary network programming and was fought successfully by the Alaska Broadcasters Association during 1985 and 1986. Appearances were made at a Telecommunications subcommittee of the Canadian Parliament in Montreal in June of 1985, appeals were made to the FCC, and support against CANCOM was acquired from the Alaskan Congressional Delegation. The Netlink concept is a domestic version of programming piracy of unauthorized proprietary network and other programming.

Neither CANCOM nor Netlink has the right to provide network programming to others for rebroadcasting. Indeed, this proposal would infringe the property rights of the networks and its program producers; rebroadcasting those services would violate Section III of the Copyright Act of 1976 as well as Section 325 of the Communications Act of 1934. Moreover, network companies and their affiliate associations are currently litigating in federal court their claims against a company which is attempting to provide a similar type of service directory to home satellite dishes. CBS Television Network Affiliates Association, inc. and CBS Inc. v. SBN, 87 Civ 0788 (S.D.N.Y.); Capital Cities/ABC, Inc. v. SBN, 87 Civ 0495 (S.D.N.Y.); Pacific and Southern Co., Inc. and KPNX Broadcasting Company v. SBN, 87-357A (N.D.Ga.); National Broadcasting Company Inc. v. SBN, (87-421A) (N.D.Ga.); NBC Television Affiliates v. SBN, 87-629A(N.D.Ga.). (note attachments).

The Federal Communications Commission itself has recently noted that, to the extent the Netlink type of operation would involve retransmission directly to home dish owners, it raises significant questions under the Copyright Act. The FCC has noted that this type of activity may disrupt the ability of network television affiliates to serve their local communities and has said that, regardless of the outcome of the copyright infringement claim, "it would be appropriate for (the Commission) to address the matter from the point of view of general communications policy." Report, In the Matter of Inquiry into the Scrambling of Satellite Television Signals and Access to those Signals by Owners of Home Satellite Dish Antennas, Gen. Docket No. 86-336, 62 RR2d 687, 745-46 (March 23, 1987).

Moreover, the Copyright Act violations in this instance would be more heinous because the network and related programming would be consolidated piecemeal into one television transmission, thus violating the network's right to program continuity (the only instance I am aware of which authorizes this cannibalization is RATNET and that limited authority does not extend to Netlink). Thus, the proposal under consideration raises significant, complex legal problems and is likely to embroil the State and/or its local communities in expensive, protracted litigation.

Even if this proposal could survive legal scrutiny, since only one network program can be seen on one Mini-TV at one time, the present composite program

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schedule of Anchorage affiliated stations carefully selected by RATNET committee representatives would be gone, and so would their local input and wisdom, not to mention program variety. Gone would be Alaska news, local news, local interest sports. Gone would be the beloved Alaskan dog races! This Alaska-oriented programming would be replaced by programming from some distant locale such as Denver. This is certainly not in the best interest of the Alaskan community. The unique and cherished variety of programming RATNET viewers have enjoyed for ten years would be eliminated, a gigantic step backward.

The report touches on a technical problem which I believe would be more serious than you realize. It is unlikely that satellites distributing Netlink-type programming, which have emphasis on CONUS distribution, would have enough power in their footprint to serve all of Alaska, much less every part of it satisfactorily. Even if their satellite signal was useful in Southern Alaska, it surely would be marginal, if that, in Northern and Western Alaska.

If, as the report suggests, switching from one Netlink program source to the other by the hour to access a variety of programming, who is to pay for the 248 Mini-TV switching activities?

Moreover, dismantling RATNET on the assumption that Netlink can provide replacement network programming takes the delivery of network programming to Alaskans out of the control of the State and places it in the hands (and fates) of these program distribution services. The RATNET system currently in existence has worked well for years and is tied to the established Alaska satellite delivery system. In contrast, if Alaska looks to Netlink for network programming, the continuation of service to Alaska is jeopardized. What if Netlink (or any other satellite service for that matter) goes bankrupt? What if Netlink - geared to distribution to the lower 48 states - switches satellites or makes other technical changes which modify the footprint of the satellite and eliminate service to portions of Alaska? Simply put, eliminating State involvement in the delivery of network programming through the existing RATNET system places continued service to Alaskans at great risk and has potentially grave consequences.

Finally, I also agree that a State system, such as the one in place, with every community linked for instant access, is vital for emergency communications, public safety, and future technologies such as Teletext transmission and other data. This has the potential for an invaluable service in emergencies such as disasters or wartime communications.

Section Five: If true, there is no doubt that a reduced tariff for a public broadcasting satellite feed of KAKM-TV, Anchorage, or other PBS material would save a lot of money over the present RATNET satellite distribution system. However, Alaska news, local news, public affairs and other programming would have to be produced to replace that which is now part of the RATNET schedule. This would substantially increase the costs, because news gathering and production is not cheap, and it's entirely free now.

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It would be interesting to observe the rightful wrath of the rural community TV viewers, who have had ten years to enjoy network and Alaska news, sports and entertainment, to suddenly receive only PBS programming. It would fall on many legislative heads in Juneau, whose faces would not be present at roll call following the next election.

Section Six: Payment by Anchorage TV broadcasters for the Kenai Peninsula and Turnagain Arm/Girdwood microwave system maintenance. This was reviewed in a January 6, 1988 letter addressed to Ms. Mary Halloran, which included an alternative suggestion that has been used successfully in the Rocky Mountain region.

Section Seven: How in the world could a proposed Fairbanks "local entity" save the State money if the UAA FM and TV licenses were transferred to it? They also would have to be State funded, the same as existing public TV and radio stations throughout the State, because they can't sell commercials. This would be using State funds to do exactly the same thing but with different station ownership, and the University would lose their facility for critical and important academic purposes. Further, during the past two or three years the Anchorage University of Alaska system has invested money in a tower location consortium at Goose Bay, joining KAKM-TV, the public station, and KTUU-TV in a very expensive installation, because of their passion and desire to become licensed to operate a Channel 9 TV station to serve the Anchorage area! UAA Anchorage has a petition pending right now with the FCC to receive a channel assignment for Channel 9. Who is supposed to pay for that operation, especially in the face of existing budget restraints and State funding for the Public station here already, KAKM-TV on Channel 7? Has anyone in Juneau read Alice in Wonderland lately?

Section Eight: This section gets to the meat of a logical procedure to follow and a future solution to cost control, while retaining all the benefits of a tried and true existent system.

If the State acquired the 146 Alascom owned earth stations, it would pave the way for the best of all alternatives. Checking history, you will find that originally Alascom refused to fund or install small village earth stations. At that point the Legislature appropriated \$5 million dollars and the first group of State-owned earth stations was acquired. Later, when the value of the stations was proven, Alascom began its own installations. However, it abrogated its original leadership opportunity, and has been trying to regain it ever since. Now there is an awkward mix of 102 State owned earth stations, and 146 owned by Alascom. With State ownership of the entire 248, not only would annual leasing costs of \$0.9 million paid to Alascom be saved, but the State would be in a marvelous bargaining position with Alascom and with other satellite delivery vendors to solicit bids and improve uplink and downlink cost-effectiveness dramatically. In fact, I am not convinced that tariff restrictions prevent Alascom from making an effective and dramatic gesture to relieve the whole concern of how much it costs to provide RATNET TV programming to the entire State. Alascom's Aurora satellite is aging, and in a couple of

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years it will have reached the end of projected life and will be replaced with another satellite. At present its capacity is not utilized fully - there is plenty of surplus capacity and no overloading. If Alascom were to take a substantial portion of its RATNET transponder bill and cancel it annually, taking the tax write-off, Alascom would achieve a significant public relations coup in the rural Alaskan communities, (which it is constantly trying to do by other means), and would have a cash-flow saving by means of the tax write-off. Another variant is the possibility of Alascom donating transponder time.

Alascom is obviously profitable enough to pull off such a public relations gesture, benefitting the State coffers, rural Alaskans and itself. Again, the best of all worlds for all concerned. These opportunities are not considered in the proposal and are worthy of serious consideration.

Conclusion: Weighing maximum flexibility of State ownership of the earth stations, with maximum service of complete system control - this combination has an overriding appeal. The so-called maximum saving which would result from dismantling the RATNET system and still providing some semblance of service to all of remote Alaska is a cruel illusion. Overall costs would multiply, not diminish, and the service inevitably would be fragmented, unsatisfactory, and probably illegal. Besides, who would pay for the fragmented service in the first place, after the great savings achieved by scuttling RATNET? And what about those smaller remote areas which would be relegated to the pre-1977 days of no TV service at all?

The instant proposals are fraught with difficulties. And the report - while a significant endeavor - is woefully inadequate to justify the dramatic changes contemplated. Substantial additional study - of the expense, technical difficulties (including comprehensive coverage), copyright obligations and the rights and expectations of rural Alaskans - is required before any changes should be made. Other options must be explored. Dismantling RATNET would be a critical mistake that the State and all Alaskans would have to live with for some time.

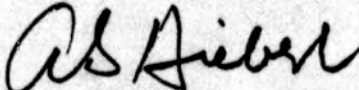
In your very fine and comprehensive report, an extremely significant benefit of the RATNET system was not addressed, and perhaps it is the most important one of all. This was the observation of Mr. Henry Hove, President of Northern Television, Inc.'s Fairbanks Division. While the RATNET TV programming distribution project costs real dollars, lots of them, there are important and proven social benefits to consider as well. A year or two after the original TVDP project began, a study was made that proved drinking and drunkenness at village bars had drastically reduced, because TV viewing occurred in the home. There are crime and law enforcement ramifications here too - common and well known problems in rural communities, wherein inclement weather, idleness, and boredom conspire to create mischief. Consider that much State and Federal money is spent to solve or control these social problems, and the cost versus benefit factor of the RATNET system might well be measured with a new and enlightened yardstick.

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Why not accept the infinite wisdom gleaned long ago from the famous Amos and Andy radio show? Their earthy dictum was "don't mess with success".

Very truly yours,

NORTHERN TELEVISION, INC.



A. G. Hiebert
Chairman/CEO

klm

Attachments: ABC & CBS clippings

Capital Cities Sues Satellite Broadcast On Transmissions

By William Power

Staff Reporter of The Wall Street Journal

NEW YORK—Capital Cities/ABC Inc. went to court to block a company that recently began retransmitting network television shows to satellite-dish owners.

The federal court suit, filed against Satellite Broadcast Networks Inc., reflects a growing concern in the broadcasting industry. At least two new companies have started or are considering starting to intercept all the programming broadcast by a station affiliate of each of the three networks, and retransmitting those shows by satellite to owners of satellite dishes.

The networks claim that the new companies are violating copyright law and are hurting the networks' local affiliates.

Satellite Broadcast, based in New York, announced in September a new service called PrimeTime 24, in which the company is rebroadcasting the signal of

WABC-TV in New York; WBBM-TV, the CBS Inc. affiliate in Chicago; and WKLA-TV, the NBC affiliate in Atlanta. Satellite Broadcast says its service is geared to viewers who can't get one or more of the networks.

Meanwhile, NetLink USA, a Kirkland, Wash.-based company owned by cable-television operator Gordon Rock, has started retransmitting broadcasts from network affiliates in Denver to unserved cable markets. Mr. Rock said the company, which was not named in the suit, is considering broadcasting to satellite-dish owners, too, but only in unserved markets.

Satellite Broadcast plans to begin scrambling its signal March 4 and charging viewers \$49.95 a year to receive it.

Part of the controversy involves the new companies' claims that they are cable systems, and thus are entitled to certain rights to rebroadcast airwork, "feeds" to areas of the country that otherwise don't get them. ABC contends that Satellite Broadcast isn't a cable system.

More important, ABC argues in its lawsuit, if such companies are allowed to prosper they will threaten the relationship of the networks with their local affiliates. By standard agreement, each ABC network station has first call in its community for

all ABC programming. But having ABC's New York station beamed into a city, for example, will unfairly compete with the local ABC station, the lawsuit claims.

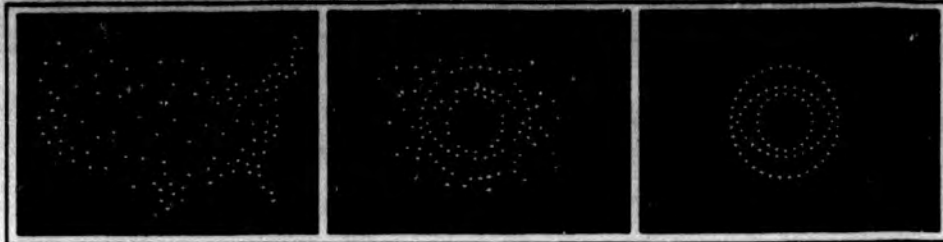
In Western time zones, Satellite Broadcast's signal from New York could arrive two or three hours earlier than the local ABC station, the network complains.

Capital Cities' lawsuit seeks a preliminary injunction against Satellite Broadcast's retransmissions.

Katie Metzger, president of Satellite Broadcast, said she hadn't seen the lawsuit yet but called the legal action "clearly a case of harassment." She added that her company "provides network programming to people who don't get network programming. . . . We're fully within the law."

An ABC spokeswoman declined comment on the litigation, following company policy. However, the network is known to be concerned about heading off such companies as Satellite Broadcast, partly to appease local affiliates that may complain that the satellite signal is competing with their exclusive market.

CBS AFFILIATE RELATIONS



Reel 2/8/87

To: General Manager

The following announcement is being released to the press.

Regards,

Tom Leahy
President
CBS Television Network

The CBS Television Network Affiliates Association, Inc. and CBS Inc. today jointly filed a lawsuit against Satellite Broadcast Networks, Inc. (SBN) to prevent SBN's unauthorized retransmission of CBS broadcast signals to owners of home satellite dishes.

SBN is a New York based company which recently began to intercept the signal of CBS owned television station WBBM-TV, Chicago (and other stations) and to transmit the signal, by satellite, to dish owners across the country. SBN has said that it intends to scramble the WBBM signal and charge subscribing dish owners an annual fee for its reception.

In their lawsuit, filed in Federal District Court in New York City, CBS Inc. and the CBS Television Network Affiliates Association, Inc. assert that this unauthorized retransmission of copyrighted network and local programming is unlawful under the Copyright Act. They seek statutory damages and declaratory and injunctive relief.

"We believe that an enterprise designed to beam pirated network signals to local viewers undermines the longstanding national commitment to free local broadcasting," said Philip A. Jones, Chairman of the CBS Affiliates Advisory Board and Vice President and General Manager of KCTV, Kansas City, MO. "This is a significant issue for network affiliates which has tremendous impact on the value of our product," he said.

"We believe SBN's activities are a massive violation of the rights of copyright holders," said Thomas F. Leahy, President of the CBS Television Network. "CBS invests over a billion dollars a year in entertainment, sports and news programming. SBN invests nothing, and its attempt to get a 'free ride' on the Network's investment is outrageous," he said.

TELECOMMUNICATION INFORMATION COUNCIL

1st Annual Report

March 23, 1988

Box AD
Juneau, Alaska 99811

INTRODUCTION

Established by Chapter 53 SLA 1987, the Telecommunication Information Council has met four times. The council has organized itself, selected required staff, and begun the planning process required by its enabling legislation.

ORGANIZATION

The Telecommunication Information Council is composed of the Commissioners, or alternate Deputy Commissioners, of all the principal executive branch departments, the President of the University of Alaska, the Executive Director of the Legislative Affairs Agency, and the Administrative Director of the Alaska Court System. The Governor chairs the council, with assistance from his Vice Chairman, Robert G. Poe, Deputy Commissioner, Department of Transportation and Public Facilities.

Principal professional and clerical staff assistance is provided by the Governor's Division of Policy. Each department and agency has also delegated a contact person to serve as that agency's staff representative during the planning process. No outside consultants are used.

The Telecommunication Information Council received no appropriation in FY 88 for operating costs. Resources for teleconferences, publication, meeting preparation, and clerical assistance are shared by each agency.

IMPLEMENTATION

The council must develop both short and long-range information systems plans for state government. Agencies are to develop their own information plans in accordance with the statewide plan. The council is also charged with developing guidelines for public access to state information.

Chapter 53 SLA 1987 defines the purpose of the Telecommunication Information Council:

To develop and implement a cost-effective policy for managing the state's information and information technology resources in a comprehensive and coordinated manner so that state government may better serve the people of the state.

TELECOMMUNICATION INFORMATION COUNCIL

GOAL, OBJECTIVES AND WORK PLAN

Adopted February 2, 1988

GOAL

To develop and implement a cost-effective policy for managing the state's information and information technology resources in a comprehensive and coordinated manner so that state government may better serve the people of the state.

OBJECTIVE 1

Develop a statewide telecommunication/information management plan.

Task 1 Identify the state's information management resources (including human resources).

Task 2 Identify agency success factors as they relate to information management.

Task 3 Identify statewide and agency telecommunication/ information management shortcomings.

Task 4 Outline alternative solutions to meeting agency and statewide needs and solving shortcomings.

Task 5 Decide on solutions to be taken and set priorities for action.

Task 6 Monitor implementation, evaluate progress and make changes as necessary.

OBJECTIVE 2

Establish institutional arrangements for developing and implementing improved information management in Alaska.

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

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Chapter 53 SLA 1987 defines the purpose of the Telecommunication Information Council:

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In order to reach this goal, the council has adopted a set of three objectives for it to strive toward. First, the council must develop a statewide telecommunication/information management plan. Second, the council shall establish those institutional arrangements for developing and implementing improved information management in Alaska. Third, the council will establish the information management policies and guidelines to implement the plan.

The complete work plan is attached to this report.

The need for this type of planning process has been amply demonstrated by the interest generated by the Telecommunication Information Council. Meetings are well attended. There are no lack of subjects waiting to be directed to the council's attention. The council has heard about the capacity limits of the state's mainframe computers; about the proliferation of mini-computers in agencies and their effects on the mainframe network; about the experiences of the Council on Northern Resource Information Management; and about other states' experiences with information resource management.

CONCLUSION

The Telecommunication Information Council is moving step-by-step toward its goal of comprehensively managing the state's information resources. The council is optimistic that the next year will bring a completed state telecommunication/information plan to guide future information resource developments.

TELECOMMUNICATION INFORMATION COUNCIL

GOAL, OBJECTIVES AND WORK PLAN

Adopted February 2, 1988

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Task 5 Decide on solutions to be taken and set priorities for action.

Task 6 Monitor implementation, evaluate progress and make changes as necessary.

OBJECTIVE 2

Establish institutional arrangements for developing and implementing improved information management in Alaska.

Task 1 Identify opportunities for resource sharing and cooperative development of solutions.

Task 2 Define the roles of IRMEAC and the ISC in statewide information management.

Task 3 Obtain/assign resources to carry out/monitor the statewide plan.

OBJECTIVE 3

Establish information management policies and guidelines to implement the plan.

Task 1 Define at a statewide level the standards (requirements) that new telecommunication/information management systems should strive to address.

Task 2 Establish a policy and procedure for providing public access to state information systems.

2-9-88

Meeting

HOGUE AND LEKISCH

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ATTORNEYS AT LAW

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ANDREW E. HOGUE
PETER A. LEKISCH
DAVID S. JOHNSON
JOHN W. COLVER
DAVID W. RIDENOUR

February 11, 1988

Rep. H. A. (Red) Boucher
P. O. Box V
Capitol Building 421
Juneau, Alaska 99811

Dear Rep. Boucher:

At Tuesday's committee hearing on cable television, I read into the record the testimony of Mr. Othmer Boeckman, the interim General Manager of Alaska West Cable Vision, Inc. The committee members requested that I forward a hard copy of that testimony. Enclosed for your information and review is a copy of Mr. Boeckman's testimony.

As I explained, Alaska West has applied to the APUC for a certificate to provide cable service to the Homer, Alaska area (Docket Nos. U-87-8/U-87-10). Alaska West committed itself to providing two dedicated channels for community and educational access, respectively, and intends to abide by that commitment whether or not the cable industry becomes deregulated or decertified. In our opinion, and considering the Homer community's strong desire for public access and the type of programming which Alaska West intends to offer, it is extremely important that we live up to our word however and whenever the regulatory environment changes.

Obviously, Alaska West is interested in the outcome of committee and legislative proceedings on these issues. We would appreciate receipt of any new or revised legislation -- including the expected substitute bill -- so that we may comment as deemed necessary.

Rep. H. A. (Red) Boucher
February 11, 1988
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Once again, both Mr. Boeckman and I appreciate the opportunity to provide the committee with Alaska West's comments and position.

Very truly yours,

HOGUE AND LEKISCH

A handwritten signature in cursive script, appearing to read "David S. Johnson", with a long horizontal flourish extending to the right.

David S. Johnson

DSJ:djk
Enclosure

4018/21trb.028/dk

TESTIMONY OF OTHMER (OTT) BOECKMAN
ON BEHALF OF ALASKA WEST CABLE VISION, INC.

My name is Othmer (Ott) Boeckman. I am the interim general manager of Alaska West Cable Vision, Inc., which has applied for a certificate to provide cable television service in and around Homer, Alaska. My schedule prevented me from personally attending this hearing; therefore, I appreciate the opportunity to have this testimony read into the record.

I understand that this hearing will focus on the potential deregulation or decertification of cable television in Alaska and certain issues which may be of particular concern to the committee and the legislature. I would like to address one of those issues from the standpoint of Alaska West's application to serve the Homer community.

Before doing so, I will briefly describe the background of Alaska West, which is a relatively new player in the Alaska cable market. The corporation was formed in mid-1986 because community sentiment in Homer supported the construction (by Alaska West) of a state-of-the-art, professionally-managed cable system. We concluded that the Homer area would not only support but would welcome Alaska West's system as an entertainment and informational resource. In particular, we determined that the community would appreciate a utility which perceived a need for service, committed itself to providing that service, and fully intends to abide by that commitment should it receive a certificate. The Homer residents responded quite favorably to our proposal and our willingness to become an integral part of the community. This was highlighted during recently-concluded

hearings in Homer and before the Alaska Public Utilities Commission.

In particular, the subject of community and educational programming received considerable attention in Homer. In talking with numerous educators, programmers, and local representatives, we quickly realized that a strong, community-oriented dynamic exists in that community. The Homer residents are understandably excited about the prospects and benefits of two-way broadcasting hookups for use in schools, colleges, teaching facilities, libraries, civic functions, council meetings, and other events. They emphasized this precise issue during the hearing in Homer and in numerous original letters to the Commission.

For these reasons, Alaska West offered to provide two access channels: one dedicated exclusively to community use, and another dedicated for educational purposes. Alaska West strongly believes that public access in Homer will flourish in view of the channel availability which Alaska West will provide. Alaska West is committed to providing this degree of service in a manner consistent with its desire to become an integral part of the Homer community.

Alaska West further intends to provide this comprehensive access programming whether or not the cable industry becomes decertified. The argument has been advanced that cable operators will be less inclined to dedicate themselves to community access if and when decertification becomes a reality. That may well be the case for other operators whose

commitments and willingness to provide access are qualified, compromised, or subject to change. But speaking only for Alaska West, I can unequivocally state that Alaska West will stand by its dedication to public access in the form of the above-stated programming.

This concludes my testimony at this hearing. Thank you very much for the opportunity to express my views and the views of Alaska West.

I N D E X

A. OVERVIEW STATEMENT RE: HB 97

B. PUBLIC ACCESS STATEMENTS BY LOCATION

1. Ketchikan
2. Sitka
3. Petersburg
4. Wrangell
5. Cordova
6. Juneau
7. Valdez
8. Kodiak, Nome, Kotzebue
9. Seward
10. Anchorage
11. Fairbanks

MR. CHAIRMAN:

MY NAME IS LEE DANIHER, GENERAL MANGER OF ALASKA CABLEVISION. WE APPRECIATE THE OPPORTUNITY TO APPEAR BEFORE YOUR COMMITTEE TODAY. AFTER MEMBERS OF OUR INDUSTRY HAVE MET WITH YOUR STAFF, WE THINK IT LIKELY THAT THE CONCERNS WHICH PROMPTED THIS HEARING COULD WELL BE ALLEVIATED WITHOUT THE PASSAGE OF "RADICAL SURGERY" LEGISLATION, WHICH WE FEEL HB 97 DOES INDEED REPRESENT.

TO PUT EVERYTHING IN PERSPECTIVE, WE NOW HAVE HIGH QUALITY CABLE TELEVISION SERVICE AVAILABLE IN VIRTUALLY EVERY COMMUNITY IN ALASKA WITH POPULATIONS OF OVER 1,000. MANY, MANY SMALLER COMMUNITIES ARE ALSO SERVED BY OPERATORS AS WELL. BY ALL INDICATIONS IT WOULD SEEM FAIR TO SAY THAT THE QUALITY OF SERVICE IN ALASKA IS VERY HIGH. VARIETY OF PROGRAMMING IS WIDE-RANGING AND OPERATIVES ARE FINANCIALLY SOUND AND TECHNICALLY CAPABLE. ALL IN ALL, ALASKANS ARE SERVED QUITE WELL BY THE CABLE INDUSTRY AS WE NOW KNOW IT; UNDER ITS CURRENT REGULATORY SCHEME.

WE HAVE CONTACTED THE A.P.U.C. TO SEE IF THEY HAVE RECEIVED A LARGE NUMBER OF CONSUMER COMPLAINTS ABOUT CABLE TELEVISION. THERE SEEMS TO BE LITTLE INDICATION OF WHOLESALE DISSATISFACTION. TO QUOTE SENATOR FAHRENKAMP FROM A SENATE LABOR AND COMMERCE HEARING ON THE SAME SUBJECT LAST SESSION, "IT APPEARS LIKE THIS IS AN ATTEMPT TO FIX SOMETHING THAT AIN'T BROKE."

AS WE UNDERSTAND IT, THERE SEEMS TO BE TWO RATHER COMPETING REASONS FOR OUR INDUSTRY TO BE HERE BEFORE YOU TODAY.

ONE, THE CONCERN THAT WE ARE NOT PROVIDING ADEQUATE PUBLIC/COMMUNITY ACCESS TO THE COMMUNITIES WE SERVE AND TWO, THAT SOME

FALLEN BEHIND SCHEDULE -- THEREBY DEPRIVING A PORTION OF A COMMUNITY OF CABLE TELEVISION SERVICE.

FIRST OFF, AS I'M SURE YOU COULD UNDERSTAND, SOME DIFFICULTY NOW EXISTS FOR A CABLE OPERATOR TO EVEN OBTAIN FINANCING (GIVEN THE ECONOMIC SITUATION IN ALASKA -- ESPECIALLY OUR LARGER COMMUNITIES) TO FINISH THE JOB OF EXTENDING CABLE ON OUT TO WHAT ARE MOST CERTAINLY LESS ECONOMICALLY VIABLE NEIGHBORHOODS. THIS, AT A TIME WHEN ONE MUST STRING THAT CABLE PAST ROW ON ROW OF EMPTY HOMES AND APARTMENT BUILDINGS WITH 'FOR SALE' SIGNS ATTACHED.

NONETHELESS, A MECHANISM NOW EXISTS UNDER CURRENT LAW AND A.P.U.C. REGULATION FOR THAT COMPANY TO BE BROUGHT BEFORE THE A.P.U.C.; TO SHOW WHY THEIR CERTIFICATE SHOULD NOT BE REVOKED OR ALTERED. FURTHERMORE, SHOULD SOME OTHER NEW OPERATOR BE WILLING TO SERVE THE AREA WHICH HAS NOT YET RECEIVED CABLE, THE A.P.U.C. HAS THE AUTHORITY TO REMOVE THE CERTIFICATE FOR THAT SPECIFIC AREA FROM THE ORIGINAL HOLDER AND AWARD IT TO TO THE NEW OPERATOR.

BECAUSE ONE IS OPERATING IN A QUASI-JUDICIAL SITUATION, THE RUB COMES THAT ACTION BY A NEW POTENTIAL OPERATOR CAN BE EXPENSIVE -- AND PERHAPS PROHIBITIVELY SO TO A NEW, SMALL COMPANY WISHING TO GET STARTED.

BECAUSE OF THESE ABOVE MENTIONED CONCERNS, WE UNDERSTAND WE (ALASKA CABLE OPERATORS) ARE BEFORE YOU TODAY TO DISCUSS HB 97 -- A SOMEWHAT RADICAL CHANGE IN HOW THE CABLE INDUSTRY IS NOW OPERATED. IF YOU'LL PARDON OUR INPERPRETATION, WE THINK THE BILL MAY BE A CONSIDERABLE OVERREACTION TO THE CONCERNS WHICH APPARENTLY BROUGHT ABOUT THIS HEARING.

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

MR. CHAIRMAN:

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CABLE CERTIFICATE HOLDERS ARE NOT COMPLYING WITH FULL REGIONAL SERVICE REQUIREMENTS OF THEIR CERTIFICATES -- I.E., NOT YET COMPLETING INSTALLER'S SCHEDULES -- WHERE SUCH SCHEDULES HAVE BEEN REQUIRED BY THE A.P.U.C.

LET US BRIEFLY DISCUSS FIRST THE CONCERN ABOUT PUBLIC/COMMUNITY ACCESS. WE, AS AN INDUSTRY, CERTAINLY BELIEVE IN MAKING OUR FACILITIES AVAILABLE FOR PUBLIC AND COMMUNITY USE. THE VAST MAJORITY OF PEOPLE WHO RUN THE CABLE COMPANIES THROUGHOUT THE SYSTEM ARE LONG TIME RESIDENTS OF THOSE TOWNS WHO BELIEVE IN AND PARTICIPATE IN THEIR OWN COMMUNITIES. LET US SAY THAT WE WHOLEHEARTEDLY SUPPORT THE CONCEPT AND ALREADY ARE INVOLVED IN SUCH PROGRAMS ALL OVER THE STATE. IF THERE IS MORE WE CAN DO, OR SHOULD BE DOING -- WE ARE MORE THAN HAPPY TO SIT DOWN WITH WHOMEVER IS APPROPRIATE AND DISCUSS THAT NEED.

AS YOU WILL NOTE, WE HAVE COMPLETED A BRIEF SUMMARY OF THE STATUS OF PUBLIC/COMMUNITY ACCESS THROUGHOUT THE STATE. YOU WILL FIND COMMUNITY BY COMMUNITY COMMENTS IN THE BOOKLETS WHICH WE PREPARED FOR TODAY'S HEARING. SHOULD YOU HAVE ANY QUESTIONS ON FURTHER DETAIL, HOPEFULLY WE HAVE SOMEONE HERE TODAY WHO CAN ANSWER YOUR QUESTIONS -- OR WE WILL CERTAINLY GET AN ANSWER TO THE COMMITTEE AS SOON AS POSSIBLE.

LET US DISCUSS FOR A MOMENT WHAT IS APPARENTLY THE SECOND MAJOR CONCERN WHICH HAS BROUGHT US BEFORE YOU TODAY.

THAT IS: THE CONCERN THAT THERE ARE AREAS ON THE STATE WHERE A CERTIFICATE WAS AWARDED TO A CABLE OPERATOR BY THE A.P.U.C., THE A.P.U.C. THEN PUT CONDITIONS ON THAT AWARD FOR CERTAIN GEOGRAPHIC AREAS TO BE WIRED WITHIN A GIVEN TIME PERIOD AND THE OPERATOR HAS

FALLEN BEHIND SCHEDULE -- THEREBY DEPRIVING A PORTION OF A COMMUNITY OF CABLE TELEVISION SERVICE.

FIRST OFF, AS I'M SURE YOU COULD UNDERSTAND, SOME DIFFICULTY NOW EXISTS FOR A CABLE OPERATOR TO EVEN OBTAIN FINANCING (GIVEN THE ECONOMIC SITUATION IN ALASKA -- ESPECIALLY OUR LARGER COMMUNITIES) TO FINISH THE JOB OF EXTENDING CABLE ON OUT TO WHAT ARE MOST CERTAINLY LESS ECONOMICALLY VIABLE NEIGHBORHOODS. THIS, AT A TIME WHEN ONE MUST STRING THAT CABLE PAST ROW ON ROW OF EMPTY HOMES AND APARTMENT BUILDINGS WITH 'FOR SALE' SIGNS ATTACHED.

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BOTH FURTHER EMPHASIS OF PUBLIC ACCESS BY CABLE OPERATORS AND VIOLATION OF CERTIFICATE REQUIREMENTS FOR FULL SERVICE-AREA COMPLIANCE ARE WITHIN THE CAPABILITIES AND POWERS OF THE A.P.U.C. TO NOW ADDRESS -- UNDER CURRENT LAW. ONE OF THE PROBLEMS SEEMS TO COME DOWN TO THAT OF THE BUDGET FOR THE A.P.U.C. THEIR BUDGET CONTINUES TO SHRINK. AS THIS OCCURS, QUITE NATURALLY THEY BEGIN TO PRIORITIZE THEIR WORKLOAD. THE TYPES OF CONCERNS RELATED TO CABLE TELEVISION WHICH WE ARE HERE TO DISCUSS TODAY, FALL OFF THE PRIORITY LIST IN COMPARISON TO REGULATION POWER AND TELEPHONES AND GAS LINES. IF THE A.P.U.C. HAD AN ADEQUATE BUDGET, THEY WOULD BE IN A POSITION TO PRESS FOR MORE PUBLIC ACCESS (WHERE NEEDED OR NOT YET PROVIDED) AS WELL AS ENFORCE THEIR CERTIFICATE REQUIREMENTS ON CURRENT CERTIFICATE HOLDERS (WHO HAVE ABUSED IT).

AS TO THE PROBLEM OF MAKING IT EASIER FOR SOME NEW OPERATOR TO COME IN AND PROVIDE CABLE SERVICE TO AN AREA NOT YET SERVED, IT WOULD SEEM THAT SOME CREATIVE THINKING MIGHT BE PUT TO NEW REGULATIONS BY THE A.P.U.C. WHICH WOULD REDUCE THE COSTS OF SUCH EFFORTS -- SOME NEW FAST TRACK PROCESS WHICH WOULD NOT ONLY PROVIDE SERVICE TO THOSE AREAS NOT YET SERVED BUT WOULD ALLEVIATE ADDITIONAL FINANCIAL BURDEN TO THOSE NEW COMPANIES TRYING TO SERVICE SUCH AN AREA.

SINCE HB 97 IS ONCE AGAIN UP FOR DISCUSSION TODAY, WE WOULD LIKE TO TAKE A FEW MOMENTS TO REMIND THE COMMITTEE OF THE NUMEROUS PROBLEMS ASSOCIATED WITH THAT APPROACH. LAST SESSION, AS YOU WILL REMEMBER, THIS COMMITTEE SPENT MAY HOURS GOING THROUGH THEM BUT IT MIGHT BE WORTHWHILE TO REFRESH YOUR MEMORIES.

HB 97 WOULD TOTALLY REMOVE THE A.P.U.C. FROM ANY ROLE AS REGARDS CABLE TELEVISION. THE IDEA WOULD BE THAT CABLE WOULD NOW SIMPLY OPERATE OUT IN THE ECONOMY LIKE ANY OTHER BUSINESS. ON THE FACE OF IT, IT SOUNDS WONDERFULLY SIMPLE. THE PROBLEM IS, CABLE IS NOT JUST ANY BUSINESS. ONCE ONE STARTS TO REVIEW LIKELY IMPLICATIONS, ONE HAS TO AGAIN WONDER WHY A SYSTEM WHICH IS WORKING WELL NOW SHOULD BE THROWN INTO SUCH POTENTIAL DISARKAY?

THE FOLLOWING ARE A NUMBER OF THE MAJOR DIFFICULTIES WHICH CAN BE SEEN TO INDICATE THAT CABLE TELEVISION IS UNIQUE AND CERTAINLY FITS SOMEWHERE IN THE NATURE OF A UTILITY AND YET IS NOT A NECESSITY LIKE TELEPHONE AND POWER.

CABLE T.V., UNLIKE "ANY OTHER BUSINESS," USES MANY OF THE SAME CORRIDORS BOTH ABOVE AND BELOW GROUND AS DO TELEPHONE AND POWER UTILITIES. YOU MAY REMEMBER THAT COMMISSIONER WEATHERLY, OF THE A.P.U.C., IN HIS TESTIMONY LAST SESSION (COMMISSIONER WEATHERLY IS NOW RETIRED FROM THE A.P.U.C.) STATED THAT ALL OVER ALASKA WHERE UTILITY CORRIDORS INVOLVE USE OF A POLE SYSTEM THERE IS ALREADY DIFFICULTY FINDING ADEQUATE SPACE FOR PLACEMENT OF EVEN ONE CABLE SYSTEM ALONGSIDE POWER AND TELEPHONE. HIS POINT WAS THAT IF THE INTENTION OF HB 97 IS TO CREATE A SITUATION WHERE TWO CABLE COMPANIES ARE OPERATING AND COMPETING ALONGSIDE EACH OTHER -- RIGHT OFF THERE ARE IMMENSE PRACTICAL PROBLEMS WITH ITS APPLICATION. OF COURSE, POLES COULD BE ALTERED OR REPLACED -- ALBEIT AT GREAT COST TO ALL UTILITY COMPANIES AND THEN DIRECTLY BACK TO ALL ALASKAN CONSUMERS/RESIDENTS.

SECONDLY, THERE IS THE PROBLEM OF WHAT IS CALLED "CREAM SKIMMING." THROUGHOUT THE STATE CABLE OPERATORS (FOLLOWING A

COMPETITIVE BIDDING PROCESS BETWEEN INTERESTED COMPANIES) HAVE BEEN GRANTED AUTHORITY BY THE A.P.U.C. TO PROVIDE CABLE SERVICE WITHIN A GIVEN SERVICE AREA. AS PART OF THE CONDITIONS OF SUCH CERTIFICATION IT HAS BEEN COMMON PRACTICE FOR THE A.P.U.C. TO REQUIRE A COMPANY TO SERVICE AN ENTIRE AREA NOT JUST THE HIGH DENSITY -- HIGH REVENUE - LOW COST AREAS OF A COMMUNITY.

THESE SYSTEMS ARE NOW VIRTUALLY ALL IN PLACE. SHOULD HB 97 BECOME LAW AND SHOULD SOME OTHER CABLE OPERATOR BE ABLE TO FIND POLE SPACE TO OPERATE ON, THERE WOULD BE NOTHING PREVENTING THAT NEW SECOND OPERATOR FROM "SKIMMING" THE HIGH REVENUE PORTION OF A TOWN LIKE JUNEAU AND NOT PROVIDE SERVICE, SAY TO NORTH DOUGLAS - ONLY DOWNTOWN OR IN THE VALLEY.

THIS, IN TURN, WOULD SET UP A SITUATION WHERE THE FIRST COMPANY WOULD BE COMPETING IN AN UNEVEN MARKET. ULTIMATELY, THE PRESSURES WOULD LEAD TO LARGE INCREASES IN RATES TO THE OUTLYING -- LOW REVENUE AREAS OF A COMMUNITY AND EVENTUALLY NO SERVICE AT ALL. THE TWO COMPETING COMPANIES WOULD SIMPLY OPERATE HEAD TO HEAD WHERE THE REVENUES ARE HIGHER AND COSTS ARE LOWER. EVENTUALLY, WE WOULD PROBABLY END UP WITH ONE COMPANY SERVING ONLY THE LUCRATIVE PARTS OF THE COMMUNITY.

THIRDLY, WHEN IT COMES TO THE ISSUE OF PUBLIC ACCESS -- IT IS THE A.P.U.C. THAT REQUIRES SUCH SERVICE FROM CABLE COMPANIES IN ALASKA. IF HB 97 WERE TO PASS, THE A.P.U.C. COULD NO LONGER REQUIRE SUCH SERVICE. A COMPANY FIGHTING FOR SURVIVAL AGAINST WHAT WOULD AMOUNT TO A NEW COMPETITOR WITH A CONSIDERABLE ADVANTAGE, WOULD CERTAINLY BEGIN

TO LOOK AT PROVIDING FREE CHANNELS AND FREE EQUIPMENT AS SOMEWHAT OF A LUXURY.

THERE IS ALSO THE PROBLEM OF QUALITY CONTROL. ONE OF THE BENEFITS TO ALL CONSUMERS AND TO MANY SMALL COMMUNITIES IS THE AVAILABILITY OF A.P.U.C. EXPERTISE IN REVIEWING THE QUALITY AND TECHNICAL CAPABILITY OF COMPANIES PROPOSING TO PROVIDE CABLE SERVICE. BECAUSE OF THE SEMI-UTILITY NATURE OF CABLE, MANY UNSUSPECTING COMMUNITIES COULD BE SIMPLY TAKEN FOR A RIDE BY AN UNSCRUPULOUS OR POORLY QUALIFIED OR UNDER-FINANCED OPERATOR. IN THIS SCENARIO, CUSTOMERS COULD END UP WITH VERY POOR QUALITY OR NO CABLE TELEVISION SERVICE AT ALL. SUCH A PROBLEM COULD BECOME QUITE COMMON IN ALASKA'S SMALLER COMMUNITIES.

FINALLY, WE WOULD LIKE TO MAKE A COMMENT ABOUT THE CONCEPT OF COMPETITION, WHICH SEEMS TO UNDERLIE THE ENTIRE CONCEPT OF HB 97. A VERY NARROW DEFINITION OF COMPETITION IS BEING USED AND ONE WHICH DOES NOT FIT WITH MY SERIOUS REVIEW OF CABLE TELEVISIONS ROLE IN SOCIETY. HB 97 SEEMS TO ASSUME THAT THE ONLY WAY TO ESTABLISH COMPETITION FOR A CABLE COMPANY IS FOR ANOTHER CABLE COMPANY TO OPERATE RIGHT ALONGSIDE IT. SUCH ANALYSIS IGNORES THE FACT THAT CABLE OPERATORS ARE ALREADY OPERATING IN A COMPETITIVE SITUATION WITH:

- MYRIADS OF HOME VIDEO STORES OFFERING THEIR WARES AS AN ALTERNATIVE TO CABLE TELEVISION.

- DIRECT SATELLITE DISH USERS BOTH IN SINGLE DWELLINGS, AND IN MANY PLACES IN ALASKA FOR ENTIRE APARTMENT COMPLEXES AND HOTELS.

- FREE - OFF THE AIR TELEVISION, WHICH MANY PEOPLE IN ALASKA ALREADY VIEW AS SUFFICIENT FOR THEIR NEEDS - PERHAPS IN COMBINATION WITH A VIDEO MACHINE.

CABLE TELEVISION, IN THE BROADER SENSE, IS COMPETING OUT THERE FOR THE CONSUMER'S ENTERTAINMENT DOLLAR -- THEATRES, RESTAURANTS, YOU NAME IT. IF CABLE T.V. BECOMES TOO EXPENSIVE OR OF INSUFFICIENT QUALITY TO ATTRACT A CONSUMER, THAT CONSUMER WILL SIMPLY SELECT ONE OF THE COMPETING FORMS OF ENTERTAINMENT OF THEIR PREFERENCE. THAT IS THE COMPETITIVE CHECK ON CABLE TELEVISION WHICH IS ALREADY IN PLACE.

FURTHERMORE, HB 97 BRINGS ABOUT THE PROSPECT OF MUNICIPAL REGULATION OF CABLE TELEVISION IN THE ABSENCE OF A.P.U.C. OVERSIGHT. IN PAST YEARS, THE A.P.U.C., ESPECIALLY COMMISSIONER GUESS HAVE VOICED GREAT CONCERNS OVER THE HISTORY OF MUNICIPAL REGULATION OF CABLE ELSEWHERE IN THE COUNTRY. PERHAPS THE COMMISSIONER COULD BE ASKED ABOUT THOSE CONCERNS.

WE AGAIN APPRECIATE THE OPPORTUNITY TO STATE OUR CASE BEFORE YOU AND HOPE WE CAN ANSWER ANY FURTHER QUESTIONS YOU MIGHT HAVE.

THERE ARE A NUMBER OF PEOPLE IN FAIRBANKS AND ANCHORAGE WHO WISH TO TESTIFY. SOME OF THEM MAY BE ABLE TO PROVIDE FURTHER DETAIL AS WELL.

THANK YOU.



**COOKE
CABLEVISION INC.**

February 4, 1988

Dawson & Associates
326 4th Street
Suite 203
Juneau, Alaska 99801

Dear Sirs,

Enclosed is a listing of the services available to the public thru our local access channel. We have been using this channel for at least seven years, and have had good response to our offering. We have in the past also loaned out our equipment to local churches and a few individuals to use for the community interest.

If you should have any further questions regarding this public access channel please give our office a call.

Cooke CableVision

Marcella Leslie
Marcella Leslie
Office Manager



COOKE CABLEVISION INC.

PUBLIC ACCESS CHANNEL COOKE CABLEVISION --KETCHIKAN

1. CITY COUNCIL MEETINGS 2 MEETINGS MONTHLY PLUS ANY SPECIAL MEETINGS
2. BOROUGH MEETINGS 2 MONTHLY
3. LEGISLATIVE MEETINGS FROM THE CITY COUNCIL CHAMBER
4. CANDIDATE FORUM
5. COMMUNITY INTEREST TAPES
6. CLOSED CIRCUIT EVENTS
7. EASTER SEAL TELETHON
8. YOUTH FOOTBALL AUCTION
9. MARCH OF DIMES TELETHON
10. MDA TELETHON
11. LOCAL LIVE BOWLING



COOKE
CABLEVISION INC.

February 3, 1988

Sitka's Local Access Channel

When the studio was built here in Sitka in 1980 there was a great deal of community demand for time on the Local Access channel, channel 13. At the time we did a daily half-hour news program, the Chamber of Commerce did several interviews each week and several other agencies made use of the channel time.

During the eight years that we have made available the studio and the channel to the residents of Sitka the usage has dwindled to the point that now there are only two events aired. One is the Jerry Lewis Telethon and the second is the March of Dimes Auction.

When the usage of the channel started to decline a large effort was spent trying to increase public awareness of the availability of the channel but to no avail.

The channel and the use of the two camera fully equipped studio is still available.

Sincerely,

Dennis Lanham
Dennis Lanham
General Manager

/dl



CableVision

JANURARY 28, 1988
ALASKA CABLEVISION
BY: BETTY PHILBIN

ALASKA CABLEVISION HAS EIGHT T.V. SYSTEMS IN ALASKA.
WRANGELL, PETERSBURG, SEWARD, VALDEZ, NOME, KOTZEBUE, KODIAK, AND CORDOVA.

ALL OF OUR SYSTEMS HAVE A CHANNEL WITH A CHARACTER GENERATOR THAT IS FREE TO THE PUBLIC FOR ITEMS OF PUBLIC INTEREST. (LOST & FOUND, SCHOOL ACCTIVITIES, CITY NOTICES, CHURCH ACTIVITIES, FUNERAL NOTICES, ETC... IT IS USED MANY TIMES DAILY BY ALL IN OUR COMMUNITIES. THIS SAME CHARACTER GENERATOR IS USED FOR CLASSIFIED ADS SO THERE IS A WIDE PUBLIC INTERESTED OF ALL ITEMS. (HAVING ONLY A WEEKLY PAPER IN ALL BUT ONE OF OUR SYSTEMS, THIS CHANNEL IS THE ONLY DAILY PRINTED MEANS OF PUBLIC NOTICES AND NEWS.

ALASKA CABLEVISION SYSTEMS ARE MANAGED BY COMPETENT PEOPLE THAT HAVE LINED IN THEIR COMMUNITIES A LONG TIME AND ARE INVOLVED IN VARIOUS COMMUNITY ACTIVITIES. THEY ARE TUNED IN AND LOYAL TO THEIR COMMUNITIES NEEDS AND DESIRES AND ARE PREPARED, WHEN THE NEED AND DESIRE IS THERE TO SUPPLY THE NECESSARY SPACE FOR MORE COMMUNITY ACCESS.



PETERSBURG COMMUNITY USE CHANNELS
BY: BETTY PHILBIN, MANAGER

PETERSBURG CABLEVISION HAS A CHARACTER GENERATOR, BACK WITH AUDIO FROM KTKN RADIO ON CHANNEL 11. THIS CHANNEL IS USED FOR CLASSIFIED ADS AND FOR COMMUNITY USE. WE CHARGE FOR CLASSIFIED, BUT PUT ON LOST & FOUND AND PUBLIC NOTICES FREE OF CHARGE. WITH ONLY A WEEKLY PAPER IT IS USED DAILY BY THE MANY ORGANIZATIONS IN OUR COMMUNITY.

APPROXIMATELY THREE YEARS AGO WE FELT THAT THE COMMUNITY COULD USE A DEDICATED CHANNEL. WE PUT IN EQUIPMENT IN THE SCHOOL LIBRARY AND ADVERTISED ITS AVAILABILITY FOR PUBLIC USE. ALTHO I DONATED MY TIME AND PUT SEVERL SCHOOL BOARD MEETINGS ON, IT WAS USED ONLY TWICE BY ANYONE ELSE. IT REMAINED AVAILABLE FOR ALMOST TWO YEARS AND REMAINED BLACK SO EQUIPMENT WAS REMOVED. OUR SCHOOL IS ONLY THREE BLOCKS FROM MAIN STREET, BUT WE WOULD LIKE TO REINSTATE A DEDICATED CHANNEL IF WE CAN FIND A LOCATION ON MAIN STREET FOR OUR EQUIPMENT. I AM IN THE PROCESS OF WRITING TO THE CITY COUNCIL FOR PERMISSION TO INSTALL OUR EQUIPMENT IN THE COUNCIL CHAMBERS. IF PERMISSION IS GRANTED, WE WOULD LIKE TO BROADCAST LIVE COUNCIL , PLANNING & ZONING, FISHERIES, AND OTHER MEETINGS OF INTEREST TO THE PUBLIC.

THE CITY OF PETERSBURG IS NOT LARGE ENOUGH TO HAVE ANY ONE CHANNEL DEDICATED FOR ONE PARTICULAR USE, SCHOOL, GOVERNMENT, OR CHURCH, BUT SHOULD BE ABLE TO BENEFIT BY A COMBINED CHANNEL.

WRANGELL CABLEVISION

P.O. BOX 909 — WRANGELL, ALASKA 99929
(907) 874-2392

* * * WRANGELL PUBLIC SERVICE CHANNELS * * *

Character - Generated message - Channel 111
(Locally known as the SCANNER)

- * 40 words per ad, 29 spaces, 12 lines down.
- * Ad will run a minimum of 3 times per hour, 24 hours a day.
- * Ad may run as long as a week.

Public notices include the following:

- Meeting notices
- Lost -N- Found
- To give away
- Public awareness
- School activities
- Birthday/Anniversaries
- Wedding announcements
- Birth announcements
- Funeral announcements
- Thank yous
- Community activities
- Church services and activities
- Teleconferences

Local Videos


We air these on our character-generator channel. Run time is also advertised on character generator days in advance.

The following videos have been shown:

- School plays and programs
- Tent City Days (a Wrangell festival)
- 4th of July Festival
- S.A.D.D. tape made by Wrangell High School students

(We have done some taping for such programs, this depends on the timing and availability of the camera)

We also have automatic insertion gear set for channel 112 (CNN NEWS), and are able to play a public tape if correct format and toned properly.



Cablevision

1/25/88

Dear Betty,

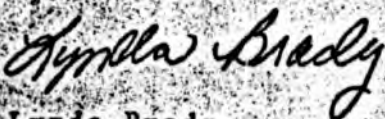
Per your request, I reviewed our Public Service Scanner (character generated advertising) advertising we gave to the citizens of Cordova.

In 1987 we ran \$4,259.64 worth of Public Service Ads. In 1986 we ran \$4,501.46 worth of Public Service Scanner Ads. This is completely seperated and above the Scanner Ads that generate revenue for Cordova Cablevision.

We have the equipment ready to install a "local access channel" but have not completed the project. The main concern in this area is that all of our equipment is Beta and 95% of the equipment used by the townspeople is VHS. There are other considerations we have not worked through yet ie: sensorship, timing etc., but we are moving ahead in these areas.

If you need further information or back up please just let me know and I'll do all I can to help you.

Sincerely,



Lynda Brady
Office Manager

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672
1556 SCOMM 58: HOUSE SPEC. COMM. ON TELECOMMUNICATIONS, 1987-1988

BONNEVILLE

TELEVISION & COMMUNICATIONS

October 12, 1987

Bob Pearson, AK Dist. Engineer
McCaw Cablevision
3161 Channel Drive Suite 1
Juneau, AK 99801

Dear Bob:

Thank you for your recent coverage of the Semiannual World General Conference of The Church of Jesus Christ of Latter-day Saints. Bonneville Media Communications is pleased to provide you with the enclosed audio cassette of the world-renowned Mormon Tabernacle Choir as a token of our appreciation.

Through your gracious contribution of air time, you have provided a valuable viewing experience for many people in your market.

Bonneville looks forward to working with you again next spring on the occasion of the 158th Annual World General Conference.

Sincerely,

Ailsa F. Williams

Ailsa F. Williams
Marketing Representative

Enclosure

First Church of Christ, Scientist

430 MAIN STREET
JUNEAU, ALASKA 99801

October 18, 1987

Bob Pearson
Cooke Cablevision
3161 Channel Drive
Juneau, Alaska 99801

Dear Mr. Pearson,

The members of our church would like to thank you for helping us receive the transmission of the Global Lecture Preparatory Meeting from the headquarters of the Christian Science Church in Boston, Massachusetts, on Thursday, September 24, 1987. We viewed the program from a room at Centennial Hall and the reception was excellent.

With the new technology in communication, Alaskans need to feel "cut off" no longer. It was wonderful to know that we were receiving the information at the same time the rest of the world was.

We are sure that satellite communication will be used by our church in the future, as well as by a growing number of other groups. We look forward to working with you again when the opportunity arises.

Thank you again for your help and cooperation.

Sincerely,

Beverly Krusz

Beverly Krusz
Clerk

Box 020993
Juneau, Alaska 99802
10 December 87

Jim Uebelher *cor.*
Cooke Cablevision
Juneau

Dear Jim:

Thank you and your staff for pulling down our October 24 program. We had gathered over 100 people in small groups in living rooms for this program designed for small-group discussion. We don't know how many people watched at home, by themselves.

It was a successful program, resulting in the dialogue we all need as we try to learn how to survive in this nuclear age.

Thank you again for your help. It's modern technology and social diversity at its best.

Sincerely,

Bill Leighty
William C. Leighty
Beyond War volunteer

P.O. Box 1748, Juneau, Alaska 99802

alaska folk
festival inc.


Hello!

The use of your video link was a vital part in KTOO-FM's LIVE coverage of the 13th Annual Alaska Folk Festival.

Many thanks have been extended by the many emcees, and many more are extended now.

It's the cooperation between us all that makes it a pleasure to live here in Juneau!

Sincerely,
JEFF BROWN
President Emeritus
Alaska Folk Festival



CableVision

January 22, 1988

Petersburg Cablevision
Post Office Box 1167
Petersburg, AK 99833

Atten: Betty

Thought I'd confirm what we briefly spoke about today regarding a "public access channel" in Valdez. It is my understanding that with a system smaller than 1000 subs, such as ours, it is not required that we have available a specific public access channel. In any case, Valdez Cablevision has always welcomed the opportunity to work with those organizations or persons interested in broadcasting special events, psa's or would just like to learn how the system works and our procedures. Presently, what the public has available to them is Channel #11, our mini-scan character generator channel. We do have the space available for one particular channel, however, it has not yet become necessary. Channel #11 is a popular channel in my community when looking for special events, advertisements, psa's, etc. So provided the proper tape cassette size and equipment are available for whatever particular event or notice, utilizing channel #11 has worked very well.

In the past we have worked in conjunction with the video department at Prince William Sound Community College in bringing in the high school basketball games played outside of Valdez. We've also shown tape delayed "Meet The Candidates Night" a question and answer session with political candidates running for local office. Currently every Friday evening at 4:30pm we show a 1/2 hour psa regarding animal rights. This spring we will be joined by two college students twice weekly to experience and learn the cable industry and what we offer. Should at any time in the future there be a more demand for public access, we would gladly and willingly make available another channel.

Give me a call if there is more I can share in detail.

Sincerely,



Debbie Daniels
Office Manager

cc: File



CableVision


JANUARY 30, 1988

COMBINED REPORT ON NOME, KOTZEBUE, SEWARD & KODIAK
COMMUNITY USE CHANNELS.

KODIAK HAS AN ACCESS CHANNEL USED AND CONTROLLED BY THE
COMMUNITY COLLEGE. VARIOUS COMMUNITY AND COLLEGE TAPES &
PROGRAMS OR AIRED ON THIS CHANNEL. THEY MAKE USE OF THEIR
CHARACTER GENERATOR FOR PRINTED MESSAGES.

SEWARD IS A NEW SYSTEM AND HAS TWO CHANNELS FOR PUBLIC USE.
THEY WERE ABLE TO AIR THEIR FIRST COUNCIL MEETING THE WEEK OF
JANUARY 25.

NOME AND KOTZEBUE, AT PRESENT ARE USING THEIR CHARACTER
GENERATOR CHANNEL FOR ANY REQUEST FOR MESSAGES, BOTH PRINTED AND
TYPED.



CableVision

January 26, 1988

Kent Dawson
326 Fourth St Suite 203
Juneau, AK 99801

Dear Kent;

This letter is in response to the information you requested for Miss Stewart concerning locally originated programming, e.i. public access channel.

The cable system in Seward was constructed new in the spring of 1987. The entire system was designed and built for complete 2-way cable activity. This allows us to insert locally originated programming at any location in the cable system; which in turn enables our subscribers to view that programming "live".

At present, we have allotted channel 11 to be our public access channel. Any public service announcements, school activities or community functions are presented in script form and run 24 hours per day. In addition to public service announcements, this channel space is also made available for private individuals as well as for businesses to advertise for a very moderate fee.

As for our "live" productions, we currently broadcast the Seward City Council meetings at no charge to the city. In conjunction with this, we have shown public service tapes to the community regarding "Enhancement Plans" and other revitalization programs designed to bolster Seward. The Forest Service is going to provide tapes that are community service oriented to be shown on channel 11, at again, no cost.

We have also developed a plan to get the High School more directly involved in the community. This plan includes a separate channel for their own school oriented activities. We will provide them with a graphic, character generator and encourage a locally produced news program aimed at involving students with the community.



Discussions with School Administrators and City officials have generated a lot of enthusiasm for this program. We have initiated the plan and hope to have it implemented as soon as possible.

We feel we have the start of what will be one of the finest community involved access programs. If you would like more information or updates as programs are implemented, please let us know.

Sincerely,

John Burnett

JB/mh

CITY OF SEWARD

P.O. BOX 167
SEWARD, ALASKA 99664



- Main Office (907) 224-3331
- Police (907) 224-3138
- Harbor (907) 224-3138
- Fire (907) 224-3445
- Telecopier (907) 224-3248

February 8, 1988

V. KENT DAWSON, PRESIDENT
DAWSON & ASSOCIATES
326 Fourth Avenue
Mendenhall Bldg., Suite 407
Juneau, AK 99801

SEWARD CABLEVISION

John Burnett of Seward Cablevision has asked that I confirm some of the many public interest and community-oriented programming and services provided by his company.

Beginning with tonight's Council meeting, Seward Cablevision will be airing all regular City Council meetings live and free of charge. Cablevision has provided all equipment and will provide the personnel to make this programming possible. In addition, we have been assured that other public groups may use the equipment installed in the Council Chambers to film and broadcast public hearings, speakers, etc.

The Chamber of Commerce has already taken advantage of Cablevision's offer to film public meetings and had Burnett tape a Chamber meeting regarding a proposed Seward Downtown Enhancement Plan. This has been aired at no cost to the Chamber or the community.

The Forest Service has been granted permission to show any tapes in its possession which it deems to be public service oriented.

A program has been initiated with Seward High School to involve students in the community through live productions, taped events (sports, concerts, plays, etc.) and community fund-raising activities. Burnett has offered to coordinate a media class at the High School which would be "for credit" and would give students "hands on" experience in writing, directing, editing and airing its own programming.

Please call on me if you need any additional information concerning the city of Seward's experiences with Seward Cablevision.

Sincerely,

V. KENT DAWSON
February 8, 1988

THE CITY OF SEWARD, ALASKA

Harry E. Gieseler

HARRY E. GIESELER
MAYOR

cc: John Burnett, Seward Cablevision

SONIC CABLE TELEVISION OF ALASKA, INC.

ACCESS CHANNELS

In Anchorage, Sonic Cable Television of Alaska provides the following access channels to its subscribers and the community.

1. THE COMMUNITY CHANNEL

This channel is devoted entirely for community use. It is designed to meet the needs of the local community by letting people produce programming for themselves. This includes video recording and editing of an entire television production which is then aired on Sonic Channel 19. The Sonic community channel office has three complete sets of camera gear and an editing system provided to local producers for production and completion of their ideas.

The Community channel also cablecasts live, the Anchorage Assembly meetings on Tuesdays. These programs are rebroadcast every Friday.

Additionally, a portion of the channel is dedicated to Korean Programming. This program is cablecast three times weekly for the Anchorage Korean population.

Also on Sonic's community channel is the Community Calendar which is a vehicle for non-profit organizations to advertise their events. It is comprised of a series of characterized generated messages.

2. THE CREDO CHANNEL

This channel provides access to church groups. The channel is operated by the Credo Task Force of the Church Council of Anchorage. The committee members represent various denominations and their goal is to facilitate the airing of local religious programming on the cable system. The channel is open to all recognized religions.

3. CABLE CLASSROOM

This channel is available for Anchorage School District programming. Educational programming is aired daily Monday through Friday. On evenings and weekends, the School Bulletin Board is cablecast for all area schools.

4. ANCHORAGE TELECAMBUS

The University of Alaska, Anchorage utilizes this channel for students who wish to receive college credit at home. Various courses in different fields of study are cablecast throughout Anchorage.

ACCESS CHANNELS CONT:

5. INET - INSTITUTIONAL NETWORK

The INET is an excellent example as to how cable technology can best be used by organizations who serve the public. It is indicative of Sonic's desire to provide communication and the public good in the Anchorage area. The channel is reserved for use by the Anchorage School District, the Municipality of Anchorage, The University of Alaska, Anchorage, Humana Hospital, Providence Hospital, and the Alaska Area Native Health Services. This consortium of users specifically utilizes the INET Channel for internal and external communications and training.



COOKE
CABLEVISION INC.

February 5, 1988

Mr. Kent Dawson
Dawson & Associates
326 4th Street
Suite 203
Juneau, AK 99801

Dear Kent,

Fairbanks Cooke Cablevision has one channel dedicated to use for local programming. It is channel 2, the channel that the converters "turn on" to. When not being used for local programming a character generator with sound from a local FM station is there. The character generator has local community activity announcements, public service announcements, and announcements of special programs on it.

Examples of programming include:

- * Alaska weather - not shown off air received from RATNET at 7 pm each week day evening.
- * Special RATNET programs - Karate, Yukon 800, Dog Mushing, etc.
- * Saturday February 6, 1988 we will air the Kubler Ross interview on Death and Dying - The Grief process and AIDS the Ultimate Challenge.
- * When the Pope visited last year we aired the EWTN (Catholic Cable Network) for 10 days, 24 hours per day.
- * We aired the 3 hour Jewish New Year Satellite delivered program last year.
- * We air "Music and the Spoken Word", a weekly LDS half hour program.
- * We air the LDS General Conferences.



COOKE CABLEVISION INC.

We recently completed a "return line" from the UAF Rasmussen Library studios, and will start airing the Tanana Valley College "Cable College" later this month. This will be 4 hours per week night of courses.

The channel is not used to the extent that there is any demand for a second channel, however if demand warrants we will make another channel available. We are committed to supporting local programming.

On another subject, you may hear about a Mr. Steve Gerstein who has applied to the APUC to serve an area known as Lakloey Hills and another area known as South Cushman, both within our service area. Lakloey Hills is unserved and we have no objection to Mr. Gerstein serving this area. South Cushman is partially served now and will be completely served by Cooke Cablevision by May 1, 1988 and we do object to Mr. Gerstein serving this area. Mr. Gerstein was the low bidder and was offered a contract to build and serve the UAF campus. He did not execute the contract. We therefore have doubts that he intends to serve Lakloey Hills. We suspect that his APUC application is for the purpose of drawing objections from us and creating a big-guy/little guy situation to gain support for HB 97. We are not objecting to his service in an unserved area. These are brief comments Kent. I plan to be present in Fairbanks at Tuesday's teleconference.

Best Regards,

A.J. Novius
Systems Manager

xc: Ross Hammock

ALASKA PUBLIC UTILITIES COMMISSION

COMMENTS ON HB97

February 9, 1988

In the performance reviews of the Commission in 1979 and 1985, the Division of Legislative Audit recommended that the Commission's statute be amended to cease certification of CATV service. The exemption proposed in HB97 would effect this long-standing recommendation.

The Commission supports HB97 primarily because it is undesirable as a matter of policy to certificate entities as de facto monopolies which are not subsequently economically regulated. In addition, the Commission has identified CATV certification as an area where its workload can be reduced to more closely match its current resources with minimal adverse impact on the public.

In endorsing this legislation, the Commission offers the following suggestions. First, it would be desirable to add a definition of cable television service to the Commission's statute to make it clear what precisely is being deregulated. At present, the statute includes only one general definition for telecommunications service. There is more and more integration and sophistication in telecommunications functions and services. It is assumed that the intent of HB97 is to exempt CATV service only insofar as it is an entertainment medium and not to the extent it may become an integral part of local or long distance telephone service. Including a definition in the statute would eliminate any confusion about the scope of the exemption for CATV service.

Second, there are currently 22 CATV companies operating in Alaska. It would be desirable to have the Legislature address what its intentions are with respect to disposition of certificates held by existing providers. In addition, in a number of cases certificates have been awarded to CATV companies with express conditions attached, and the status of those conditions could be unclear absent legislative intent. For example, under the exemption, would existing public access and institutional network requirements still apply, and, if so, who would be responsible for enforcing compliance with those requirements?

February 9, 1988

Testamony before Alaska House Special Committee on Telecommunications

By: Brother Charles McBride, C.S.C.
CREDO Task Force
Interfaith Council of Anchorage

225 Cordova, Bldg. A
Anchorage, AK 99501

907-258-7898

Chairman Boucher and members of the committee:

I am Brother Charles McBride, C.S.C., chairman of the CREDO Task Force of Sonic Cable Television of Alaska's CREDO Channel 36, an ecumenical public access channel for the people of Anchorage and Eagle River, Alaska. The Task Force is appointed to regulate the use of this channel by the Interfaith Council of Anchorage (formerly Church Council of Anchorage) and Sonic Cable Television of Alaska as outlined by the Alaska Public Utilities Commission.

Last March I had the opportunity to testify before this committee on House Bill 97, which was introduced on February 2, 1987. Last year our Task Force was opposed to this bill as well as the companion bill, Senate Bill #92 introduced by Senator Lloyd Jones.

The churches of Anchorage /Eagle River have worked for close to six years to provide public access religious programming to the subscribers of Multivisions Cable and now Sonic Cable of Alaska. The CREDO Channel has served the needs of over 20 church groups in presenting some 50-hours per week of programs produced or chosen by local church groups. The channel operates 24 hours a day.

We firmly believe that the CREDO Channel 36, as well as the other public access channels on the Sonic system, have access due to the leadership and commitment of the Alaska Public Utilities Commission to provide public access channels in areas where there is a public demand. Anchorage is certainly one of those areas. We would oppose deregulation of cable systems in Alaska because it would be a very clear threat to the existence of the CREDO Channel as well as the other public access channels.

Presently in the Lower - 48 there is being formed the Vision

Interfaith Network, which will include between 18-24 mainline religious groups. This network is being formed by TCI of Denver, one of the nation's largest cable systems, to force off the cable systems many of the 24-hour religious telecommunications services as well as local religious access channels. Many of the national church communications' leaders feel that religious access has all but dried up in many markets. Many oppose the Vision network because it will give cable companies opportunities to drop some of their religious programming. I give this as an example of cable companies not being interested in either local input or local access.

Alaska, and Anchorage in particular, is unique in that we have educational, government, public, and religious access channel available and in use. What we have is a real treasure for the people of Anchorage and something we would not want to risk losing through deregulation of cable companies. Last year Marty Robinson, General Manager of Sonic Cable said that if Sonic had to operate with potential head to head cable competition in a state of deregulation it is likely some or all of the public access channels protected by the Alaska Public Utilities Commission would be eliminated.

Professionally, I am the Director of Communications for the Catholic Archdiocese of Anchorage as well as treasurer of the National Catholic Association for Communicators. I am well aware of the difficulties my fellow workers in communications are having in areas where deregulation is present. When attending national meetings, they are astounded at what we have available to us. They are also delighted to hear the interest the Alaska Public Utilities Commission has had in providing for public access.

I want to publicly thank Sonic Cable of Alaska and the Alaska Public Utilities Commission for what they have done for the CREDO Channel. It is a marriage between a government agency, public enterprise, and local churches that has been working for the past six years.

The CREDO Task Force will in the near future write to all of the members of the House and Senate, as we did last year, on our position, that of opposing House Bill 97 and Senate Bill 92.

Thank you for your time and consideration.

3-8-88

Meeting

Alaska State Legislature

POUCH V
JUNEAU, ALASKA 99811
(907) 465-4931

DISTRICT 10
BOX 111038
ANCHORAGE, ALASKA 99511
(907) 349-2192



CHAIRMAN
Special Committee on
Telecommunications

MEMBER
Labor and Commerce
State Affairs
Finance—Subcommittee Administration

Representative H. A. "Red" Boucher

HOUSE SPECIAL COMMITTEE ON TELECOMMUNICATIONS

AGENDA

March 8th, 1988

3:30 pm

Meeting convenes.

Introduction of Committee members.

A. CSHB97 An act relating to deregulating cable television.

B. Presentation by Kip Goodland of IBM on educational offerings by IBM.

Original sponsor: Taylor

1 IN THE HOUSE

BY THE HOUSE SPECIAL COMMITTEE
ON TELECOMMUNICATIONS

2 CS FOR HOUSE BILL NO. 97 (Telecommunications)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to cable television."

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

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

9 (k) A utility which furnishes cable television service is exempt
10 from the provisions of this chapter other than AS 42.05.651 and
11 42.05.800 - 42.05.850 [AS 42.05.221 - 42.05.281] unless 25 percent of
12 the subscribers or 1,000 subscribers, whichever is less, petition the
13 commission for regulation.

14 * Sec. 2. AS 42.05 is amended by adding new sections to read:

15 ARTICLE 11. CABLE TELEVISION REGULATION.

16 Sec. 42.05.800. PERMIT REQUIREMENTS. (a) A cable operator may
17 not provide cable service without a permit. The commission shall
18 issue a permit to a cable system that meets the requirements of this
19 section. The permit is to ensure that the cable operator provides
20 satisfactory quality of service.

21 (b) The commission shall adopt regulations to establish stand-
22 ards for engineering, equipment, system design, layout, and design
23 calculations that a cable system must meet to be eligible for a per-
24 mit.

25 (c) The commission may not issue a permit to a cable system
26 unless the system designates at least 10 percent of its channel capac-
27 ity for public, educational, or governmental access. The cable opera-
28 tor may not exercise editorial control over the use of channel capaci-
29 ty under this subsection. However, the cable operator may restrict

1 materials that are obscene or otherwise unprotected by the federal and
2 state constitution. The commission shall adopt regulations under
3 which

4 (1) a cable operator may use the designated channel capaci-
5 ty to provide other services if the designated capacity is not being
6 used for the purposes designated; and

7 (2) use under (1) of this subsection shall cease.

8 Sec. 42.05.810. PERMIT DURATION AND FEE. (a) A permit issued
9 under AS 42.05.800 is valid until the earliest of

10 (1) five years from the date of issue;

11 (2) the sale of the cable system;

12 (3) a major change to the equipment or design of the cable
13 system; or

14 (4) a significant extension of the cable system.

15 (b) The commission shall establish by regulation a permit appli-
16 cation fee.

17 Sec. 42.05.820. PENALTY. A cable operator who fails to provide
18 public, educational, or governmental access in violation of AS 42.05.-
19 800(c) or who operates substandard equipment in violation of a regu-
20 lation adopted under AS 42.05.800(b) is liable for a civil fine of
21 \$100 for each day of operation in noncompliance.

22 Sec. 42.05.850. DEFINITIONS. In AS 42.05.800 - 42.05.850

23 (1) "affiliate," when used in relation to a person, means
24 another person who owns or controls, is owned or controlled by, or is
25 under common ownership or control with, the person;

26 (2) "cable operator" means a person or group of persons who

27 (A) provides cable service over a cable system and
28 directly or through one or more affiliates owns a significant
29 interest in the cable system; or

1 (B) otherwise controls or is responsible for, through
2 any arrangement, the management and operation of the cable sys-
3 tem;

4 (3) "cable service" means

5 (A) the transmission to subscribers of video program-
6 ing or other programming service; and

7 (B) subscriber interaction that is required for the
8 selection of video programming or other programming service;

9 (4) "cable system" means a facility, consisting of a set of
10 closed transmission paths and associated signal generation, reception,
11 and control equipment, that is designed to provide cable service that
12 includes video programming or other programming service and that is
13 provided to multiple subscribers within a community; the term does not
14 include a facility

15 (A) that serves only to retransmit the television
16 signals of one or more television broadcast stations;

17 (B) that serves only subscribers in one or more multi-
18 ple unit dwellings under common ownership, control, or manage-
19 ment, unless the facility uses a public right-of-way;

20 (C) of a common carrier or local exchange telephone
21 utility subject, in whole or in part, to regulation under
22 AS 42.05.010 - 42.05.712;

23 (D) of an electric utility used solely for operating
24 its electric utility systems; or

25 (E) that serves fewer than 10 subscribers;

26 (5) "channel" means a portion of the electromagnetic fre-
27 quency spectrum that is used in a cable system and that is capable of
28 delivering a television channel, as television channel is defined by
29 the commission by regulation.

Introduced: 2/2/87
Referred: House Special Committee
on Telecommunications and Labor &
Commerce

1 IN THE HOUSE

BY TAYLOR

2 HOUSE BILL NO. 97

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to deregulating cable television."

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

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

9 (k) A utility which furnishes cable television service is exempt
10 from the provisions of this chapter [OTHER THAN AS 42.05.221 - 42.05.-
11 281] unless 25 percent of the subscribers petition the commission for
12 regulation.
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STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: HB 97
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act relating to deregulating cable television
Sponsor: Taylor
Requester: Red Boucher

Agency Affected: Commerce & Econ. Dev.
BRU: Alaska Public Utilities Commission
Components: Operations

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS: (Attach a separate page if necessary.)

If this legislation is adopted, the decrease in regulatory activity will reduce a relatively insignificant amount of agency work load. Given the nearly 25% reduction in staff resources already absorbed by the Alaska Public Utilities Commission, a further reduction in staffing would not be expected as a result of the changes proposed in this bill.

Prepared by: T. S. Moninski II, Exec. Director
Division: Alaska Public Utilities Commission

Phone: 276-6222
Date: February 2, 1988

Approved by Commissioner: J. Anthony Smith
Agency: Department of Commerce and Economic Development

Date: _____

Distribution (by preparer):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 9, 1987

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

TO: Senator Lloyd Jones

FROM: Teresa B. Cramer *TBC*
Legislative Counsel

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

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

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

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

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

If I may be of further assistance, please advise.

TC:csh
c7/048

RESEARCH QUESTIONS and ANSWERS

HB 97

QUESTIONS: How does APUC determine who gets a certificate and what are the APUC guidelines for giving certificates? How does APUC deal with RIGHT OF WAY and COMPETITION issues?

ANSWERS: There are two major criteria that APUC looks at to determine the fitness of a cable company to receive certification.

The first is the financial health of the organization. APUC tries to determine whether or not the company has the financial wherewithal to provide service in a responsible manner.

The second set of criteria is of a technical nature designed to protect the public from shoddy products and services. The engineering staff of APUC reviews the plans provided by the cable company to determine the level and quality of service that the company intends to provide. After receiving certification, and putting their system into operation the cable company must provide APUC with engineering data that proves they have built the system to specifications and that it is working properly.

These are the guidelines that are used when APUC is dealing with competing requests for certification by two or more cable companies. The company with the best financial outlook and the most impressive plan is the one that receives certification.

There is no statute or rule that says the APUC can only grant one cable certificate per community. It has been APUC's policy that in the name of efficiency it is better to have only one company per community.

QUESTION: What is the significance of Rep. Taylor's remarks about amendments to Title 29? Does it deal with municipality regulation of cable TV?

ANSWER: As Title 29 now stands, if HB 97 were to pass, cable television companies would be totally deregulated. Municipalities could not franchise the companies. (See letter of opinion from Teresa Cramer) This would open the market place to competition. This does not mean the companies are totally free to cross and dig up rights of ways indiscriminately. They would still have to comply with whatever municipal statutes apply in their areas.

QUESTION: Who regulates cable TV now? and what aspects of cable TV are regulated?

ANSWER: Currently, cable companies in Alaska are regulated by the APUC and to some extent by the municipalities. The only aspect of regulation that the APUC addresses is that of certification (as addressed above). The only other form of regulation deals with the rights of way and falls under the municipalities jurisdiction.

QUESTION: What is the significance of "25% of subscribers" in current law?

ANSWER: In AS 42.05.711(k), it states that a cable company can be exempt from regulation until and unless 25% of its clients petition the commission for regulation. This 25% figure is used many times in APUC rulings and was arrived at as being a fair percentage of a companies clientele for cases such as this - requiring fair and objective, public input to the commission, regarding one of its regulatees.

QUESTION: What is the downside of ending APUC regulation of cable TV?

ANSWER: Regulation by the APUC is designed to weed out financially unstable companies, or companies that may intend to use substandard equipment. The intent is to protect the public from being bilked by unstable, unregulated companies installing equipment of unknown quality.

In the absence of APUC regulation, the regulation of Cable TV would be limited to municipality decisions concerning right of ways (telephone poles, underground cables). Issues such as competition, consumer protection and safe operating procedures would not be addressed except in an indirect way through the discretion of the municipality in its decisions on rights of way.

Another problem that has not been addressed is that some of the cable companies in Alaska agreed to provide certain services to Alaska (eg, Educational channels) as part of their certification by the APUC. Some argue that if HB 97 were to pass, these agreements would be no longer valid. This would disrupt many years of work and many ongoing programs.



Official Business

COMMITTEE: *House Special Committee on Telecommunication*

DATE: *March 8-88*

SIGN-IN

Subject of meeting:

An Act relating to deregulating cable television

NAME

ADDRESS

PHONE

REPRESENTING

DO YOU WANT TO TESTIFY?

<i>Lee R Davihen</i>	<i>5808 Lake Wa Blvd, Suite 400 Kirkland, WA 98033-40</i>	<i>(206) - 822-0252</i>	<i>General Manager Alaska Cablevision</i>	<i>YES</i>
<i>Betty Philbin</i>			<i>" "</i>	<i>NO</i>
<i>Craig Lyon</i>	<i>Capitol Rm. 24.</i>	<i>465-4841</i>	<i>Rep. Pettyjohn</i>	<i>NO</i>
<i>Susan Knowles</i>	<i>420 L Street, #100 Anchorage, AK 99501</i>	<i>276-6222</i>	<i>Commissioner A.P.U.C.</i>	<i>yes</i>
<i>ROSS HAMMOCK R.H. Hammock</i>	<i>3161 CHANNEL DR. Juneau, AK.</i>	<i>586-3320</i>	<i>District Manager Cable Cablevision</i>	<i>NO</i>
<i>Kip Goodland</i>	<i>801 W. 10th St Juneau AK 99801</i>	<i>586-8610</i>	<i>JRM</i>	<i>yes</i>

***PLEASE GIVE FULL NAME, ADDRESS & PHONE NUMBER!**

TELECONFERENCE PARTICIPATION

DATE/TIME 7/6 3:30 pm

SPONSOR (H) Telecommunications

SUBJECT CS HB 97 - Cable TV

LIO'S

(moderator)

	TESTIFY	OBSERVE	TESTIFY	OBSERVE
<u>ANCHORAGE</u>	Marty Robinson Charles McBride Edie Lynch		PETERSBERG *	()
ANCHORAGE	Robert Penzenik Tom Kentton		SITKA	()
BETHEL ()			SOLDOTNA	()
DELTA JUNCTION * ()			VALDEZ *	()
DILLINGHAM * ()			LTC'S	
FAIRBANKS ()			HOMER	
GLENNALLEN * ()			WRANGELL	
JUNEAU ()			OFFNETS	
KETCHIKAN ()			OFF1	
KODIAK ()			OFF2	
KOTZEBUE ()			OFF3	
MAT-SU ()			OFF4	
NOME ()			OFF5	
			OFF6	

VTS'S ON BACK

* SESSION ONLY

WTS'S	W	U	O	TOTAL		W	U	O	TOTAL
AMB - AMBLER					MET - METLAKATLA				
ANA - ANAKTUVUK PASS					MOS - MOSQUITO LAKE				
AND - ANDERSON					NAK - NAKNEK				
ANG - ANGOON					NEN - NENANA				
CAN - CANTWELL					NEW - NEWHALEN				
CHS - CHISTOCHINA					NIK - NIKISKI				
CHI - CHITINA					NOR - NOORVIK				
COP - UPPER CENTER					NOT - NORTH TONSINA				
COR - CORDOVA					NOW - NORTHWAY				
CRA - CRAIG					PEL - PELICAN				
DOT - DOT LAKE					PTH - POINT HOPE				
EAG - EAGLE					SAV - SAVOONGA				
FTY - FT. YUKON					SDP - SAND POINT				
GAK - GAKONA					SEW - SEWARD				
GAL - GALENA					SLW - SELAWIK				
GAM - GAMBELL					SHS - SHISHMAREF				
HNS - HAINES					SLA - SLANA				
HEA - HEALY					SKG - SKAGWAY				
HOO - HOONAH					STP - ST. PAUL				
HPB - HOOPER BAY					TOG - TOGIAK				
HYD - HYDABURG					TOK - TOK				
KAK - KAKE					OOK - TOOKSOOK				
KAT - KAKTOVIK					UAK - UNALASKA				
KEN - KENNY LAKE					UNK - UNALAKLEET				
KLA - KLAWOCK					WAI - WAINWRIGHT				
MEN - MENTASTA					YAK - YAKUTAT				

Alaska Public Utilities Commission

Comments on CS for HB97 (Telecommunications)

Work Draft

March 2, 1988

Section 1:

Section 1 of the bill effectively reduces the number of subscribers required to petition for regulation of the larger cable television (CATV) utilities. The Commission believes that the proposed change is reasonable but, by making it easier to petition for regulation, may ultimately have implications for the Commission's workload and budget.

This section also exempts CATV service from all of AS 42.05, except the new permitting scheme (Section 2). The Commission would request that its cost allocation authority under AS 42.05.651 be preserved and listed in the statutory sections applicable to CATVs. The Commission relies on two basic resource pools to perform its duties: in-house personal services and contractual services. The costs of the latter are initially funded out of the program receipts portion of the Commission's budget and subsequently charged to the affected utilities after a proceeding is over (AS 42.05.651). In order to be able to implement CS for HB97 (Telecommunications) with minimum general fund impact, it is essential that the Commission retain the cost allocation authority necessary to continue its access, as needed, to contractual services.

Section 2:

The bill proposes to substitute a CATV permit system for the current certificate of public convenience and necessity requirement. In order for the Commission to comment on this proposal, it will be necessary for it to set forth certain assumptions on how it believes the system would work. If these assumptions are not compatible with the legislative intent of this section, then it may be necessary for the Commission to modify some of its conclusions with respect to the substance and fiscal impact of the bill.

The Commission's assumptions are as follows:

(1) The eligibility standards for CATV permits are limited to engineering or technical facets of the system. There will be no investigation of the other elements of fitness and ability (e.g. financial, managerial, etc.) which are currently required under the certification process.

(2) Any applicant which meets the eligibility standards and designates 10 percent of its channel capacity for public, educational, and governmental access will be issued a permit. Thus, there is no limit to the number of permits that may be issued for a particular area and no need to compare applicants in issuing a permit or permits for that area.

(3) Given the assumption in (2) above, the permit attaches to the CATV provider, not the area, so the renewal process will be a relatively straight-forward assessment of continuing compliance with the initial permitting criteria and of quality of service performed during the preceding five-year permit period.

(4) The Commission will rely primarily on complaints from affected subscribers or public, educational, and governmental access users to monitor compliance with the permit and to initiate penalty proceedings.

Given the foregoing assumptions, the Commission believes that, overall, the proposed permit scheme is preferable to the status quo for the following reasons.

First, the permit process facilitates entry into the CATV business. The Commission has previously expressed its concern with the existing system of creating de facto monopolies that are not subsequently regulated. Since the permit procedure will be less costly and complicated than a certification proceeding among competing applicants, the process itself will no longer be a disincentive to having multiple CATV providers. Competition will depend solely on the economics and technical feasibility of having more than one CATV utility in an area.

What is not clear, however, under the legislation is whether or not a permit holder has an obligation to serve all customers desiring CATV service in its designated area. This is the case under a certificate but may not be workable if a competitive marketplace results under the permit scheme.

Second, channel capacity for public, educational, and governmental access is assured under the proposed legislation. Historically, dedication of channels for these purposes has arisen in the context of trying to garner community support for a particular competing application and was then required by the Commission as a condition of the prevailing applicant's certification. Making public, educational and governmental access a requirement for a permit establishes clear guidance that dedication of such

channel capacity is desirable as a matter of uniform state policy.

Third, the quality of CATV service is monitored on an on-going basis and evaluated at least at five year intervals. The Commission is presently limited in both resources and statutory ability to oversee quality of service unless it deteriorates to such an extreme level that the costly, legally complicated process of revoking a certificate becomes feasible.

This additional level of public protection, however, will have an impact on the Commission's existing workload. It is anticipated that there will be a regular, material increase in the work of the consumer protection and engineering staffs to monitor quality of service and to handle initial and renewal permits. As indicated earlier, there presently is no institutionalized oversight of service quality outside of extreme situations. In addition, once a certificate is granted, there is no renewal or other procedure for evaluating the on-going CATV operation. While the renewal process is not anticipated to be controversial, it should nonetheless be a rigorous examination of performance under the existing permit. Thus, the engineering and consumer protection personnel will assume additional duties under this bill. Since the latter individual is already overcapacity with existing duties, it will be necessary to request an additional Consumer Protection and Information Specialist in order to implement this bill. An increase in the Commission's program receipts budget for allocable contractual services is also anticipated.

With respect to the definitions included in Section 2, the Commission suggests that the terms "video programming" and "other programming service" be added to eliminate any possible misinterpretation of what is meant by "cable service" (see 47 U.S.C.A. § 522(11) and (16) (West Supp. 1987)). In addition, if the intent of subsection (C) under the definition of "cable system" is to preclude a CATV operator from offering any telephone service, it may be appropriate to restate that provision as follows: (C) or service of a common carrier or local exchange telephone utility subject, in whole or in part, to regulation under AS 42.05.010 - 42.05.712.

As a final note, it will be necessary for the Legislature to determine how the transition from certificates to permits should be handled. For example, would all existing certificate holders be grandfathered under the permit system? It would be particularly helpful to the Commission in managing its workload that any transition plan stagger the expiration dates of the new five-year permits, so that not all CATV permits would be subject to renewal at the same time.

Original sponsor: Taylor

1 IN THE HOUSE

BY THE HOUSE SPECIAL COMMITTEE
ON TELECOMMUNICATIONS

2 CS FOR HOUSE BILL NO. 97 (Telecommunications)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to cable television."

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

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

9 (k) A utility which furnishes cable television service is exempt
10 from the provisions of this chapter other than AS 42.05.651 and
11 42.05.800 - 42.05.850 [AS 42.05.221 - 42.05.281] unless 25 percent of
12 the subscribers or 1,000 subscribers, whichever is less, petition the
13 commission for regulation.

14 * Sec. 2. AS 42.05 is amended by adding new sections to read:

15 ARTICLE 11. CABLE TELEVISION REGULATION.

16 Sec. 42.05.800. PERMIT REQUIREMENTS. (a) A cable operator may
17 not provide cable service without a permit. The commission shall
18 issue a permit to a cable system that meets the requirements of this
19 section. The permit is to ensure that the cable operator provides
20 satisfactory quality of service.

21 (b) The commission shall adopt regulations to establish stand-
22 ards for engineering, equipment, system design, layout, and design
23 calculations that a cable system must meet to be eligible for a per-
24 mit.

25 (c) The commission may not issue a permit to a cable system
26 unless the system designates at least 10 percent of its channel capaci-
27 ty for public, educational, or governmental use.

1 (B) otherwise controls or is responsible for, through
2 any arrangement, the management and operation of the cable sys-
3 tem;

4 (3) "cable service" means

5 (A) the transmission to subscribers of video program-
6 ing or other programming service; and

7 (B) subscriber interaction that is required for the
8 selection of video programming or other programming service;

9 (4) "cable system" means a facility, consisting of a set of
10 closed transmission paths and associated signal generation, reception,
11 and control equipment, that is designed to provide cable service that
12 includes video programming or other programming service and that is
13 provided to multiple subscribers within a community; the term does not
14 include a facility

15 (A) that serves only to retransmit the television
16 signals of one or more television broadcast stations;

17 (B) that serves only subscribers in one or more multi-
18 ple unit dwellings under common ownership, control, or manage-
19 ment, unless the facility uses a public right-of-way;

20 (C) of a common carrier or local exchange telephone
21 utility subject, in whole or in part, to regulation under
22 AS 42.05.010 - 42.05.712;

23 (D) of an electric utility used solely for operating
24 its electric utility systems; or

25 (E) that serves fewer than 10 subscribers;

26 (5) "channel" means a portion of the electromagnetic fre-
27 quency spectrum that is used in a cable system and that is capable of
28 delivering a television channel, as television channel is defined by
29 the commission by regulation.

CORRECTION

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23 calculations that a cable system must meet to be eligible for a per-
24 mit.

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26 unless the system designates at least 10 percent of its channel capaci-
27 ty for public, educational, or governmental access. The cable opera-
28 tor may not exercise editorial control over the use of channel capaci-

1 materials that are obscene or otherwise unprotected by the federal and
2 state constitution. The commission shall adopt regulations under
3 which

4 (1) a cable operator may use the designated channel capaci-
5 ty to provide other services if the designated capacity is not being
6 used for the purposes designated; and

7 (2) use under (1) of this subsection shall cease.

8 Sec. 42.05.810. PERMIT DURATION AND FEE. (a) A permit issued
9 under AS 42.05.800 is valid until the earliest of

10 (1) five years from the date of issue;

11 (2) the sale of the cable system;

12 (3) a major change to the equipment or design of the cable
13 system; or

14 (4) a significant extension of the cable system.

15 (b) The commission shall establish by regulation a permit appli-
16 cation fee.

17 Sec. 42.05.820. PENALTY. A cable operator who fails to provide
18 public, educational, or governmental access in violation of AS 42.05.-
19 800(c) or who operates substandard equipment in violation of a regu-
20 lation adopted under AS 42.05.800(b) is liable for a civil fine of
21 \$100 for each day of operation in noncompliance.

22 Sec. 42.05.850. DEFINITIONS. In AS 42.05.800 - 42.05.850

23 (1) "affiliate," when used in relation to a person, means
24 another person who owns or controls, is owned or controlled by, or is
25 under common ownership or control with, the person;

26 (2) "cable operator" means a person or group of persons who

27 (A) provides cable service over a cable system and
28 directly or through one or more affiliates owns a significant
29

1 (B) otherwise controls or is responsible for, through
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3-29-88

Meeting

ALASKA CLIPPING
SERVICE

Anchorage Daily
News
Anchorage, AK

FEB 25 1988

High court upholds limits on local cable TV regulation

The Associated Press

31 WASHINGTON — The Supreme Court on Monday upheld a ruling that sharply curtails the power of communities to regulate cable television, while raising doubts about the constitutionality of a key federal law governing cable operations.

Separately, the justices agreed to hear appeals by the Reagan administration and coal mining companies trying to block the possible award of billions of dollars in black lung disease benefits to thousands of miners.

In the cable television case, the high court cited a lack of jurisdiction in turning away an appeal by Palo Alto and Atherton, Calif.,

which were barred from enforcing public access and other rules challenged by cable operator Century Federal Inc.

But the court's action apparently was based on narrow procedural grounds and leaves open the possibility of a subsequent appeal.

U.S. District Judge Eugene F. Lynch ruled last September that cable regulations adopted by the two California cities unconstitutionally violated Century Federal's free-speech rights.

The lower court had thrown out regulations requiring the company, among other things, to wire the entire community to make service available to all residents and to use a "state-

of-the-art" system to keep pace with the latest technological advances.

Lynch, who previously had ordered city officials to award an operating license to Century Federal, called for further hearings to study franchise fee requirements.

Palo Alto and Atherton officials said the ruling appears to declare unconstitutional a 1984 federal law regulating cable TV, even though the judge did not say in so many words that he was invalidating the law.

The Reagan administration, in a "friend-of-the-court" legal brief filed by Justice Department lawyers, urged the high court to deny the cities' appeal.

Telecommunications

Information

Council

1987-88

TELECOMMUNICATION INFORMATION COUNCIL

September 3, 1987

1:30 p.m.

Governor's Conference Room
Juneau, Alaska

CALL TO ORDER/OPENING REMARKS

The Honorable Steve Cowper, Governor: Representative Boucher, no doubt, will get with us here pretty quick. The purpose of this meeting is to begin the deliberations of the Telecommunication Information Council, which was established by law in the last legislative session. The purpose of which is to try to organize and to make more efficient the delivery of information that goes on in every governmental department.

I had a personal experience related to that in the last legislative session. In the middle of a very difficult budget process, we discovered that the financial figures and the budgeting figures and the accounting figures were all different. None of them related to the other, and furthermore, there was no way until we worked on it. There was no way that you could try to reconcile the figures. We didn't know -- we knew how much money we were supposed to have, but we didn't know how much we did have. That was as near as I could come to understanding it.

The kind of information that is generated by government is useful, not only to assume it is accurate that is, is useful not only to people across department lines, but also to the University of Alaska, to various municipalities, and to individuals. Periodically during the last, I suppose, ten or twelve years there have been sort of half-hearted attempts to try to reconcile and to coordinate the use of information within government. None of it's worked. I don't know if anyone went into it with any sense of purpose or not, but I'd like to do it. I think that it's likely that many of the Commissioners here will have to designate people to take care of this duty, but I do think that it is important and I don't think that it's anything that we're going to sort out by the next Legislature. But it's important that we get started on it and that we understand how much is at stake here.

Actually, that is what government is. It's the movement of information up to people who supposedly make decisions and then back down to the ones that implement the decision itself. So there is a lot of information in departments that isn't available to other departments, and a lot of information in general that isn't available to the public in any comprehensible format. The purpose of this committee is to try to sort that out and make information work for us instead of against us.

Boucher: We'll just hang on. Whenever you are ready, sir.

Governor: O.k., would you continue John.

Andrews: The point about the phrase "information resource management" is obvious in the words if you think about it, that information is a resource and it needs some management. It needs management because the process that it involves is both complicated and essential. It's difficult because it takes three things that are always scarce: it takes money, it takes time, and it takes talented people. It's valuable because it gives us importance with its quality, the life blood of our management process. The quality of the information that we get will be a limit on our management effectiveness. The timeliness of the information we get will be a limit on our reaction time to the problems that we find day-to-day and the appropriateness of the information will limit the range of options we're able to entertain in addressing management problems.

The difficulty in the money is fairly staggering. It requires money for occasional capital outlay, for expensive staff - the kinds of technical people to support the operations - and it requires us higher paid managers to be involved in information resources. All those things involve a lot of money. To give you a feeling for how much money, we spent, little over a year ago, we spent fourteen million dollars to buy the bulk of the computer plant we have in place now. The current estimate I have is that if we don't do something different, the life of that plant is going to expire in twelve to fourteen months. Fourteen million dollars and two years later it isn't (inaudible) it. It's estimated to cost about nine million dollars to extend that life another three to four years so what we will have had, if we don't do anything different, what we will have had is an annual capital outlay of between four and five million dollars for centralized computer equipment, which doesn't include all the other facilities that you see around in your own departments. This is the data center stuff. That is a sobering number to me. Five million dollars a year every year to keep going on and no end in site. It's expensive and the people are expensive too.

The time element of the difficulty is no less staggering in a way. Because to get us to a place where we can really rely on the information, we get at that critical point of decision-making and be confident that it is appropriate, accurate, and timely, we're going to have to work from the murkiness of the situation we have now and very carefully. We cannot just scrap everything we have, all the applications we have running on the state data center. We cannot just throw them all away and do them again right. That would take years to even design, and by the time we got done with the design

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I have to tell you that I am not an expert on the subject. If I talked anymore you would be able to figure that out for yourself. So at this point, I would like to ask John Andrews to give his presentation and go from there.

INTRODUCTION TO INFORMATION RESOURCE MANAGEMENT

John Andrews, Commissioner, Department of Administration: This body now sits as something described in the new law that passed here as the Telecommunication Information Council and the statutes give us certain tasks to try to work on. Two of them relate to planning, one of them relates to guidelines for operating procedures. It says we're suppose to prepare a statewide information plan; to provide guidelines for individual agencies to design compatible plans and there is a lot of language about the top down approach to that from this body being the one that decide what things are compatible with. We would make the first move. Agencies would respond with plans that conform to that and operating agencies might, right out there in front, would respond with operating procedures that conform to all those plans. Further, the statute requires us to provide guidelines for public access to state information. Not just information amongst ourselves, but information that is (inaudible) to the public.

I've been through a lot of dry planning exercises over the years and no doubt you have as well. So I'd like to take a minute or two to talk about planning about what. What is it about information resource management that would require that it needs to be planned. What kinds of difficulties are we apt to run into? How that will relate to the operation of our departments? How it will relate to existing problems we have already? What benefits might this group, advantages might this group have in the future that we did not have going into the execution of this new law?

The phrase "information resource management". . .

Teleconference Moderator: Teleconference hooked on.

Governor: Red, glad your here.

The Honorable Red Boucher, Representative: Thank you, Governor.

Governor: Would you like a sandwich?

Boucher: What?

Governor: You came in on the middle of Andrew's presentation and. . .

Boucher: We'll just hang on. Whenever you are ready, sir.

Governor: O.k., would you continue John.

Andrews: The point about the phrase "information resource management" is obvious in the words if you think about it, that information is a resource and it needs some management. It needs management because the process that it involves is both complicated and essential. It's difficult because it takes three things that are always scarce: it takes money, it takes time, and it takes talented people. It's valuable because it gives us importance with its quality, the life blood of our management process. The quality of the information that we get will be a limit on our management effectiveness. The timeliness of the information we get will be a limit on our reaction time to the problems that we find day-to-day and the appropriateness of the information will limit the range of options we're able to entertain in addressing management problems.

The difficulty in the money is fairly staggering. It requires money for occasional capital outlay, for expensive staff - the kinds of technical people to support the operations - and it requires us higher paid managers to be involved in information resources. All those things involve a lot of money. To give you a feeling for how much money, we spent, little over a year ago, we spent fourteen million dollars to buy the bulk of the computer plant we have in place now. The current estimate I have is that if we don't do something different, the life of that plant is going to expire in twelve to fourteen months. Fourteen million dollars and two years later it isn't (inaudible) it. It's estimated to cost about nine million dollars to extend that life another three to four years so what we will have had, if we don't do anything different, what we will have had is an annual capital outlay of between four and five million dollars for centralized computer equipment, which doesn't include all the other facilities that you see around in your own departments. This is the data center stuff. That is a sobering number to me. Five million dollars a year every year to keep going on and no end in site. It's expensive and the people are expensive too.

The time element of the difficulty is no less staggering in a way. Because to get us to a place where we can really rely on the information, we get at that critical point of decision-making and be confident that it is appropriate, accurate, and timely, we're going to have to work from the murkiness of the situation we have now and very carefully. We cannot just scrap everything we have, all the applications we have running on the state data center. We cannot just throw them all away and do them again right. That would take years to even design, and by the time we got done with the design

then probably the situation would have changed dramatically enough to where it wouldn't be the solution anymore. We would have squandered millions more, and meanwhile (inaudible) along with the present difficulty, I know (inaudible) worse and we've done that, too. We've tried to reach out, five years out into the future, design a tens of millions of dollars of a solution and ended up throwing it away. We can't afford to that anymore. Also strategically, the -- let me come to that later.

The difficulty in the talent is something we face in all our operations of state government, I suppose. In this area it seems particularly sensitive. We need to get people looking at this problem who have three kinds of characteristics about their talents that seem important to me: They have to have sufficient understanding of the current situation to where they can gain some insight into the present pain. So I don't see contractors coming in from outside and doing this for us. We are the people best qualified to that. We are the ones that understand most what the present problem is. I don't think we can farm that part of it out. They also have to have some vision for what a better tomorrow looks like. They need also some wisdom based on experience as to how to get there in an orderly manner without it costing more to solve than it costs to bear. Now that's a scarce combination, I observe, in any group but in state government as well.

To the extent that the problem pervades all of our departments, we have to have that kind of talent base that we can draw on in all of the departments to affect a solution. I don't think it is something that the Department of Administration can do for you. As the Governor pointed out, another aspect of the management of information resources is that it crosses all the more or less artificial administrative lines that we draw between departments, between branches of government, and between the public and private sectors. Some examples of those will make that point clearer:

The statewide accounting system is, in some sense, owned by the Department of Administration. It's our baby to keep it running, but it's used mainly by other people. We are a user too, but that's used by people all over the state. Virtually every division and every section uses the statewide accounting system. That was the idea of a statewide accounting system. So all the problems associated with that crossed departmental boundaries.

Payroll is another example where we have a centralized idea of a state payroll that many departments are involved actively in data processing activities, designing new things to nail onto the side of the payroll box to help them deal with the present difficulty with that application. The budget is an example that crosses all of these boundaries in state

government. Public safety is an example where we cross the boundary with the local governments. The local governments tie into the same data base that the state uses in public safety applications. And in private enterprise we have travel agencies that are connected to the marine transportation data base. Department of Natural Resources has a relationship with a private vendor who supplies information to the public for them in some contractual relationship there. Construction engineers use some of the scientific equipment in DOTPF, and here and there and around there are computer consultants, contract programmers, that have terminals connected to the state mainframe in their private offices.

The difficulty with that area is not that it is not a good idea. It's probably very helpful to travel agencies to make reservations directly and for programmers to be able to tune right into the application that they have a contract to maintain. The difficulty is in the equity of the questions and the cost recovery questions associated with that. Some travel agencies enjoy this relationship free of charge. Others maybe don't even know about it. We have no statewide policy, we have no management of that information availability on a statewide basis.

One of the difficulties that we have had in the past is that the statutes have charged the Department of Administration with two kinds of responsibility as the caretakers of the equipment. Not just the data centers, but the communications network that is outlined on some of these handouts and the telephone operations here and there around. We're charged with wearing two hats. One says that we're supposed to be good servers of our customers. We're supposed to provide whatever facilities and talent are needed to meet the need that you bring to us. The other part of our charge is that we're supposed to be sort of policeman who say something about whether that need is justified or not. Whether that extra program you want to run on the computer is worthy of being on there, or well formed or appropriate to your management problem. That's a difficult hat for the Department of Administration to wear.

In our history, not just my experience but predecessors have been involved in this thing over the decades, we have opted for the former. We have opted to wear that server of our customers hat as our predominant mission to meet whatever need evolves, and if anything to stay out ahead of that need, and I think that is why it comes up to four or five million dollars a year. Trying to stay out ahead of a need that is not being managed in any centralized way is a very expensive operation. You can see from some of the charts - I think you have pictures of most of them in your handouts - we have a lot of plant. We have a lot of computer facilities sprinkled

around the state. We have a data network that goes from Ketchikan to Unalaska, and from Barrow all the way to San Francisco. Thousands of terminals connected to that operation, all of them expecting reasonably rapid response time when they sit down at the terminal like that. So we have been fairly effectively staying out ahead of the need.

But the question now is whether we can afford to do that at the current growth curve that the need is occurring. The other hat, the . . . try to decide what a good customer looks like and say no to those others has largely failed. We've made a couple of attempts to try to deal with that over the years.

Used to be, when I first came to Alaska, the method was much simpler than in the computer room, but even so we had our difficulties. The method then was pretty much the squeaky door way of dealing with customers. It was easier to control with one doorway, so to speak, because we did not have on-line terminals all over the state. That wasn't going on here. That wasn't going on anywhere in the early 70s. So if you wanted something done, you brought it over with a little slip signed by your supervisor that says, "This is a hot one. I need this done," and somebody arbitrated those, that pile of emergency requests, and nobody was very happy with that.

We tried for a while, several times we tried with chargeback mechanisms where we tried to use the financial incentive of paying for each use as a management control incentive to try to control the growth of the demand by making people conscious of and directly involved with the cost of that incremental demand. Nobody was very happy with that either and it didn't work. Largely in our most recent experience, because of the decline in the budget that was no time to begin adding costs, pass-through monies, to your agencies, that method has died.

We have in my observation, in the last eight or nine months we have a growing interest in most of the agencies in controlling their use, the cost implications of their use of the machine, and I think that is real healthy. I see a real expanding consciousness of the fact of the cost, and some willingness to cooperate in working together to try to control those things. So that gives me some hope that a body like this can rise to the occasion. I think that the interest in the agencies is there. The form of this council, the mechanism of this council I hope, will give us a medium with which we can work out in cooperation to deal as a group with our problem. That's my sales pitch today, that it really is our problem. If I continue to spend five million dollars a year, that's money you can't spend. If you know better, if you know a way that we can do it for two and a half million dollars a year, we all profit from it. If we can figure out together a way to control

those costs by doing less or doing better, something, then we're all going to profit from that.

I would just like to stress, one more time, I guess that it is going to be a very difficult undertaking. We have over the past decades built up a huge inventory of complicated applications that we count on the mainframe to use on our whole, not just the computer, but the whole complex of data communication lines: high speed telephone lines and computer facilities connected in all different kinds of ways. These things have grown up more or less independently from each other, sometimes coordinated, most often not; sometimes carefully thought out and preanalyzed, and most often not; and I can confess to be a party to that myself, so I'm not just casting stones.

Our ideal for better way is clear enough. We characterize it as the top down approach. You decide what information you want, what you want it for, what value its going to have to you as a manager, then you build a system that provides you that information. Then you construct a facility to produce that information and you are off and running. When your management information need changes a little bit, you rethink that design, tinker with the physical plant, and you are up and running again. But what do we do with the mess we have in place? We all recognize the pains of dealing with the payroll system, personnel, forms, and all that. This ten years old plus . . .

The immediate difficulty I think we are going to face is not just identifying the problems, I think we can do that in an afternoon. They are right in our in-baskets everyday. The difficulty is going to be a continuing process that we will have to do repeatedly that goes something like this: Something that my teacher of this methodology called it, "evolutionary design," goes something like this. You look at the problem you have. You look forward into the future as to where you want to be down the road, your ideal of where you trying to get to. You figure out what you best conceive (the) next one or two steps is, not twenty-five steps, but what is the next two things I could do to get me on the road to my ideal. Then you do those two steps. And then you start over again. You look up again toward your ideal, you figure out the next two places your going to step, take the steps, and look up again.

I've tried that in my own experience and it works. I have a list of success stories that that kind of approach works. You cannot redesign the whole thing with a five or ten year implementation plan. But you can do the best thing you can do today. We can figure that out. We can figure out what a good next step looks like and we can carry that on and do it again tomorrow. And the new tomorrow will suggest maybe a different

third step than yesterday. Tomorrow's first step will probably be different than yesterday's third step, see what I mean. So the reason I point that out is to emphasize that I don't think this thing that we're asking ourselves to do called information systems management is something that we can sit down for two weeks of hard work and do and go away and say that we did it, we're done, history will love us. I think it is something that we'll have to carry as part of our continuing task. We'll have to continually do this thing called management of the information systems.

We'll we haven't exactly been doing nothing and I would like to ask Beverly Reaume to describe what the activities have been. We have had a committee, you are mostly aware of, called the Information Systems Committee that has had representatives from all the departments. They have been active for awhile. Beverly, if you could describe the activities of that committee and how you see it relating to the council.

Governor: Bev, if you like you can come over here so Red can hear you.

Beverly Reaume, Chairperson, Informations Systems Committee: The Informations Systems Committee, better known as the ISC, was established in January 1984. And it was a result of a governor's policy statement at that point. The Committee is charged with representing the various departments in developing, reviewing, communicating recommendations for policies and procedures related to computing services and data and text processing. Not unlike some of the things that are set out for this committee to do. The membership requires partially exempt or exempt status and has tended to be either administrative services or technical services directors.

I'd say that the greatest single accomplishment of the ISC has been to provide a forum for the exchange of information among agencies. It has allowed us to do several cooperative ventures, as well as giving us a place to go when we had a problem, someone to call.

One of the first actions the committee did was to create the process that allowed us to begin to purchase microcomputers. I am not sure how many of you were concerned about microcomputers a few years ago, but we had a period when we were totally unable to buy any because of procedures and legal problems and all sorts of things. But through the ISC we did finally get through that and were able to start buying micros. We also developed several policy and procedure statements on items as varied as guidelines for agency data processing plans to the support level for mainframe software. Most recently, after considerable controversy, which John sort

of hinted at, we established an approved methodology for chargeback. This is for use of the mainframes' services.

We believe the ISC has done a lot of good, but at the same time it hasn't been as successful as we would have liked to have seen it. And it hasn't been able to solve some of the problems that John has already identified and will identify some more a little bit later. And I think if I had to look for the single reason why the ISC couldn't solve the problems, it is because we lacked the necessary clout to do so. Something we think that this committee will overcome.

The ISC is set up as an advisory committee to the Commissioner of Administration and had no mechanism to make anything happen across agencies. So it was always left to the Commissioner of Administration to carry the ball and whether that be before the Governor, before the cabinet, or before the Legislature. And of course as an advisory committee, it had the same failing, or same problem I should say, that advisory committees always have. Advisory committees never feel they are listened to sufficiently or that their advice is always sought.

But as I say, I think we have accomplished a lot and as you talk later on about the organizational structure for this committee, the ISC does have one recommendation in that regard and that is the ISC or a similar group be maintained to serve as a working group to this committee. A group that can maybe deal with some of the nitty gritty problems, but whatever that is, to identify the issues, determine what the alternatives are and then bring those alternatives back to this group to make a decision on.

About all I had to say is be happy to answer any questions if you had some.

Arthur Snowden, Administrative Director, Alaska Court System:
One of the objectives of this committee hopefully would be to look into the data entry because one of the biggest problems I see is entry. A lot of information you get with a high error rate in entry is going to be useless to the managers that want to use it. And it is my hope that this committee will address that somewhat.

Governor: Well, I think we need to get a little bit more basic here for a minute. A computer is a tool. Information is what we're after. The question that I would have is, being a person that doesn't converse in computerese, is there has been millions of dollars worth of studies that have gone out around this state over the last twelve or fifteen years. Where are they? Whose got them? Has anybody looked through them to see

what's in there, to see if the data is any good, to see what agencies have them: the administrative agencies, the judicial system, the Legislature, the University of Alaska. Where is all that stuff? We paid a lot of money for it and is there an index to the information that was gotten together through those studies? Is there anyplace you can go to look things up? How does the index work? You run an agency, you are in an agency. What kind of information do you generate? Who gets it? How could the information be used, and by whom could it be used?

For instance, suppose we found out through our records of the budget that capital projects had been directed at a specific legislative district and you could find that out through the budget records or something like that. You could also find out through the Department of Labor what the unemployment figures are out there. What if you found a district where millions and millions and millions of dollars had been poured in through capital projects and the unemployment rate hadn't changed a bit over the last. . . . What kind of policy implications would you come up with? What if you had, if Art had some figures there that indicated that contrary to what everybody thinks, that more crimes get committed when we're rich than when we're poor. What kind of implications has that got for Susan Humphrey-Barnett, that is running a correctional system. He might have some information and Susan might have some information, but what if they don't either one of them know about the other's.

That's the kind of stuff I'm talking about. I don't know a damn thing about the computers, but that's what I'm talking about when I mean coordination of information. Maybe since Red has seen fit to make me the Chairman of this I thought I'd deliver that, but anyway, pardon me for interrupting.

Boucher: Governor, can I add something?

Governor: I thought you might.

Boucher: What you said is what the hell this is all about. I don't know a damn thing about the inside of the computer and I could care less. I don't know what a systems analyst means and I'm not a programmer. But I damn well know that this is like this telephone I'm talking over. It can be a powerful information, in fact the most powerful tool we've got is what I'm talking to you with right now, the telephone. And I don't need to go to computer science school or be intimidated by all the jargon that's come out. I think that's exactly what you are talking about. In other words, it is available to other states. Other nations are working on it, and there are things you want to work on and you shouldn't have to fumble through a bunch of paper to find at least the answers that are out there, and I think we're alike. We've got the tools. It's like a

And the other thing we can provide to this meeting, and I would appreciate it from everybody else, is what kind of information can we give you. I can tell you some information that we can tell you about land status and you are going to be surprised about how much we can't tell you, for instance. And in some areas, you will be surprised about how much we can tell you. But because you don't know to ask the questions, I wouldn't even know that you were interested but maybe once you look at what we can tell you, then we would all see where the holes were for your purposes. And if I can see your list of what you can tell me, then I would know. Then I would say, "Oh, now I know where to go." It seems to me that would be a real good first step. I don't even know what other equipment people have or what we're capable of, what questions we're capable of answering individually.

Governor: You see, even if you didn't have any computers people wouldn't know. O.k.

Brady: Still wouldn't know.

Governor: I wouldn't know what you had or what Labor's got over there or anything else. I'm sure there is probably a list somewhere but I don't know where it is.

Brady: Is there a list?

Reaume: Well, there are some partial lists, there are certainly no complete ones that I am aware of.

Governor: Anyway John, that was kind of a rude intrusion there on the end of there but. . .

Andrews: Not at all. It was exactly to the point, I think. It is a very common mistake in approaching this kind of problem to begin with the computer. I only know of one way it works, and that is to start with the discussion, some kind of determination of what information you want. That is essentially a management decision process that you are fully prepared to make at this point.

You may not have the leisure you wish you had to make this kind of decision, but the only way to guarantee a successful track through this mine field of the technical underpinnings to give you that information you decide you need is for you to have as clear perception as possible as to what information you need and that is not an insignificant task. You have to think why you want it, what you are going to do with it, how frequently do you need it updated, how detailed a level of support information do you need. How sensitive is it in terms of privacy information or something like that. You have to work all that out, then you can turn to the technicians and say

giant Webster's dictionary that is spread out all over the floor and we're trying to find the word "cat."

Now I'm not saying that it is simple. It is complicated and it is expensive, but I guess what we are trying to say is let's focus on the information that makes it possible for you as the Governor of the State and those men and women sitting around you that they don't have to check their brains out to the nearest computer. Then if you ask a question, the information ought to be there and if it isn't there, then find out who has got it. So, I guess really what we're trying to talk about out of this entire thing is not just the technology, but what you just said. You shouldn't have to - the information should be available at your fingertips and as your Chief of Staff will tell you, it doesn't require a powerful mainframe to get it. Although to store the amount of information the state needs ultimately does require that. But you said exactly what I would have said. That covers it.

Governor: Thank you, Red. I think basically what we're talking about here is what kind of information do we need; and what can we use around here. Then we can design a system to deliver it. I guess that is what is important.

Snowden: What's important, the information that I think we get a lot of the time is inaccurate and information that is not accurate is useless.

Governor: Well, then I guess we've got to think about some way of filtering it through so we should weed out some of the stuff that is no good or at least having some caveat there, you know, a little star by the stuff.

Judy Brady, Commissioner, Department of Natural Resources:
Well, I was trying to decide something that would help me because I don't want to go through a whole . . . I've been through a couple of these studies myself, and in fact Red, if you'll remember when my name came up for appointment, before I was even appointed, you called me and said you wanted to talk about telecommunications. So even in the budgeting process it would help me, for instance, to know, I know what equipment we have and we have some big pieces of equipment in Department of Natural Resources, and what I'm asking now is what equipment do we have that we are not making full use of, and there could be a couple of reasons. Either we don't have the programmers, we don't have the auditors, so the equipment is out of date. And the second question is where are we equipment short? Then, number one, we need to perform, and what we would like to have and what we would like to have goes in the long range kind of stuff.

go get me something that delivers me this kind of information in this time frame. And there are a lot of technicians around that know how to do that. But there is no technician in the world that is going to be able to read your mind about what you need or to read between the lines in what you said you needed.

I appreciate you putting us back on the track.

DISCUSSION ON CURRENT PROBLEMS

Governor: Thank you Beverly. John we've got a discussion of current problems on the agenda, I don't know if you want a partial go at it.

Andrews: Well, I would just as soon move on beyond that if it's all right with you and look forward to the first business meeting. All I wanted to do was make it clear the kinds of things I saw this council having an advantageous involvement with. We've all got plenty of ideas for what that first agenda might look like and the kind of problems we might want to address.

INTRODUCTION OF THE PEARSON REPORT

Governor: Red, the next item on the agenda is the introduction of the Pearson Report.

Boucher: I think that's great. May I just say something about the gentleman that is sitting before you there, Larry Pearson. It's an example of one of the finest brains in the country and it's right here in Alaska. For those of you who may not know him, the soon to be Dr. Larry Pearson was former editor of the Minneapolis Tribune. So he is used to working with various sources of information to make a daily newspaper. In other words, the deadline sets that they must have the information and they must sort through it.

He is one, like most of us in the management area or leadership area, is frustrated by the information overflow that comes before us. The paper that he has put out is probably one of the finest that has ever been written on the subject. I guess really what we're saying, there is on page 10 on Alaska in 1987. And while it's a difficult journey, as John has clearly stated, and sometimes costly, I think if we are to, in vision that you have, Governor Cowser, for the entrepreneurs.
. . . (End of Side One)

. . . is for sure you can put the polar bear on this one because this is made in Alaska and it will be a document that

will be read throughout the country. And I want to thank you for your confidence, as well as the confidence of both the Senate and the House, in putting it before you. I see nothing that is its equal as a beginning. I can't say enough. You will find Dr. Pearson, unlike myself, to be a very quiet, thoughtful person but one who has every bit the belief that I do that we in Alaska have a golden opportunity with what's already in place to enter the information age.

With that, I won't make any further comments. I'll just listen, sir. Thank you.

Governor: Dr. Pearson, did you, Larry did you want to come up here?

Larry Pearson, Assistant Professor, Department of Journalism and Public Communications, University of Alaska, Anchorage: I don't have anything formal to say. I'll just make two comments on what Red just said: one in the form of a minor correction and the other in the form of question. I was news editor of the Tribune rather than editor. I'm not sure I'm one of the finest brains in the country. But I hope you find the document I prepared useful. I'd like to come back and respond to questions about it later when you've had a opportunity to look at it.

I share with just about everybody who has spoken today, with everybody I believe, the belief that this is a great opportunity and you are exactly the people to take advantage of it. We are talking about information rather than the technology.

I know, because most of you responded to the questionnaire I distributed a few weeks ago, that very few of you have computers on your desk. Most of you have delegated responsibility for the actual day-to-day management and control of computer systems to other people and that's very natural. They are intimidating things and they are accompanied by jargon and they are not as friendly as people. You are all managers. You are all used to primarily dealing with people.

I know too from your responses that you spend about half of your time in communicating with people doing it face-to-face or by voice. There is very little electronic mail communication going on within state government, for example. The University may be doing more of that than the rest of the government. That's a little more awkward a way of dealing with each other, but it's a new possibility. There are many new possibilities.

key issue that faces you is how you want to get your information, are you getting information you need. Is there

information out there that it's possible to get if that need is identified. Computers are thinking tools. To the extent that look at computers, as top level managers, it's to see how they can help us think. How they can perhaps state problems for us in ways that we can see them more easily than we can without their help, They're an improvement on paper and pencil for doing that. They're an improvement on talking to other people for doing that. They can be very useful as tools for top level managers. But they can't be good tools for top level managers until top level managers get involved in setting the policies that make it possible for those computer systems, the programs that are written whatever the information to be inserted. That will allow you to think best in the way you are used to.

There are different ways of thinking with computers. Some people think visually. Some people work from outlines. We all have our own way of presenting materials whether it be speeches, written documents. We all do that differently. We can use computers differently as support tools for ourselves, too. That means that if technology is to serve us well, the lives of people like John Andrews are complicated somewhat. Because we are not looking for a single system, a single elegant solution for all of us. We are looking for lots of solutions for different ones of us who deal with different sorts of problems, different sorts of personnel situations, different sorts of information. It's a very complicated issue. It's certainly deserving of interest and time of the people such as yourselves.

Thank you.

ORGANIZATIONAL DISCUSSION

Governor: Any questions of Larry? I'm sure there will be in time. Thank you. It was a good report.

Snowden: An excellent report.

Governor: At this juncture, unless there is something, a subject that anybody would like to address, and I encourage that if you want, I was going to go directly into the organizational decisions that we've got to make and that will be the end of the meeting. I don't know, I thought we kind of started passing some stuff around and then we promptly went back to the agenda and that shut it off. I think there is a tendency to forget how important the organization of information and the access to it is in this business and you know, you kind of, in the absence of some system that works well for you, everybody kind of designs their own and while it works for you, it's better than nothing, it's not very efficient.

Well, let me do this. We need to select a vice-chairman. I am chairman here, I think perhaps that DOTPF representative Mr. Poe might be a willing victim. You can say no if you want to. Does anybody want to nominate him?

Snowden: I'll nominate him, Mr. Chairman.

Governor: Is there a second?

Andrews: I'll second it.

Governor: Are there any further nominations? Thank you for volunteering, Bob. You're the vice-chairman, by God.

There are rules of order that have to be adopted here. I thought that Robert's, I don't know if we're ever going to have to use any of them, but I thought we might adopt Robert's if you want to.

Snowden: So move.

Governor: O.k. Hearing no objections, the Robert's Rules of Order are adopted. I don't have a copy or anything.

"Discussion of alternates and agency staff." I'm just going to read this: "The law designates that the alternates will be deputy commissioners and in the case of the University the vice president." Says here, "The members of the TIC and their alternates all have heavy schedules. Therefore the bulk of the work will be done by staff both in the Governor's Office and in the agencies. Should we encourage the members to recruit their staff liaison from management. Recommendation: management staff." I guess what that means is that somebody has to do the real work and somebody has to go to the meetings and they are not necessarily the same. I guess the idea is to find somebody who, seriously, who is interested here to make sure that we all up to scratch.

"Staff" is the next one. Red, what are we supposed to do about staff?

Boucher: What are you supposed to do about staff?

Governor: Does the committee have a staff? I mean, oh, I see. O.k., I guess staff to the committee will be Joan Kasson who is in the back of the room there from OMB. She is the OMB person who is assigned to telecommunications. Jack Fargnoli also with OMB is here. Jack and Joan will be serving as staff to the committee. I am sorry that I didn't get that piece of paper.

Boucher: She is a very bright lady and has worked in the State of Texas in this area. She has an insight into it.

Governor: You see, all you have to do is volunteer and you get a compliment.

(Unknown): Governor, since the Information Systems Committee offered their assistance as a working group attached to this council, perhaps the connection could be through the staffing role as well.

Governor: Yeah, I think so. I think that we need to set another meeting at this meeting. I don't know what your schedules are. Bob you want to . . . ?

Bob Poe, Deputy Commissioner, Department of Transportation and Public Facilities: I just suggest that we contact the group in two weeks with proposed agenda and try to work out a meeting date through PROFS.

Governor: O.k. I think though, there ought to be some homework here. We don't want to repeat this meeting a second time around.

Poe: Right, I agree.

Governor: So, the agenda probably should be mailed out sometime in advance so that people can do a little bit of thinking.

Poe: Absolutely.

(Unknown): Preferably more than a day or two.

Poe: I was thinking in two weeks we ask for some suggestions and then we prepare the agenda from that memo.

Snowden: Governor, for the record, in as much the Chief Justice appointed me or my designee, I would like to state that my designee will be my Deputy Director, Stephanie Cole. So we have that on the record.

Governor: I think, without wanting to intrude on the agenda or anything at the next meeting, I think it might be worthwhile if the people in each agency would examine exactly what kind of information you do generate on a regular basis. Where does it go? What do you do with it? Who can use it as far as you know. It might surprise you the amount of information that your agency generates while you are asleep. That would be a useful thing to have available to us at the next meeting. If there is somewhere a record of the various studies, John you kind of invented the legislative system didn't you, that information system, was there a list of the studies that the Legislature put together?

Andrews: The only one I know of is a printed list of House Research Agency work. Interesting to bring that up. I went through their index of all the House Research activity that has taken place in the last however many years they have been in business and I came out with a stack of paper about that deep that looked interesting enough for me to find the time to read sometime that relates directly to my agency's problems. You might want to read through there. An example the kind of thing we're talking about, there's stuff around.

Governor: What about the state library system?

Poe: If I could, about four years ago the state library did look at a system called ASPIN. That is the acronym they dreamed up for it. Its approach was to essentially catalog all these studies that are done. You pay a hundred thousand dollars for some consultant study and it ends up in somebody's desk drawer and they leave three years later and nobody ever knows about it. And so the idea was to document that and to catalog it. The system never got much further than that. Other than naming the acronym. And talking about a little about what it could do. But that is a real resource we spent a lot of money on and we don't usually get much interdepartmental value from it.

Boucher: Governor?

Governor: Yes sir.

Boucher: One resource that I think would be absolutely valuable to you is the library system that we have existing within the state. These people have for some time been custodians of information and within the framework of the council we wanted to keep it at the highest level, but I think there is a lot to be learned in fact. They, in meetings with Professor Pearson and myself, have expressed a strong interest. So their business is cataloguing and coordinating information be it visual, audio or printed.

Governor: Shouldn't they be members of this council?

Boucher: Well you call the shots, sir. Initially the law, but definitely within the Department of Education, in that area you have some resources. People like Dr. Bramble and others who have been working on distant learning and cataloguing of information. And there's some bright minds in the University system particularly in Fairbanks, so I think there may be some troops out there that could well be used, sir. But I'll leave that up to you.

Governor: O.k. It just struck me that is what the library systems do. O.k. Well, just for starters I do think it would

be useful to get, see if you could put together the studies that have been generated in your own departments over the last, I don't know whatever useful time frame is: seven, eight, ten years. Depending on what kind of information it is. If it is an enormous hassle or. . . Art says if we can just get the studies we've had on this particular topic.

Snowden: And a list of information we collect by type. We do have collect reports by type, if we knew at least what we knew we're collecting it might be helpful.

Governor: And secondly, just try to assess what kind of information your department generates. That's kind of clearly basic information. What do you do with it, and how could it be used? I don't want commissioners to take five or six days to do this, but I do think you could probably assign a staff person to get this information. That would be a pretty good start I think.

Well Bob, do you or Joan want to . . .

Poe: We'll all get together, produce a memo, in a couple of weeks and get this thing rolling.

ADJOURNMENT

Governor: Has anybody have anything further to say or comment? If not, thank you for your time. We appreciate your attention. This is an important topic.

Thank you.

TELECOMMUNICATION INFORMATION COUNCIL

February 2, 1988
1:30 p.m.
10th Floor Conference Room
State Office Building
Juneau

AGENDA

Call to Order

Decision Item: Establishment of Mini-Computer
Networks

TIC Goals and Objectives

Presentation: Mainframe Capacity
o *Division of Data Resources
Management, Department of
Administration*

Introduction to Executive Training
o *IBM*

Adjournment

END-USER-COMPUTING

POLICY DISCUSSION

Statement of Issue

Recently it has come to the Departments of Administrations' attention that several state agencies are exploring the merits of installing mini-computers to accomplish their more immediate needs in information processing. Informal discussions with our customers and local vendors indicate the potential acquisition of fifteen mid-range computer systems during this calendar year. These discussions have also indicated that in order to achieve maximum benefit of each of these computers, there will be the need to connect to the IRM data network. Unlike the micro-computer local area networks, these connections will have a large impact on both the IRM mainframes and data network. It appears that the majority of visible activity has been with IBM and Wang products. These vendors are offering test/demonstration periods where the vendor actually installs mini-computer systems for testing by the agency for a several month period with no obligation to purchase the equipment.

End-user computing provides the State a great potential in information processing. However, in order to achieve the maximum potential, it is imperative that agencies understand the implications of acquiring, operating and maintaining this type of equipment.

Need for Policy

Policies are required to set the direction of data network management, data sharing, application sharing, public access, and centralization or decentralization of applications. These policies should be implemented prior to acquisition of this type of equipment.



UNIVERSITY OF ALASKA - ~~FAYETTEVILLE~~

OFFICE OF
MANAGEMENT & BUDGET

DEC 22 1987

STRATEGIC PLANNING

December 17, 1987

Robert G. Poe
Vice Chairman
Telecommunication Information Council
c/o DOT/PF
P.O. Box Z
Juneau, AK 99811

Dear Mr. Poe:

As requested, here are comments about the draft goals and objectives for the Telecommunications Information Council (TIC), which you presented at the December 16 meeting.

1. The goal is right on. It should not be weakened by omitting the "implement" word. A policy not implemented is no policy at all.
2. Many of the objectives are steps in developing a statewide plan, which created some confusion when one objective was identified as creating a plan. I suggest categorizing objectives to overcome this confusion, yet still cover the steps required for a TIC work plan:
 - a. Objective 1: Develop a statewide telecommunication/information management plan (draft objective #8).

Task 1: Identify the state's information management resources (including human resources) (obj. #1).

Task 2: Identify agency success factors as they relate to information management (obj. #2).

Task 3: Identify statewide and agency telecommunication/information management shortcomings (obj. #3)

Task 4: Outline alternative solutions to meeting agency and statewide needs and solving shortcomings (new).

Task 5: Decide on solutions to be taken and set priorities for action (new/obj. #7).

Task 6: Monitor implementation, evaluate progress and make changes as necessary (per Con Dietz).

Robert G. Poe
December 17, 1987
Page 2

- b. Objective 2: Establish institutional arrangements for developing and implementing improved information management in Alaska (new).

Task 1: Identify opportunities for resource sharing and cooperative development of solutions (obj. #4).

Task 2: Define the roles of IRMEAC and the ISC in statewide information management (obj. #5).

Task 3: Obtain/assign resources required to carry out/monitor the statewide plan (per Amy Kyle).

- c. Objective 3: Establish information management policies and guidelines to implement the plan (new).

Task 1: Define at a statewide level the standards (requirements) that new telecommunication/information management systems should strive to address (obj. #6).

Task 2: Establish a policy and procedure for providing public access to state information systems (new).

Of course, the next step, upon TIC agreement of goals and objectives, is to define an action plan for achieving results.

Hope these comments are useful.

Sincerely,



Douglas L. Mutter

DLM:jlh
11H/035

cc: Donald O'Dowd, President, UA
Don Behrend, Provost, UA
Dave Hickok, Director, AEIDC
Conrad Dietz, Director, UACN
Joan Kasson, Policy Analyst, OMB

DRAFT GOAL AND OBJECTIVES

TELECOMMUNICATION INFORMATION COUNCIL

December 16, 1987

GOAL

To develop and implement a cost-effective policy for managing the state's information and information technology resources in a comprehensive and coordinated manner so that state government may better serve the people of the state.

OBJECTIVES

1. Identify the State's available information management resources (including human resources);
2. Identify Agency* Success Factors as they relate to information management;
3. Identify statewide and agency telecommunication/information management shortcomings;
4. Identify opportunities for resource sharing and cooperative development of solutions;
5. Define and coordinate the roles of IRMEAC and the ISC in statewide information management;

6. Define at a statewide level the standards (requirements) that new telecommunication/information management systems should strive to address;
7. Prioritize agency information management needs on a statewide level; and
8. Develop a statewide telecommunication/information management plan.

* The term "agency" includes executive branch departments, the legislature, the court system, and university organizations.

SERVICE CENTER CAPACITY REPORT

- A capacity study was conducted at the Juneau Service Center in August of 1987
- The study was verified by two independent sources
- The conclusion of the study showed:
 - An upgrade to the peripheral data storage devices will be needed in August of 1988
 - A larger computer system will be needed in calendar year 1989
- In lieu of a funding request in fiscal 89, a seven point program was devised by IRM to extend the life of the current computer systems. The plan was reported to the ISC and assigned to the Standards, Planning, Policy and Guidelines subcommittee of the ISC. The seven point program consists of:
 1. Build computer systems at the Juneau and Anchorage Service Centers that are compatible to allow transfer of workloads
 2. Tune the Juneau computer and user applications to take full advantage of software and hardware features available
 3. Perform a capacity study on the Anchorage Service Center computer for awareness of how much workload may be transferred
 4. Tune the Anchorage computer and user applications to take full advantage of software and hardware features available
 5. Move work from the Juneau Service Center to the Anchorage Service Center as Juneau becomes over loaded
 6. Review all agency processing needs for the next 18 months for input into the capacity planning effort
 7. Halt all new application development or enhancements at the service centers as the capacity limit is reached

Tasks 1, 3, and 6 have been completed and the results are:

- The systems are in a posture to allow workload transfer
- The capacity study of the Anchorage Center shows the computer running at 80% of capacity. Based on the high utilization of the Anchorage computer transfer of workloads should only be considered in an emergency
- The agencies have responded to a capacity needs survey. The projected growth by agencies in FY89 is +12%

Tasks 2 and 4 are under way. The Service Centers have tuned their computers to allow maximum work flow. The agencies have been contacted and work has begun on tuning their applications. The results to date have been positive.

Task 5 should be considered only in an emergency as the Anchorage computer capacity study indicates a transfer of substantial workloads would cause an overload.

Task 7 is the halting of all new development and should only be considered as a business decision and critical need.

TELECOMMUNICATION INFORMATION COUNCIL

GOAL, OBJECTIVES AND WORK PLAN

Adopted February 2, 1988

GOAL

To develop and implement a cost-effective policy for managing the state's information and information technology resources in a comprehensive and coordinated manner so that state government may better serve the people of the state.

OBJECTIVE 1

Develop a statewide telecommunication/information management plan.

Task 1 Identify the state's information management resources (including human resources).

Task 2 Identify agency success factors as they relate to information management.

Task 3 Identify statewide and agency telecommunication/ information management shortcomings.

Task 4 Outline alternative solutions to meeting agency and statewide needs and solving shortcomings.

Task 5 Decide on solutions to be taken and set priorities for action.

Task 6 Monitor implementation, evaluate progress and make changes as necessary.

OBJECTIVE 2

Establish institutional arrangements for developing and implementing improved information management in Alaska.

Task 1 Identify opportunities for resource sharing and cooperative development of solutions.

Task 2 Define the roles of IRMEAC and the ISC in statewide information management.

Task 3 Obtain/assign resources to carry out/monitor the statewide plan.

OBJECTIVE 3

Establish information management policies and guidelines to implement the plan.

Task 1 Define at a statewide level the standards (requirements) that new telecommunication/information management systems should strive to address.

Task 2 Establish a policy and procedure for providing public access to state information systems.

TELECOMMUNICATION INFORMATION COUNCIL

1st Annual Report

March 23, 1988

Box AD
Juneau, Alaska 99811

INTRODUCTION

Established by Chapter 53 SLA 1987, the Telecommunication Information Council has met four times. The council has organized itself, selected required staff, and begun the planning process required by its enabling legislation.

ORGANIZATION

The Telecommunication Information Council is composed of the Commissioners, or alternate Deputy Commissioners, of all the principal executive branch departments, the President of the University of Alaska, the Executive Director of the Legislative Affairs Agency, and the Administrative Director of the Alaska Court System. The Governor chairs the council, with assistance from his Vice Chairman, Robert G. Poe, Deputy Commissioner, Department of Transportation and Public Facilities.

Principal professional and clerical staff assistance is provided by the Governor's Division of Policy. Each department and agency has also delegated a contact person to serve as that agency's staff representative during the planning process. No outside consultants are used.

The Telecommunication Information Council received no appropriation in FY 88 for operating costs. Resources for teleconferences, publication, meeting preparation, and clerical assistance are shared by each agency.

IMPLEMENTATION

The council must develop both short and long-range information systems plans for state government. Agencies are to develop their own information plans in accordance with the statewide plan. The council is also charged with developing guidelines for public access to state information.

Chapter 53 SLA 1987 defines the purpose of the Telecommunication Information Council:

To develop and implement a cost-effective policy for managing the state's information and information technology resources in a comprehensive and coordinated manner so that state government may better serve the people of the state.

In order to reach this goal, the council has adopted a set of three objectives for it to strive toward. First, the council must develop a statewide telecommunication/information management plan. Second, the council shall establish those institutional arrangements for developing and implementing improved information management in Alaska. Third, the council will establish the information management policies and guidelines to implement the plan.

The complete work plan is attached to this report.

The need for this type of planning process has been amply demonstrated by the interest generated by the Telecommunication Information Council. Meetings are well attended. There are no lack of subjects waiting to be directed to the council's attention. The council has heard about the capacity limits of the state's mainframe computers; about the proliferation of mini-computers in agencies and their effects on the mainframe network; about the experiences of the Council on Northern Resource Information Management; and about other states' experiences with information resource management.

CONCLUSION

The Telecommunication Information Council is moving step-by-step toward its goal of comprehensively managing the state's information resources. The council is optimistic that the next year will bring a completed state telecommunication/information plan to guide future information resource developments.

TELECOMMUNICATION INFORMATION COUNCIL

GOAL, OBJECTIVES AND WORK PLAN

Adopted February 2, 1988

GOAL

To develop and implement a cost-effective policy for managing the state's information and information technology resources in a comprehensive and coordinated manner so that state government may better serve the people of the state.

OBJECTIVE 1

Develop a statewide telecommunication/information management plan.

Task 1 Identify the state's information management resources (including human resources).

Task 2 Identify agency success factors as they relate to information management.

Task 3 Identify statewide and agency telecommunication/ information management shortcomings.

Task 4 Outline alternative solutions to meeting agency and statewide needs and solving shortcomings.

Task 5 Decide on solutions to be taken and set priorities for action.

Task 6 Monitor implementation, evaluate progress and make changes as necessary.

OBJECTIVE 2

Establish institutional arrangements for developing and implementing improved information management in Alaska.

Task 1 Identify opportunities for resource sharing and cooperative development of solutions.

Task 2 Define the roles of IRMEAC and the ISC in statewide information management.

Task 3 Obtain/assign resources to carry out/monitor the statewide plan.

OBJECTIVE 3

Establish information management policies and guidelines to implement the plan.

Task 1 Define at a statewide level the standards (requirements) that new telecommunication/information management systems should strive to address.

Task 2 Establish a policy and procedure for providing public access to state information systems.