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Mr. William J. Tricarico
Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
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Re: CC Docket No. 83-1376

Dear Mr. Tricarico:

This is to advise you that on October 27, 1987, Kay E.M. Gouwens of the State of Alaska, Robert M. Halperin and I met with Gerald Brock, Carl Lawson, Cynthia Work and Douglas Slotten of the Common Carrier Bureau. The State provided its views on ex parte presentations by affected carriers and other issues before the Joint Board in this docket, and responded to questions asked by the staff.

Very truly yours,

Linda K. Smith

Linda K. Smith

cc: Alaska Joint Board Service List

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Nov 16 '87

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
Integration of Rates and Services for) CC Docket No. 83-1376
the Provision of Communications by) RM 4436
Authorized Common Carriers between)
the Contiguous States and Alaska,)
Hawaii, Puerto Rico and the Virgin)
Islands.)

To: The Commission

Opposition of the State of Alaska to
the "Petition For A Lawful Interim
Division of Charges" of the American
Telephone and Telegraph Company

The State of Alaska (Alaska or the State), by its attorneys and pursuant to Section 1.45 of the Commission's Rules, hereby opposes the "Petition For A Lawful Interim Division of Charges" filed by the American Telephone and Telegraph Company (AT&T) on November 5, 1987 (Petition).

AT&T's Petition seeks (1) a finding that existing settlement arrangements for MTS/WATS service jointly provided by it and Alascom, Inc. (Alascom) between Alaska and the lower 48 states violate Section 201 of the Communication Act, and (2) an order permitting it, "on an interim basis," to divide charges for this service "on the basis of the proportionate costs each carrier incurs in the provision of the joint service." Petition at 1-2. Grant of the petition would be unwise, would undermine fundamental national telecommunications policies, including rate integration and universal service, and would violate the Communications Act, for a variety of reasons.

First, AT&T's requests go to the heart of the issues now under consideration by the Alaska Joint Board. As a matter of orderly decision-making, it would be wrong to decide these issues in the context of a so-called "interim" request. More importantly, it would contravene Section 410(c), which requires separations matters of the type raised by AT&T in its petition to be decided first by a Joint Board.^{1/}

The Alaska Joint Board process is reaching a critical phase. The pleading cycle has been concluded, and a recommended decision can be expected in the near future. AT&T's request appears to be an attempt to influence the Joint Board's decision-making process at a crucial time in the deliberations. There is no basis for the Commission to take these issues away from the Joint Board at this time. AT&T offers no compelling reason why, even if its arguments had merit, the Commission should now take extraordinary steps to alter the manner in which AT&T and Alascom have provided service to and from Alaska for fifteen years. The reason is simple. No such compelling reason exists.

AT&T is, in fact, not harmed by continuation of the present arrangements. All of the costs AT&T incurs in providing MTS/WATS service to Alaska in combination with Alascom, including its payments to Alascom, are included in AT&T's interstate revenue requirement. Its national, geographically averaged, interstate

^{1/} See Notice of Proposed Rulemaking, CC Docket No. 83-1376, RM 4436 at ¶ 14 (released September 27, 1985). ("The Joint Board, pursuant to the mandatory provisions of Section 410(c), is also being asked to recommend any changes in separations procedures relating specifically to Alaska that may be required to implement any market structure change it recommends.")

rates are set at a level designed to recoup all of those costs and provide AT&T a reasonable return on its investment. Thus, no harm exists. Furthermore, the dollar amount of the relief AT&T requests -- \$70 million per year^{2/} -- spread over AT&T's entire interstate MTS/WATS call volume is infinitesimal.

Second, AT&T's argument that the present division of revenues is unjust and unreasonable is wrong. The fact that AT&T recoups the costs of providing MTS/WATS service between the lower 48 states and Alaska with Alascom from its MTS/WATS tariff charges negates any claim of unjustness or unreasonableness. The weakness of AT&T's argument is confirmed by a review of the cases it cites, which do not support the argument it seeks to make.^{3/}

^{2/} According to the petition, AT&T seeks to reduce its payments to Alascom from \$165.4 million (Petition at 8) to a figure equal to 73 percent of Alaska MTS/WATS revenues of \$132.1 million. (.73 X \$132.1 million = \$96.4 million. \$166.4 million minus \$96.4 million = \$70 million.)

^{3/} Most are cases dealing with the power of the ICC of 40 years ago; none is directly on point. See, e.g., Rogers Radio Communications Services v. FCC, 751 F.2d 408 (D.C. Cir. 1985) (case deals with expansion of interconnection requirement of Section 201(a), not with division of charges as AT&T implies (Petition at 12-13)); Baltimore & Ohio Railroad Co., 298 U.S. 349 (1936) (case deals with whether all carrier property and revenues may be considered, as well as those of the service at issue (298 U.S. at 360), not with confiscation of non-joint revenues as AT&T implies (Petition at 12)); ICC v. Hoboken Manufacturers' Railroad Co., 320 U.S. 368 (1943) (case turns on determination that certain facilities are not part of rail carrier service for which division of revenues is sought and therefore that cannot be included in joint service costs (320 U.S. at 374), a point not relevant or at issue here, and one not related to AT&T's implication that the case involves confiscation of non-joint AT&T revenues (Petition at 12)); Chicago & N.W. Railroad Co. v. Atchison, Topeka & Santa Fe Railroad, 397 U.S. 326 (1967) (revenues can be divided on the basis of costs and revenue needs (including the relative financial strength of the carriers) (387 U.S. at 333), not solely on relative costs as AT&T implies (Petition at 13)).

Third, although AT&T seeks to couch its request as merely an interim change in the division of charges, it is, in fact, asking for nothing less than an end to the rate integration policy. As the Commission has said:

When rate integration is discussed, there are, in fact, two subelements involved. The first . . . is the averaged rates charged which may not necessarily relate to the underlying costs of providing service The second factor . . . is the settlement arrangements between the carriers serving the non-contiguous points and AT&T.

Rate Integration Policies, 96 FCC2d 567, 571 (1983). AT&T's request seeks explicitly to revise both the relation between rates and costs noted as the first element of rate integration, and the settlement arrangements noted as the second element.

That AT&T's request is an attack on the rate integration policy is also apparent from examination of what would happen if AT&T's petition were granted. As a dominant carrier with carrier of last resort obligations in Alaska, Alascom presumably would be required to continue to provide interstate MTS/WATS service to and from Alaska. Yet, it could be constitutionally required to do so only if it is permitted to charge rates that allow it to cover its reasonable costs (and allow it a reasonable rate of return). That, in turn, could be done only if its interstate MTS/WATS were increased above present levels to cover the \$70 million AT&T seeks not to cover. Such an increase, which would raise interstate

MTS/WATS rates for Alaska above the levels for the rest of the nation, would mark the end of rate integration.^{1/}

Fourth, "interim" measures previously requested by other parties have not contributed to efficient, accurate or timely resolution of the issues in this proceeding. On the contrary, piece-meal resolution of issues has put the Commission in the position of repeatedly having to undo or adjust other relief previously granted.

Fifth, the relief AT&T seeks would, in itself, violate Section 202(a) of the Communications Act, as well as the rate integration policy. As the State has previously commented:

^{1/} The \$70 million of costs AT&T has put at issue would presumably still need to be recovered. They are costs incurred in providing interstate service, and therefore could not be recovered from the intrastate jurisdiction. Were it otherwise, intrastate revenue requirements would be increased so dramatically, and intrastate rates would have to be increased to such a high level, universal service would be seriously impaired. (It should be noted that a \$70 million revenue shortfall would, if passed through to intrastate rate payers, result in a \$ 23.33 increase per Alaska ratepayer per month (\$70 million divided by 250,000 Alaska main stations divided by 12).)

The Commission has repeatedly recognized that changes in intrastate rates could adversely affect universal service. See, e.g., Memorandum Opinion and Order, FCC 84-616 at ¶ 4 (expressing the Commission's desire to avoid "churning of intrastate rates" and putting "at risk the intrastate communications that are essential to many subscribers in remote areas of Alaska") (released December 11, 1986); Memorandum Opinion and Order, FCC 84-512 at ¶ 20 (expressing concern for "adverse effects on Alaskan ratepayers") (released December 11, 1984); Notice of Proposed Rulemaking, FCC 85-520 at ¶ 19 ("[The Joint Board] should also consider the impact on intrastate rates for Alaska as a consequence of changes in traffic patterns associated with the structure under consideration") (released September 27, 1986); Memorandum Opinion and Order, FCC 86-602 at ¶ 26 (permitting implementation of the final step of rate integration, in part to "prevent the separations procedures from increasing the allocation of costs to the intrastate jurisdiction, thereby reducing upward intrastate rate pressures . . . which might result in intrastate rate increases") (released January 1, 1987).

The Commission's rate integration policy requires that, with respect to interstate rates, Alaska be treated no differently than other states. Both the rates charged for service to and from Alaska and the manner in which those rates are calculated should be no different than they are for other states [T]he essence of rate integration is that geographically averaged rates are set at levels necessary to generate sufficient revenue to cover the cost of providing service (including a reasonable rate of return) to all portions of the United States, not each and every portion by itself. The Commission has said its rate integration policy "should be interpreted as implicitly recognizing that a rate structure which averages rates in 48 states and de-averages rates in two states may subject the residents of those two states to an unreasonable prejudice or disadvantage within the meaning of Section 202(a) [of the Communications Act]."

Alaska is not, and should not be considered, a separate interstate interexchange market. Differences between revenues derived from and costs allocated to interstate service to and from Alaska have been, and should continue to be, built into nationally averaged rates established pursuant to the Commission's rate integration policy. They have been, and given the mandates of the Communications Act and Commission policy, must continue to be, treated the same as differences for service to and from other locations which are costly to serve.

Notwithstanding AT&T's protestations to the contrary, it is proper to require carriers charging rate integrated rates to be responsible for the costs of Alaska service. AT&T, for example, is permitted to charge rates that are higher than costs for low cost routes because it charges the same rates, which are lower than costs, for high cost routes of comparable length. To allow AT&T to derive excess profits (i.e., profits above a reasonable rate of return) from serving low cost routes and not use those profits to cover the costs of service on high cost routes would likely raise its rate of return above allowed levels. Such a practice would be contrary to the rate integration policy and would involve de-averaging, in a manner which the Commission has said would violate Section 202(a) of the Communications Act.

Reply Comments of the State of Alaska at 8-10 (filed March 27, 1987)(footnotes omitted).

Accordingly, for the reasons discussed above, the State of Alaska strongly urges the Commission to deny AT&T's Petition, and to permit the Alaska Joint Board process to go forward.

Respectfully submitted,

THE STATE OF ALASKA
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November 16, 1987

CERTIFICATE OF SERVICE

I, Linda K. Smith, do hereby certify that, on November 16, 1987, I have caused to be sent a copy of the foregoing Opposition by United States Mail, postage prepaid, to the following:

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DEC - 1 1987

December 1, 1987

FCC
Office of the Secretary

Mr. William J. Tricarico
Secretary, Federal Communications
Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20054

Re: CC Docket No. 83-1376; RM 4436

Dear Mr. Tricarico:

Transmitted herewith on behalf of the State of Alaska for filing with the Alaska Joint Board in the above-captioned proceeding, pursuant to the Commissioner's November 16, 1987 Public Notice (DA 87-1664), are six copies of the "Comments" of the State of Alaska originally filed on November 17, 1987 in connection with AT&T's application for Section 214 authorization with respect to Alaska-Hawaii service (W-P-C-6136). These "Comments" are being submitted to assist the Alaska Joint Board in its consideration of the matters discussed in the Public Notice and to ensure that the "Comments" are made part of the record in this proceeding.

If there are any questions in connection with this matter, please communicate with this office.

Very truly yours,

Linda K. Smith

Linda K. Smith

Enclosure

cc: All Parties on CC Docket No. 83-1376 Service List
Mr. Douglas Slotten
Ms. Cynthia Work
Policy and Program Planning Division, Common Carrier Bureau
International Transcription Service

RECORD FILE COPY

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
American Telephone and Telegraph)
Company)
)
Application under Section 214(a)) W-P-C-6136
of the Communications Act for)
authority to acquire digital)
transmission capacity from)
General Communication Incorporated)
for services from Honolulu, Hawaii)
to various points in Alaska.)

OFFICE OF THE SECRETARY

NOV 17 '87

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COMMENTS

The State of Alaska (Alaska or the State), by its attorneys and pursuant to Section 63.52(c) of the Commission's Rules, hereby comments on the Application of American Telephone and Telegraph Company (AT&T) to acquire digital transmission capacity from General Communication Incorporated (GCI) from GCI's point of presence in Honolulu, Hawaii, to various points in Alaska, filed November 3, 1987 (AT&T Application).^{1/}

^{1/} The State of Alaska has been an active participant in the Alaska Joint Board proceedings (CC Docket No. 83-1376, RM 4436) in which the Commission directed that Joint Board "to consider the issues relating to Alaska-Hawaii rate integration and competition in connection with its consideration of the issues relating to service between Alaska and the contiguous states." Supplemental Notice of Proposed Rule-making, CC Docket No. 83-1376, RM 4436 (released January 9, 1987; FCC 86-600) at ¶ 4. The AT&T Application directly raises these issues.

These Comments are based on matters of public record at the Commission, of which official notice may be taken.

Historically, Alaska-Hawaii service rates have not been rate integrated. While the AT&T Application appears to propose rates somewhat lower than those under which service is now being provided (AT&T Application, Attachment A), the rates proposed are still higher than rate-integrated rates would be. The Commission has decided, however, that the Alaska-Hawaii route, like all other routes, should be rate integrated.^{2/} Rate integration between Alaska and the lower 48 states has finally been accomplished.^{3/} The time has come to integrate fully Alaska-Hawaii rates as well.

Rate integration for all routes is needed if Alaska is to be part of the national telecommunications network. The State supports rate integration for all routes, and believes that Alaska-Hawaii service, like all other service between Alaska and other states, must be provided at rate-integrated rates. The

^{2/} As the State noted in its March 10, 1987 Comments in the Alaska Joint Board proceeding, the Commission has, in no fewer than three separate decisions, addressed the question of rate integration between off-shore points, and consistently concluded that "...the public interest would be best served by integrating the rates for service to the off-shore states." Memorandum Opinion, Integration of Rates and Services for the Provision of Communications by Authorized Common Carriers between the United States Mainland and Hawaii, Alaska and Puerto Rico/Virgin Islands, 62 FCC 2d 693, 694-95 (1976). See also AT&T Co., Long Lines Department, 66 FCC 2d 3, 57 n.70 (1978) ("See also, Rate Integration, 62 FCC 2d 693 (1976) wherein we held our rate and service integration requirement applies between and among Puerto Rico, the U.S. Virgin Islands, Alaska, Hawaii and the U.S. Mainland.") (emphasis in original); Common Carrier Separation Procedures, 72 FCC 2d 715, 717 (1979) ("[T]he carriers are also required to integrate rates between other off-shore points, i.e., Alaska and Hawaii. 62 FCC 2d 693 (1976).")

^{3/} Memorandum Opinion and Order, CC Docket No. 83-1376, RM 4436, FCC No. 86-6021 (released January 2, 1987); appeal pending, General Communication, Inc. v. FCC, No. 87-1112 (D.C. Cir.).

State agrees with its sister State of Hawaii that "there is absolutely no basis for treating services between Alaska and Hawaii any differently from services between Alaska and the 'lower 48' states." Comments of the State of Hawaii in CC Docket No. 83-1376, RM 4436, filed February 10, 1987, at 5.

Accordingly, Alaska urges that Alaska-Hawaii service be required to be furnished at rate-integrated rates, in accordance with prior Commission decisions.

Respectfully submitted,

THE STATE OF ALASKA
Grace Berg Schaible
Attorney General

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November 17, 1987

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I, Linda K. Smith, do hereby certify that, on November 17, 1987, I have caused to be sent a copy of the foregoing Comments by United States Mail, postage prepaid, to the following:

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

OFFICE OF THE SECRETARY

In the Matter of

Integration of Rates and Services)
for the Provision of Communications)
by Authorized Common Carriers between)
the Contiguous States and Alaska,)
Hawaii, Puerto Rico and the Virgin)
Islands.)

CC Docket No.
83-1376
RM 4436

To: The Commission

REPLY COMMENTS WITH RESPECT TO AT&T'S "PETITION
FOR A LAWFUL INTERIM DIVISION OF CHARGES"

The State of Alaska (the State or Alaska), by its attorneys, and pursuant to the Commission's Public Notice released November 23, 1987 (DA 87-1666), hereby files its Reply Comments in connection with AT&T's "Petition for A Lawful Interim Division of Charges" (Petition).^{1/}

The State, after thorough review of the comments and opposition filed with regard to the Petition, reiterates its conclusion that grant of the Petition would be unwise, would undercut fundamental and important national telecommunications policies, including rate integration and universal service, and would violate the Communications Act.

In its Petition, AT&T seeks institution of dramatic changes in the manner in which Alaska telephone service is provided. It

^{1/} The State filed an Opposition to the Petition on November 16, 1987.

does so even though:

(1) AT&T is fully compensated for the costs of providing Alaska service through the rates charged for its national, geographically averaged rates;^{2/}

(2) These proposed changes would bring the Commission's rate integration policy to an end,^{3/} and in so doing, undermine universal service for Alaska;^{4/}

(3) The effects of implementing its proposed changes would not be "interim" in nature;

(4) The economic condition of Alaska is particularly poor;

(5) The Joint Board is concluding its consideration of the issues, including separation issues, which are at the heart of AT&T's Petition;

(6) AT&T's proposal, as the State has pointed out, contravenes Sections 410(c) and 202(a) of the Communications Act; and

^{2/} It appears, therefore, that AT&T is also seeking to end national geographic rate averaging. The Commission has, however, frequently repeated its commitment to national, geographically averaged rates, both in its own orders, and in statements to Congress.

See also Reply Comments of AT&T, filed May 9, 1984, at 22, in which AT&T states all of its costs are recovered by nationwide averaged rates, and Opposition of Alascom, Inc., filed December 18, 1987, at 22-23.

^{3/} Alaska's concerns about the effect of AT&T's proposal on rate integration are also found in the Comments of the State of Hawaii (See Comments of the State of Hawaii, filed December 18, 1987, at 2-4).

^{4/} Alascom estimates the costs of AT&T's proposal would involve at minimum an 130 percent increase per access line above the present integrated interstate southbound MTS/WATS rates. See Opposition of Alascom, Inc., filed December 18, 1987, at 20, 21 and Attachment A.

(7) There is no compelling reason or harm suffered which could justify a course of action which has no public benefits and so many detriments.

In these circumstances, Alaska again strongly urges the Commission to deny AT&T's Petition, and to allow the Joint Board process to continue undisturbed.

Respectfully submitted,

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January 11, 1988

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I, Linda K. Smith, do hereby certify that, on January 11, 1988, I have caused to be sent a copy of the foregoing "Reply Comments With Respect to AT&T's Petition For a Lawful Interim Division of Charges" by United States Mail, postage prepaid, to the following:

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MAR 31 '88

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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In the Matter of

Integration of Rates and Services	)	CC Docket No.
for the Provision of Communications	)	83-1376
by Authorized Common Carriers Between	)	
the Contiguous States and Alaska,	)	RM 4436
Hawaii, Puerto Rico and the Virgin	)	
Islands.	)	

COMMENTS OF THE
STATE OF ALASKA ON THE
COMMENTS OF AT&T

The State of Alaska (Alaska or the State), by its attorneys, hereby submits Comments on AT&T's "Comments on Alascom, Inc.'s Submission of its Alaska Intrastate Tariff Proposal," filed February 22, 1988. The State asks that its Comments be accepted for filing and included in the record of this proceeding.

1. In commenting on Alascom's proposed intrastate rate revisions, AT&T says "... additional revenues can be developed from intrastate services to support an increase in Alascom's intrastate revenue requirement." (AT&T Comments, at 2). This statement is, however, wholly unsupported. It runs counter to an important and explicitly enunciated criterion used in Alascom's proposed rate redesign, namely, promotion of universal service. It also runs counter to the Commission's support of universal service. And it is made without any apparent recognition of the

fact that Alaska has for years remained one of the bottom five states in terms of telephone penetration.^{1/}

2. Even more egregious and unsupported is AT&T's conclusion that, State funds having been used to support rural electrification, "[s]imilar support for high cost intrastate rural telecommunications might also be available, if needed." (AT&T Comments at 3.) The State has provided literally hundreds of pages of information documenting the dramatic downturn in the Alaska economy, the draconian cuts that have been made in the State's budget, and the extreme demands that are being placed on the sharply limited funds available to the State. (See Data Response, at Sections G and H.) Now to blandly assert that the State can pay, and that funds might be "available, if needed" involves cavalier disregard for facts in the record.

The record amply demonstrates that Alaskans are suffering from a serious economic downturn, with serious effects on Alaskans and the State. These effects are ongoing. For example, in a state with a population of only a little more than a half a million people, in the period July 1, 1986 to July 1, 1987, 57,000 people (a little over 10 per cent of the State's total population) left the State. Alaska Department of Labor, News Release, March 1, 1988. This population loss was not replaced by natural

^{1/} It would be no answer to assert that the rates questioned by AT&T are "short-haul" (40 to 400 miles) and therefore involve "urban" or related areas. Even in Alaska's larger communities, many people are under severe economic strain. (See text at 3-5.) Simply to assert that more money can be extracted for short haul routes completely overlooks these, and other, facts about individuals' and the State's economic circumstances, set forth in detail in the State's initial response to the Joint Board's Data Request.

increases (births minus deaths) nor by in-migration. (Id.) In addition, foreclosures doubled from 1985 to 1986, and redoubled from 1986 to 1987. Trustee Deeds By Recording Office, prepared by Motznik Computer Services Inc., March 4, 1988. If the trend in the first two months of 1988 continues, the number of foreclosures will increase again in 1988. (Id.)^{2/}

In a recent survey of over 1000 Railbelt residents, 53 percent believed their area's economy was "pretty bad" or "bad", 50 percent said the economy was worse than a year ago, and 54 percent reported they or members of their family living with them had faced wage cuts, reduced work hours or lay-offs in the last two years. Railbelt Economic Assessment Survey, January 1988, prepared by Dittman Research Corporation of Alaska for the Leadership of the Alaska Senate, at 1 (Railbelt Survey). Over half the survey respondents (54 percent) did not see things improving in the next two years. (Id. at 4.)^{3/} Not surprisingly in light of these survey data, about one in four (24 percent) reported they were seriously considering leaving Alaska due to the

^{2/} The Alaska Housing Finance Corporation (AHFC) holds more than \$4 billion in Alaska residential mortgages or about 60 percent of the outstanding Alaska home mortgage debt in 1987. Alaska Review of Social and Economic Conditions, February 1988, "Alaska Housing and the Recession", at 3 (Alaska Review). AHFC's inventory of foreclosures has climbed "relentless[ly] from 1984 - before the start of the recession - through 1987." (Id. at 10.) AHFC's foreclosure inventory more than doubled from 1984 to 1985, redoubled from 1985 to 1986, and increased about 2 1/3 times from 1986 to 1987. (Id.)

^{3/} There was, however, some increase in employment in the last quarter of 1987, but little of it, apparently, in the Railbelt. Memorandum of Senior Economist, Office of the Governor, Division of Policy, March 4, 1988.

economy, and about one in five (19 percent) said they were "quite" or "very likely" to move to another state in the next two years. (Id. at 4-5.)

These residents' concerns are not illusory. A recent report by the Alaska Department of Labor shows that, between July 1986 and June 1987, job openings in Anchorage declined 25 percent. (Alaska Department of Labor, Alaska Wage Rates 1987, at 29.) Statewide, wages fell between 1984 and 1987 in 43 percent of all occupations. (Id. at 45-46.) The service industry was especially hard-hit; 62% of the occupations in that category experienced wage reduction. (Id. at 44.) In 1984, an electrical engineer earned an average of \$22.20 per hour. Three years later, in 1987, he earned only \$14.50 per hour, a reduction of 35 percent. The average wage for a payroll clerk declined 20 percent during the same period, from \$9.77 to \$7.77 per hour. (Id. at 45.) Although a majority of occupations experienced some wage increases, average per capita income fell dramatically. According to the National Governors' Association's March 1988 Fiscal Survey of the States, for 1987 "Alaska registers the sharpest drop in the nation in state personal income at a negative 4.4 percent." (p. 26.)

The State has been responding to this situation in a number of ways, as described in its Data Response. These actions are ongoing. In 1987, Alaska slashed its budget (making the second deepest cut, in percentage terms, of all state budgets); instituted extensive employee lay-offs (the third largest among the states in percentage terms); and decreased its expenditures by

17.1 percent in real terms (more than any other State). Fiscal Survey of the States, September, 1987, National Governors Association, at 4, 5, 41.^{4/} The fiscal 1988 budget involved a further decrease in real terms of 17.1 percent (Id.), and the fiscal 1989 budget is expected to be essentially a "maintenance budget;" that is, with few exceptions, it will not restore earlier cuts.

The State's Data Response and these facts demonstrate that AT&T's assertion about "available" funding is wrong, and was made in contravention of record evidence. AT&T's speculative and incorrect assertions as to what Alaska "might" be able to afford serve no purpose but to distract the parties and the Joint Board from the real and difficult issues in this proceeding.

Respectfully submitted,

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^{4/} Based on data from a survey conducted by the National Association of State Budget Officers, July to September 1987. Fiscal 1987 numbers are estimated amounts and have "the most important elements in determining the fiscal health of the States" (but not all elements). Id. at v.

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Date: March 31, 1988

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I hereby certify that I caused copies of the foregoing
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mailed by first-class mail, postage prepaid, or hand-delivered,
this 31st day of March, 1988, to the parties on the attached list.

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

Federal Communications Commission
Office of the Secretary

In the Matter of

Integration of Rates and Services for
the Provision of Communications by
Authorized Common Carriers Between
the Contiguous States and Alaska,
Hawaii, Puerto Rico and the Virgin
Islands

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)
) CC Docket No. 83-1376
) RM 4436
)
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)

To: The Federal-State Joint Board

DATA RESPONSE OF THE STATE OF ALASKA
TO THE SUPPLEMENTAL ORDER INVITING COMMENTS

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February 27, 1989

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of

Integration of Rates and Services for
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To: The Federal-State Joint Board

DATA RESPONSE OF THE STATE OF ALASKA
TO THE SUPPLEMENTAL ORDER INVITING COMMENTS

The State of Alaska, by its attorneys, hereby submits data in response to the Supplemental Order Inviting Comments ("Supplemental Order") released by the Federal-State Joint Board on January 3, 1989.

The Joint Board requested the State "to update previously provided information that relates to the issues discussed" in the Supplemental Order.¹ While the State believes that all the data it submitted in 1986 "relate to the issues" covered in the Supplemental Order, it is limiting this response in an effort not to burden the Joint Board or its staff. Most of the data about the State submitted in 1986 remain valid. The State, therefore, has focused this response on updating data specifically discussed in the Supplemental Order and reporting other recent data that

¹ Supplemental Order ¶ 86.

relate to the issues discussed in the Supplemental Order.² The State hopes that the Joint Board and its staff will find this data response useful, and even entertaining.

SUMMARY

The fundamental points about Alaska remain unchanged. Alaska remains both the largest state in the nation and the state with the lowest population density. Three-quarters of Alaska's communities continue to have fewer than 500 residents. Alaska's terrain and climate remain harsh. Transportation remains limited. Public health and safety, unemployment and the provision of adequate education remain difficult challenges. The State's unemployment rate, for example, is now approximately twice the national average.

The economy of the State has been rocked by the sharp decline in oil prices. In contrast to the rest of the nation, per capita income in Alaska has been declining. Nonetheless, Alaska continues to have a cost of living that is among the highest in the nation. Despite the need for public service funds, the State has been forced to slash drastically its public spending.

² As it did in its prior data response, the State generally relies on public information, almost all of which is published by federal or state authorities. No special studies have been undertaken. The data presented are the most recent available, either from 1988, or, if necessary, from earlier years. Some of the state reports from which data are taken are so recent that they are still in draft form.

The data are presented in a manner that allows this response to be read in connection with the 1986 data response. References in the headings are to the sections of the 1986 data response to which the new data relate.

Demographic Information (Section A)

The population of Alaska has decreased from approximately 532,000 in 1986 to approximately 525,000 in 1987.³ Alaska continues to have by far the lowest population density in the United States, averaging less than one person per square mile.⁴

The State's population continues largely to be dependent on migration from other states. In the early 1980s, the State's population grew primarily as a result of in-migration.⁵ In 1987, the population decrease was a result of out-migration. Therefore, it is not surprising that the population decrease was centered in Anchorage and Juneau, two communities that had previously experienced substantial in-migration. Population levels in the rest of the State generally were stable or showed small growth.⁶

Almost half of the State's population lives in Anchorage, and only two other communities (Fairbanks and Juneau) have more than

³ U.S. Department of Commerce, Regional Difference in Per Capita Personal Income Continue to Widen in 1987, Table 4 (August 18, 1988). Attachment 1. The State's own estimates show a greater population decrease, from approximately 547,600 in 1986, to approximately 537,800 in 1987. State of Alaska, Department of Labor, Alaska Population Overview, draft copy of 1986 and Provisional 1987 Estimates ("Population Overview"), Table 3.2 (December 1988). Attachment 2.

⁴ Alaska covers 591,004 square miles. See Response of the State of Alaska to Order Requesting Data and Inviting Comments ("1986 Alaska Data Response"), Section A, p. 1 (July 15, 1986). Wyoming, the next least densely populated state, averages 5 persons per square mile. The United States as a whole averages approximately 67 persons per square mile. Id.

⁵ See id., Section A, p. 7.

⁶ Population Overview, Table 3.2. Attachment 2.

10,000 residents.⁷ In 1987, 75 percent of Alaska's communities had a population of 500 or less (77 percent in 1985); 20 percent had a population of 100 or less (33 percent in 1985). Some communities have disappeared altogether.⁸

Climate (Section C)⁹

Alaska remains a land of extreme weather and climate conditions. Alaska's recent record high barometric pressure and resulting record low temperatures illustrate the population's dependence on telecommunications. Record low temperatures of 86 degrees below zero were reported near McGrath,¹⁰ and temperatures of 70 degrees below zero were recorded at Yukon Creek.¹¹ Wind chill factors were calculated at 100 degrees below zero.¹² Fairbanks experienced 40 below zero temperatures lasting over two weeks.

The low temperatures grounded aircraft, leaving many of Alaska's villages without regular food and mail deliveries.¹³ At temperatures of 40 below, propane gas freezes into unburnable liquid, metal cracks, machines stop working, motor oil freezes,

⁷ Population Overview, Table 5.2. Attachment 3.

⁸ Id.

⁹ No update is needed for Section B (Geography). For the convenience of the Joint Board and its staff, however, a map of the State is attached. Attachment 4.

¹⁰ Washington Post, January 29, 1989, at A12, col. 1.

¹¹ Washington Post, January 31, 1989 at A3, col. 4.

¹² Id., col. 1.

¹³ Anchorage Daily News, January 28, 1989, at A8, col. 3.

tires freeze into blocks, and exhaust fumes from engines crystallize into tiny particles.¹⁴

During the crisis, telecommunications served a vital and life saving role. Governor Cowper set up a 24 hour-a-day toll free number to the state emergency services agency for citizens in distress.¹⁵ State officials also relied on telecommunications to keep track of isolated villages in case emergency fuel or food supplies needed to be delivered by special aircraft.¹⁶

The cold weather forced the temporary closure of the oil export facility at Valdez and resulted in a 65 percent reduction in the flow of oil through the trans-Alaska oil pipeline.¹⁷ The one day closure of the Valdez facility cost the State treasury \$3.08 million in lost oil taxes and royalties.¹⁸

Transportation (Section D)

The vastness of the State is difficult to comprehend. Alaska is larger than 21 states combined, and is two and one-half times larger than the next largest state.¹⁹ The State stretches approximately 2,400 miles from east to west and approximately 1,420 miles from north to south.²⁰ If superimposed over the

¹⁴ Anchorage Daily News, January 29, 1989, at D1, col. 2.

¹⁵ Anchorage Daily News, January 28, 1989, at B2.

¹⁶ See AP News Summary, February 1, 1989.

¹⁷ AP News Summary, January 31, 1989.

¹⁸ Id.

¹⁹ See 1986 Alaska Data Response, Section B, p. 1.

²⁰ State of Alaska, Department of Education, Division of State Libraries, Alaska Blue Book 1987, pp. 326-27 (1987).

continental United States, Alaska would stretch from coast-to-coast and from Canada to Mexico.



Despite this vast size, Alaska transportation remains limited. Most communities, including Juneau, cannot be reached by road. In 1987, there were only 12,081 miles in the State's highway system,²¹ less than one-sixth the number of miles of paved road in Los Angeles County alone.

Moreover, maintenance of existing roads has suffered due to decreased funding resulting from the downturn in oil revenues. The State's road maintenance budget fell 27 percent in fiscal year 1987, compared to fiscal year 1984.²² While expected to increase in fiscal year 1989, funding is still estimated at 20 percent

²¹ Letter from R.B. Lind, Director, Alaska Department of Transportation, Division of Plans, Programs and Budget, to S. Moreno, U.S. Department of Transportation (June 14, 1988).

²² C. Kleeschultz, Alaska Transportation Recap 1988, Alaska Public Affairs Journal, Vol. 4, No. 3, p. 19 (Fall 1989).

below needed levels.²³ It is estimated that \$976 million worth of upgrading is needed just for interstate highways.²⁴ Funding for improving Alaska's road system, however, will have to compete with other budget priorities. Alaskans must still rely on other means of transportation (such as air, rail or water) that are expensive or frequently unavailable (due to weather). Telecommunications, therefore, must often take the place of transportation.

Education (Section E)

Historically, education levels in the State have been low for many groups. The State has been committed to redressing this situation and to providing education in a manner that does not force children to live away from home. The diversity of the Alaskan population also makes education an important and expensive undertaking.

For these and other reasons, Alaska leads the nation in the per capita expenditure for public elementary and secondary education, spending about double the U.S. average. During the 1986-87 school year, Alaska spent more than \$6,000 on each student enrolled in the 32 incorporated districts and more than \$11,000 per pupil in the 23 Regional Education Attendance Areas.²⁵ The

23 Id.

24 Id.

25 State of Alaska, Department of Education, Facts & Figures About Education in Alaska 1988, p. 15 (1988). Attachment 6. The U.S. average was less than \$4,000 per student in 1986-87 (\$156,000,000,000 divided by 39,712,000 pupils). See U.S. Department of Commerce, Bureau of the Census, Statistical Abstract of the United States ("Statistical Abstract"), Tables No. 189, 190, pp. 118-19 (1988).

higher per pupil cost in the Regional Education Attendance Area reflects the limited economies of scale and higher costs of delivering education in Alaska's more remote regions.²⁶

Alaska also continues to incur a drastically higher cost per resident for public primary and secondary education due to its relatively large school-age population, higher cost of delivering education services, and small overall population to absorb fixed costs.²⁷ During the 1986-87 school year, the cost for public primary and secondary education amounted to \$1,289 per resident,²⁸ about twice the national average.²⁹

Health and Safety (Section F)

Alaska's harsh climate and geography continue to present special health and safety challenges. Alaska continues to rank first in the nation in deaths from accidents. The accident mortality rate for white Alaskans is twice the U.S. average.³⁰

²⁶ See 1986 Alaska Data Response, Section E, pp. 7-8.

²⁷ Approximately 20.2 percent of the population were of elementary and secondary school age (5-17) compared to 18.8 percent nationwide. Alaska Blue Book 1987, p. 270. The number of identified migrant students alone increased 56 percent from the 1986-87 school year to the 1987-88 school year. Facts & Figures About Education in Alaska 1988, p. 13.

²⁸ Population Overview, Table 3.2; Facts & Figures About Education in Alaska 1988, p. 15. Attachments 2 and 6.

²⁹ The national average is approximately \$640 (\$156,000,000,000 divided by 243,915,000). See Population Overview, Table 3.1; Statistical Abstract, Table No. 190, p. 119.

³⁰ State of Alaska, Department of Health and Social Services, Alaska Vital Statistics 1985 Annual Report ("Vital Statistics"), p. 28 (1988).

Alaskan natives incur an accident mortality rate approximately five times the national average.³¹

Since 1983, Alaska's suicide rate has jumped 21.6 percent.³² In 1985, the suicide rate in Alaska was 21.9 per 100,000 people, almost 50 percent above the national average of 12.0.³³ While only 1.4 percent of all deaths nationwide were from suicide, 5.7 percent of all deaths in Alaska resulted from suicide.³⁴ Alaskan native males between the ages of 20 and 24 have a suicide rate 14 times the national average.³⁵

In light of such statistics, it is not surprising that health care expenditures in Alaska exceed the national average. In 1986 the per capita expenditure was \$2,700 per resident, 40 percent above the national average.³⁶ Telecommunications also continues to play a critical role in connecting Alaskans to medical assistance and public safety care.

³¹ Id.

³² Id. at p. 122. Attachment 7. See also 1986 Alaska Data Response, Section F, p. 5.

³³ Vital Statistics, p. 122. Attachment 7.

³⁴ Id.

³⁵ Alaska Federation of Natives, The AFN Report on the Status of Alaska Natives: A Call for Action ("AFN Report"), p. 9 (January 1989).

³⁶ State of Alaska, Governor's Interim Commission on Health Care, The Best of Care - The Challenge of Providing Health Care to Alaskans, p. 1 (September 1988).

Economic Environment (Section G)

Alaska's economy remains one of boom and bust. Today's economy is heavily dependent on oil and gas. For example, approximately 85 percent of the State's unrestricted general fund revenue is petroleum-based.³⁷ Oil prices have not rebounded significantly from their precipitous drop in the middle of this decade. Alaskan oil prices peaked in 1981, when Alaska North Slope oil delivered to the West Coast sold for \$31.43 per barrel. In 1987, that price had dropped to \$13.38 per barrel, a decrease of approximately 57 percent.³⁸

As a result, employment in the state has dropped significantly. Employment peaked in 1985 when, on the average, 225,075 Alaskans held jobs in the State each month. That figure dropped by almost 10 percent, to 208,841, in 1987.³⁹ Total wages paid fell by a slightly greater percentage, from approximately \$6,434 million in 1985 to approximately \$5,779 million in 1987.⁴⁰

Almost every sector of the economy has been negatively affected. The greatest downturn has been in the construction industry. From 1983 to 1987, employment in this industry was down over 50 percent and wages were down by almost 60 percent.⁴¹ The

³⁷ See Section H, infra.

³⁸ State of Alaska, Department of Commerce and Economic Development, Division of Business Development, Alaska Economy, Performance Report 1987 ("Alaska Economy 1987"), Table 14 (December 1988). Attachment 8.

³⁹ Id., Table 2. Attachment 9.

⁴⁰ Id.

⁴¹ Id., Tables 3 and 4. Attachments 10 & 11.

mining (including oil and gas), utilities (including transportation and communications), wholesale trade, retail trade, financial and real estate, and services sectors have each seen reductions in average employment in both 1986 and 1987, ranging from 3 to 15 percent.⁴² Wages paid in those industries have fallen by up to 20 percent.⁴³ Tourism and federal government employment, however, appear stable.

The downturn could have been much worse. In part, some of the consequences of falling oil prices have been restrained in the near term by the fact that the volume of Alaskan oil brought to market has increased significantly. Since 1981, oil production has increased by approximately 25 percent.⁴⁴ This trend of increasing extraction of a depletable resource cannot continue forever. In fact, the State anticipates oil production to fall in 1989.

Unemployment in Alaska continues at a rate significantly higher than the national average, notwithstanding net out-migration from Alaska's urbanized areas to other states. In November 1988, the most recent month for which data are available, the unemployment rate in Alaska was 9.0 percent, almost twice the national average of 5.2 percent.⁴⁵ Only one other State

⁴² Id., Table 3. Attachment 10.

⁴³ Id., Table 4. Attachment 11.

⁴⁴ Alaska Economy 1987, Table 15.

⁴⁵ U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics (February 1989). Attachment 12.

(Louisiana) had a higher unemployment rate.⁴⁶ Unemployment is particularly severe in rural western Alaska. In June 1988, when unemployment for Alaska as a whole was 8.7 percent, unemployment rates in western Alaska were computed at up to 16.6 percent.⁴⁷

These data likely understate unemployment in Alaska, particularly in rural areas, because they exclude anyone who has not sought employment during the relevant portion of the survey period. Most economists believe that Alaska's rural locations have proportionally more of these discouraged workers.⁴⁸ One study, for example, shows that 58 percent of the potential native Alaskan work force in western Alaska have been forced to stop seeking work because no jobs are available in the villages where they live and they lack the education and skills to compete for jobs elsewhere.⁴⁹

Per capita income in Alaska is also down. From 1985 to 1987, per capita income in Alaska decreased by approximately 3 percent, from \$18,726 to \$18,230.⁵⁰ Per capita income decreased in that period only in one other state (Wyoming), where it declined by

46 Id.

47 AFN Report, Figure 10. Attachment 13.

48 State of Alaska, Department of Labor, Alaska Economic Trends, p. 21 (December 1988).

49 AFN Report, p. 31.

50 U.S. Department of Commerce, Bureau of Economic Analysis, Regional Differences in Per Capita Income, Table 2. Attachment 1.

approximately 1 percent.⁵¹ By comparison, per capita income nationwide increased by about 11 percent in those two years.⁵²

In 1985, Alaska had the highest per capita income of any state in the nation, about 32 percent higher than the national average.⁵³ In 1987, per capita income was higher in three other states and the District of Columbia.⁵⁴ Per capita income in Alaska was only 18 percent greater than the national average in 1987.⁵⁵

Although incomes in Alaska have been declining, there has been no change in Alaska's status as a most expensive place to live. The higher cost of living in Alaska continues to more than offset higher per capita income. Quarterly surveys of the American Chamber of Commerce Researchers Association ("ACCRA") continue to show that the cost of living in urbanized locations in Alaska is approximately 30 percent greater than in the nation as a whole.⁵⁶ Of the 263 urban areas listed by ACCRA in its Third Quarter 1988 survey, Juneau is the third most expensive in which to live (after Boston and San Francisco) and Fairbanks is the

51 Id.

52 Id.

53 See Supplemental Order at n.18.

54 U.S. Department of Commerce, Bureau of Economic Analysis, Regional Differences in Per Capita Income, Tables 2 & 3. Attachment 1.

55 Id.

56 American Chamber of Commerce Researchers Association, Cost of Living Index (Third Quarter, 1988). Attachment 14.

fifth most expensive.⁵⁷ For such essentials as groceries and health care, these Alaskan locations are by far the most expensive in the nation.⁵⁸

As expensive as they are, these larger communities continue to be among Alaska's least expensive places to live. The State has not updated the 1985 Alaska Geographic Differential Study, which compared the cost of living in different parts of the State. There is, however, no question that its findings remain valid. For example, more recent data compiled by the U.S. Department of Agriculture and the University of Alaska indicate that the cost of food at home for a week for a family of four with elementary school children is 70 to 75 percent greater in Nome than in Alaska's largest communities.⁵⁹ Similar cost differentials exist for other goods and services, including electricity and heating oil.⁶⁰

Rural locations in Alaska continue to be not only among the most expensive places in the United States to live, but also among the poorest. Per capita personal income in 11 of Alaska's 23

57 Id. Neither New York City nor Anchorage is listed in this survey, the most recent one completed by ACCRA. The ACCRA index is designed to reflect geographic differences in a "mid-management" standard of living. Id., at p. i. It, therefore, places great weight on home ownership costs. Id. Excluding that category, Juneau and Fairbanks are the most expensive cities in the nation for which data are reported.

58 Id.

59 Alaska Blue Book 1987, p. 279.

60 AFN Report, pp. 34-35.

census areas was below the national average in 1986.⁶¹ In rural western Alaska, per capita income in 1986 was only 65 percent of national levels.⁶² In the Wade-Hampton section of western Alaska, per capita income was 59 percent of the national average. Income levels were only slightly higher in Bethel (76 percent) and Yukon (81 percent).⁶³ According to the Alaska Geographic Differential Study, the cost of living in these areas is between 26 and 39 percent greater than the cost of living in Anchorage. Given that the cost of living in Anchorage and other urbanized areas of Alaska is approximately 30 to 40 percent greater than the national average, and the cost of living in these locations is 26 to 39 percent greater than Anchorage, actual purchasing power (or per capita income adjusted for cost of living) in these rural locations is only about a third of the national average.⁶⁴

State of Alaska Revenues and Expenditures (Section H)

The State's revenues have dropped almost as precipitously as the price of oil. The State's total unrestricted general fund⁶⁵

⁶¹ U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System. Attachment 15.

⁶² AFN Report, p. 34.

⁶³ U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System. Attachment 15.

⁶⁴ In Wade-Hampton, for example, the cost of living is approximately 76 percent greater than the national average ($1.4 \times 1.26 = 1.76$). Because per capita income is only 59 percent of the national average, average purchasing power is about one-third of that of the average American ($.59/1.76 = 0.33$).

⁶⁵ As explained in the 1986 Alaska Data Response, unrestricted general fund revenues form the vast majority of the State's income and include virtually all state tax revenues.

[Footnote continued on next page]

receipts peaked in fiscal year 1982 at \$4,108.4 million.⁶⁶ In fiscal year 1987, unrestricted general fund receipts fell to \$1,799.4 million, a reduction of 56 percent.⁶⁷ Unrestricted general fund receipts amounted to \$2,306 million in fiscal year 1988,⁶⁸ but are expected to decline in fiscal years 1989 and 1990 and beyond.⁶⁹

State revenues continue to be petroleum related. In fiscal year 1988, approximately 85 percent of unrestricted general fund revenues were petroleum based.⁷⁰

The unprecedented drop in revenues has forced the State to make unprecedented expenditure cuts as well. Most of these cuts occurred in fiscal years 1986 and 1987. The State has recently summarized its just completed fiscal year as follows:

FY 1988 was not as traumatic as FY 87, which saw almost 1000 positions in state government eliminated or unfilled as a result of the sharp decline in oil revenues and the steep decline of the state's economy. The reduction of almost 2 billion general fund dollars from the state appropriations level of FY 85 to the levels of FY 87 and FY 88 created dramatic dislocation in the state economy and has severely strained the

[Footnote continued from previous page]

Restricted general fund revenues come mostly from the federal government and may be used only for specific programs. Special fund revenues are received into statutorily created funds and mostly consist of loan programs and the Alaska Permanent Fund. See 1986 Alaska Data Response, Section H, p. 4.

66 Alaska Economy 1987, Table 30. Attachment 16.

67 Id.

68 Id.

69 Id. at p. 36.

70 Id., Table 30. Attachment 16.

resources of local governments across the state. Both the Governor and a majority of the Legislators agreed on a spending plan for FY 89 that is comparable to the last two years in order to avoid further shocks to the Alaskan economy.⁷¹

If the State's projection of declining revenues in the future proves accurate, further expenditure cuts will be necessary. These cuts would be felt not only by those who receive state services, but also those who receive services provided by municipalities, because state revenues distributed through revenue sharing are an important source of funds for Alaskan municipalities.⁷²

The State of Alaska as Provider and Consumer
of Telecommunications Services (Section I)

Telecommunications continues to be of great importance in the State, as the use of telecommunications networks in the recent cold weather emergency demonstrates.⁷³ The significant expenditure reductions mandated by the State's budget crises, however, have had an impact on the State's ability to provide telecommunications services to the public.

⁷¹ State of Alaska, Office of the Governor, Division of Policy, Performance Report, Fiscal Year 1988, p. 8 (December 1988).

⁷² Alaska Economy 1987, p. 37.

⁷³ See Section C, supra.

The Learn/Alaska Network had to be consolidated with the Rural Alaska Television Network at the end of fiscal year 1986. Learn/Alaska had been used to provide instructional and educational television programming to approximately 240 Alaska communities through satellite-fed low power television transmitters, on an almost 24 hour per day basis. Learn/Alaska Network programming is now provided 2 to 5 hours per day, mostly on a recorded basis.

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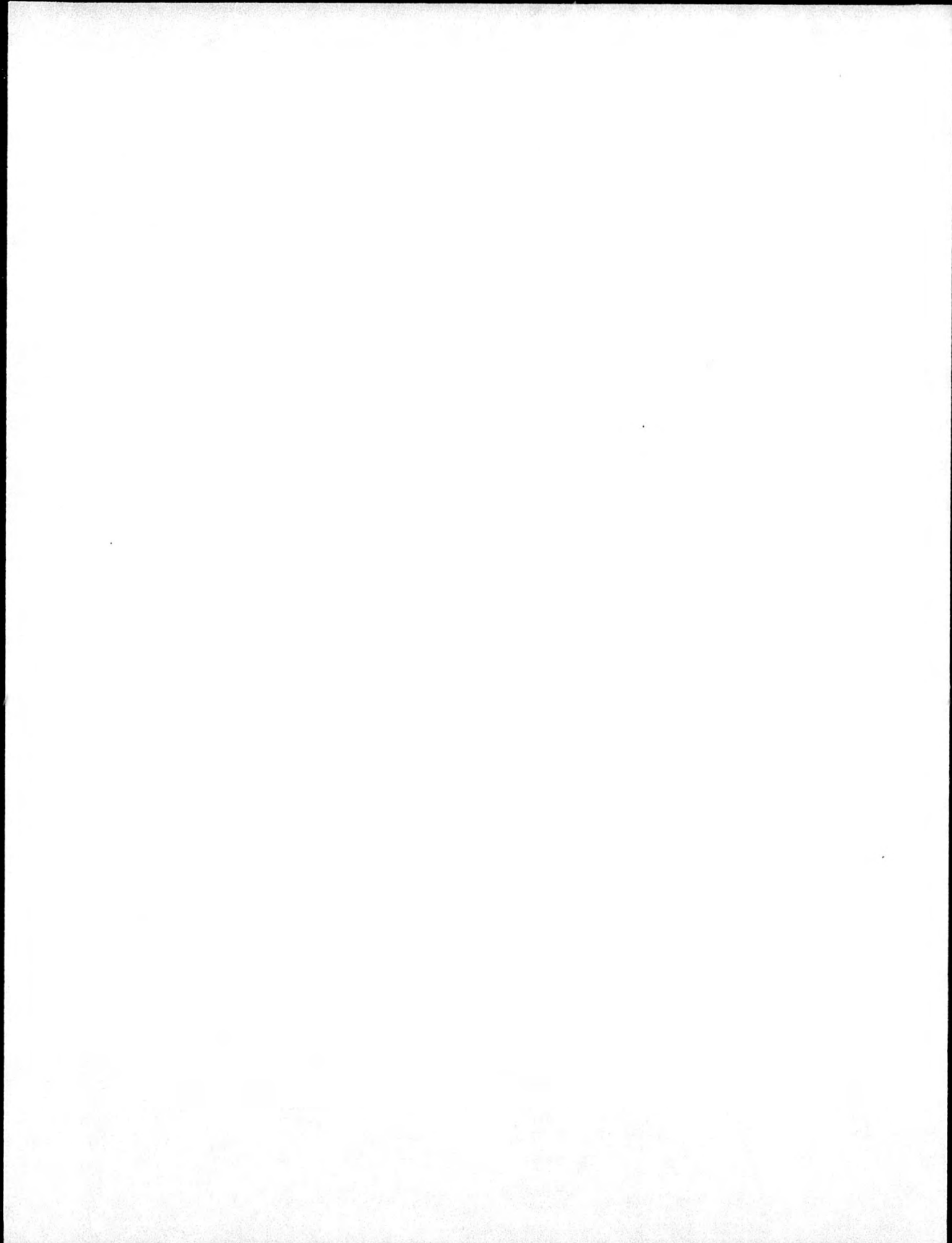
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February 27, 1989



List of Attachments

- Attachment 1 U.S. Department of Commerce, Regional Difference in Per Capita Personal Income Continued to Widen in 1987 (August 18, 1988).
- Attachment 2 State of Alaska, Department of Labor, Alaska Population Overview, draft copy of 1986 and Provisional 1987 Estimates ("Population Overview"), Table 3.2.
- Attachment 3 Population Overview, Table 5.2.
- Attachment 4 Map of the State of Alaska.
- Attachment 5 U.S. Department of Commerce, Bureau of the Census, Statistical Abstract of the United States, Tables No. 189 & 190 (1988).
- Attachment 6 State of Alaska, Department of Education, Facts & Figures About Education in Alaska, 1988, p. 15 (1988).
- Attachment 7 State of Alaska, Department of Health and Social Services, Alaska Vital Statistics 1985 Annual Report ("Vital Statistics"), p. 122 (1988).
- Attachment 8 State of Alaska, Department of Commerce and Economic Development, Division of Business Development, draft copy of Alaska Economy, Performance Report 1987 ("Alaska Economy 1987"), Table 14.
- Attachment 9 Alaska Economy 1987, Table 2.
- Attachment 10 Alaska Economy 1987, Table 3.
- Attachment 11 Alaska Economy 1987, Table 4.
- Attachment 12 U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics (February 1989).
- Attachment 13 Alaska Federation of Natives, the AFN Report on the Status of Natives, A Call for Action, Figure 10 (January 1989).
- Attachment 14 American Chamber of Commerce Researchers Association, Cost of Living Index (Third Quarter, 1988).
- Attachment 15 U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, Per Capita Personal Income, for Countries and Metropolitan Areas (April 1988).
- Attachment 16 Alaska Economy 1987, Table 30.

UNITED STATES DEPARTMENT OF **COMMERCE** **NEWS**

WASHINGTON, D.C. 20230

Attachment 1

BUREAU OF
ECONOMIC ANALYSIS

FOR WIRE TRANSMISSION: 9:00 A.M. EDT, THURSDAY, AUGUST 18, 1988

Rudolph E. DePass: (202) 523-0955 (Analysis)
Kathy Albetski: 523-0966 (Estimates)

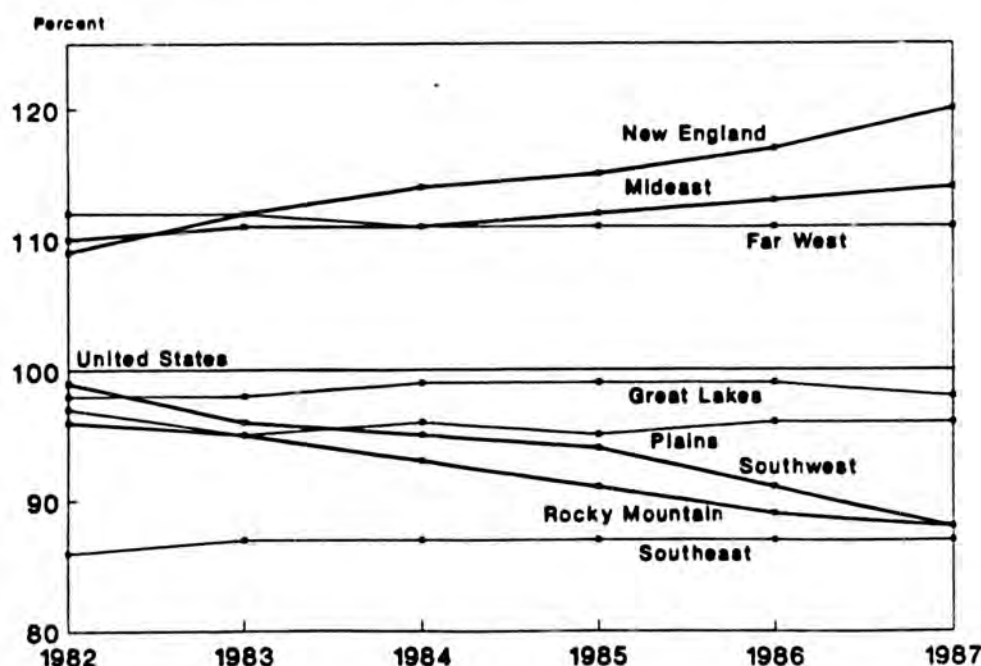
BEA 88-37

REGIONAL DIFFERENCES IN PER CAPITA PERSONAL INCOME CONTINUED TO WIDEN IN 1987

Regional differences in per capita personal income widened in 1987, continuing the pattern of the current economic expansion, according to the Commerce Department's Bureau of Economic Analysis. In contrast, in the four other expansions since 1960, regional differences in per capita income had narrowed.

In the New England and Mideast regions, per capita income in 1987 was further above the U.S. average, in percentage terms, than it was in 1982. In the Southwest and Rocky Mountain regions, per capita income was further below the U.S. average in 1987 than in 1982. As a percent of the U.S. average, per capita income changed little in the above-average Far West region, in the below-average Southeast region, and in the Great Lakes and Plains regions, where per capita income was somewhat below the U.S. average.

Per Capita Personal Income as a Percent of the U.S. Average, 1982-87, BEA Regions



For data see table A.

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The widening of the difference between the national average and New England and the Mideast reflected rapid expansion in service and construction industry payrolls combined with below-average population growth. The widening for the Southwest and Rocky Mountain regions reflected weakness in oil and gas exploration and related activities combined with population growth equal to or above the U.S. average.

Per capita personal income for a region can change relative to the U.S. average because its total personal income, its population, or both, grow at a faster or slower rate than the U.S. average. In the Far West region, for example, a below-average gain in per capita personal income — 6.0 percent in the region compared with the U.S. average of 6.2 percent — reflected rapid growth in population — 2.0 percent compared with the U.S. average of 1.0 percent — that more than offset rapid growth in total personal income — 8.1 percent compared with the U.S. average of 7.2 percent.

	Per capita personal income as a percent of the U.S. average			Per capita personal income	Total personal income	Population
	1982	1987				
	(percent)	(rank in 1987)		(average annual percent change, 1982-87)		
United States.....	100	100	-	6.2	7.2	1.0
New England.....	109	120	1	8.1	8.8	.6
Mideast.....	110	114	2	7.0	7.4	.4
Far West.....	112	111	3	6.0	8.1	2.0
Great Lakes.....	98	98	4	6.1	6.3	.1
Plains.....	97	96	5	5.9	6.2	.3
Southwest.....	99	88	6	3.8	5.6	1.8
Rocky Mountain....	96	88	7	4.2	5.2	1.0
Southeast.....	86	87	8	6.4	7.8	1.3

Regions with above-average per capita income

In the New England and Mideast regions, rapid growth in total personal income and slow growth in population led to above-average gains in per capita income. Large increases in payrolls in private service-type industries and construction boosted personal income growth. Population growth was dampened by relatively high housing costs, which discouraged workers from migrating to these regions despite increased job opportunities.

In the Far West region, the rapid population growth already noted led to a gain in per capita income slightly below the U.S. average.

Regions with below-average per capita income

In the Great Lakes and Plains regions, slow growth in total personal income nearly offset slow population growth, resulting in gains in per capita income only slightly below the U.S. average. Weakness in private service-type industries and construction, reflecting in part the slow growth in population, held down personal income growth.

In the Southwest and Rocky Mountain regions, slow growth in total personal income and average or above-average growth in population contributed to below-average gains in per capita income. Weakness in oil and gas exploration and related activities, such as construction and financial services, dampened personal income growth. From 1982 to 1986, population migration to the Southwest was substantial despite reduced job opportunities in energy-related industries. Migration slowed considerably in 1987 following the sharp drop in oil prices in 1986.

The Southeast was the only region with below-average per capita income in which per capita income grew faster than in the nation. Above-average gains in per capita income in the states along the Atlantic Coast, plus Tennessee and Alabama, more than offset below-average gains in the other states; the net result was a gain in regional per capita income slightly above the U.S. average. In each of the Atlantic Coast states, rapid growth in total personal income accounted for above-average gains in per capita income, despite rapid growth in population. In the states with below-average gains in per capita income, slow growth in total personal income was the restraining factor; population also grew slowly.

State per capita income

A similar picture of a widening of differences in per capita personal income from 1982 to 1987 emerges if the focus is on states instead of regions. In 8 of the 10 states with the highest per capita income in 1987, per capita income as a percent of the U.S. average was higher in 1987 than in 1982. All 8 states are on the Atlantic Coast.

Rank 1987	-----Dollars-----		Percent of U.S. average	
	1982	1987	1982	1987
1 Connecticut....	14,640	21,266	126	137
2 New Jersey.....	13,966	20,352	122	131
3 Massachusetts..	12,751	19,142	111	124
4 Alaska.....	17,360	18,230	151	118
5 Maryland.....	12,736	18,124	111	117
6 New York.....	12,703	18,004	111	116
7 California.....	13,235	17,821	115	115
8 New Hampshire..	11,591	17,529	101	113
9 Delaware.....	12,000	16,696	105	108
10 Virginia.....	11,631	16,517	101	107

Conversely, in 8 of the 10 states with the lowest per capita income in 1987, per capita income as a percent of the U.S. average was lower in 1987 than in 1982.

Rank 1987	-----Dollars-----		Percent of U.S. average	
	1982	1987	1982	1987
41 Kentucky.....	9,277	12,059	81	78
42 South Carolina..	8,710	12,004	76	78
43 Alabama.....	8,837	11,940	77	77
44 New Mexico.....	9,506	11,875	83	77
45 Idaho.....	9,284	11,868	81	77
46 Arkansas.....	8,604	11,507	75	74
47 Louisiana.....	10,234	11,473	89	74
48 Utah.....	9,041	11,366	79	73
49 West Virginia...	9,007	11,020	78	71
50 Mississippi.....	8,006	10,292	70	66

The state estimates released today reflect the revisions in the national income and product accounts that are usually made each July, mainly to incorporate new source data; estimates from 1985 through 1987 were revised. For personal income, the major revision was an upward one for wage and salary disbursements.

Definitions

Personal income is the income received by persons from all sources, that is, from participation in production, from government and business transfer payments, and from government interest. Personal income is the sum of private and government wage and salary disbursements, other labor income, farm and nonfarm proprietors' income, rental income of persons, personal dividend income, personal interest income, and transfer payments, less personal contributions for social insurance. Personal income is measured before the deduction of personal income taxes and other personal taxes and is reported in current dollars (no adjustment is made for price changes).

Per capita personal income is the annual total personal income of residents divided by resident population as of July 1.

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Additional data on total and per capita personal income for regions and states will appear in the August issue of the Survey of Current Business, a monthly journal of the Bureau of Economic Analysis. The Survey of Current Business is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. First class mail: annual subscription \$46.00 domestic. Second class mail: annual subscription \$18.00 domestic, \$22.50 foreign; single issue \$6.50 domestic, \$8.13 foreign.

Revised estimates of total and per capita personal income for regions and states for 1929-68, reflecting the 1985 comprehensive revision of the national income and product accounts, are now available in summary and detailed tabulations from the Regional Economic Information System, BE-55, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, D.C. 20230.

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Next release date — October 18, at 9:00 A.M. EDT, for:
State Personal Income: Second Quarter 1988

Table A. — Per Capita Personal Income as a Percent of the U.S. Average,
1982-87, BEA Regions

	1982	1983	1984	1985	1986	1987
New England.....	109	112	114	115	117	120
Mideast.....	110	111	111	112	113	114
Far West.....	112	112	111	111	111	111
Great Lakes.....	98	98	99	99	99	98
Plains.....	97	95	96	95	96	96
Southwest.....	99	96	95	94	91	88
Rocky Mountain.....	96	95	93	91	89	88
Southeast.....	86	87	87	87	87	87

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis.

TABLE 1 -- PER CAPITA PERSONAL INCOME, BY STATE AND REGION, 1987

	DOLLARS	PERCENT OF NATIONAL AVERAGE	DOLLAR DIFFERENCE FROM NATIONAL AVERAGE	RANK IN U.S.	AV. ANNUAL PERCENT CHANGE 1982-87
UNITED STATES	15,481	100	0	-	6.2
NEW ENGLAND					
CONNECTICUT	21,266	137	5,785	1	8.0
MASSACHUSETTS	19,142	124	3,661	3	8.5
NEW HAMPSHIRE	17,529	113	2,048	8	8.6
RHODE ISLAND	15,555	100	74	18	6.9
VERMONT	14,302	92	-1,179	27	7.2
MAINE	13,954	90	-1,527	31	7.8
MIDEAST					
NEW JERSEY	20,352	131	4,871	2	7.8
DISTRICT OF COLUMBIA	20,657	132	4,976	-	6.8
MARYLAND	18,124	117	2,643	5	7.3
NEW YORK	18,004	116	2,523	6	7.2
DELAWARE	16,696	108	1,215	9	6.8
PENNSYLVANIA	15,212	98	-269	20	5.9
GREAT LAKES					
ILLINOIS	16,442	106	961	11	5.9
MICHIGAN	15,393	99	-88	19	6.8
WISCONSIN	14,742	95	-739	22	5.9
OHIO	14,612	94	-869	24	6.0
INDIANA	13,914	90	-1,567	32	6.2
PLAINS					
MINNESOTA	15,927	103	446	13	6.6
KANSAS	15,126	98	-355	21	5.1
MISSOURI	14,687	95	-794	23	6.2
NEBRASKA	14,328	93	-1,153	25	5.3
IOWA	14,236	92	-1,245	29	5.6
NORTH DAKOTA	13,004	84	-2,477	35	4.3
SOUTH DAKOTA	12,550	81	-2,931	39	5.8
SOUTHEAST					
VIRGINIA	16,517	107	1,036	10	7.3
FLORIDA	15,584	101	103	17	6.6
GEORGIA	14,300	92	-1,181	28	7.7
NORTH CAROLINA	13,314	86	-2,167	34	7.5
TENNESSEE	12,880	83	-2,601	36	6.9
KENTUCKY	12,059	78	-3,422	41	5.4
SOUTH CAROLINA	12,004	78	-3,477	42	6.6
ALABAMA	11,940	77	-3,541	43	6.2
ARKANSAS	11,507	74	-3,974	46	6.0
LOUISIANA	11,473	74	-4,008	47	2.3
WEST VIRGINIA	11,020	71	-4,461	49	4.1
MISSISSIPPI	10,292	66	-5,189	50	5.2
SOUTHWEST					
ARIZONA	14,315	92	-1,166	26	6.8
TEXAS	13,866	90	-1,615	33	3.5
OKLAHOMA	12,551	81	-2,930	38	2.0
NEW MEXICO	11,875	77	-3,606	44	4.5
ROCKY MOUNTAIN					
COLORADO	15,584	101	103	16	4.3
WYOMING	12,709	82	-2,772	37	.8
MONTANA	12,347	80	-3,134	40	4.1
IDAHO	11,868	77	-3,613	45	5.0
UTAH	11,366	73	-4,115	48	4.7
FAR WEST					
CALIFORNIA	17,821	115	2,340	7	6.1
NEVADA	16,366	106	885	12	5.5
WASHINGTON	15,599	101	118	15	5.4
OREGON	14,041	91	-1,440	30	5.8
ALASKA	18,230	118	2,749	4	1.0
HAWAII	15,679	101	198	14	5.9
SEA REGIONS					
NEW ENGLAND	18,579	120	3,098	1	8.1
MIDEAST	17,678	114	2,197	2	7.0
FAR WEST	17,213	111	1,732	3	6.0
GREAT LAKES	15,212	98	-269	4	6.1
PLAINS	14,792	96	-689	5	5.9
SOUTHWEST	13,634	88	-1,847	6	3.8
ROCKY MOUNTAIN	13,546	88	-1,935	7	4.2
SOUTHEAST	13,497	87	-1,984	8	6.4

NOTE. -- STATES ARE LISTED IN EACH REGION BASED ON THEIR PER CAPITA PERSONAL INCOME IN 1987.
SOURCE: U.S. DEPARTMENT OF COMMERCE, BUREAU OF ECONOMIC ANALYSIS.

TABLE 2. -- PER CAPITA PERSONAL INCOME, BY STATE AND REGION, 1982-87

	DOLLARS				AVERAGE ANNUAL PERCENT CHANGE		
	1982	1985	1986	1987	1982-87	1985-86	1986-87
UNITED STATES	11,480	13,895	14,606	15,481	6.2	5.1	6.0
NEW ENGLAND							
CONNECTICUT	14,460	18,217	19,547	21,266	8.0	7.3	8.8
MAINE	9,568	11,876	12,846	13,954	7.1	8.2	8.6
MASSACHUSETTS	12,751	16,305	17,635	19,142	8.5	8.2	8.5
NEW HAMPSHIRE	11,591	15,373	16,396	17,529	8.6	6.7	6.9
RHODE ISLAND	11,168	13,763	14,589	15,555	6.9	6.0	6.6
VERMONT	10,122	12,383	13,320	14,302	7.2	7.6	7.4
MIDEAST							
DELAWARE	12,000	14,590	15,498	16,696	6.8	6.2	7.7
DISTRICT OF COLUMBIA ..	14,696	17,756	18,876	20,457	6.8	6.3	8.4
MARYLAND	12,736	15,980	16,934	18,124	7.3	6.0	7.0
NEW JERSEY	13,966	17,626	18,793	20,352	7.8	6.6	8.3
NEW YORK	12,703	15,786	16,821	18,004	7.2	6.6	7.0
PENNSYLVANIA	11,440	13,573	14,281	15,212	5.9	5.2	6.5
GREAT LAKES							
ILLINOIS	12,355	14,728	15,503	16,442	5.9	5.3	6.1
INDIANA	10,293	12,433	13,124	13,914	6.2	5.6	6.0
MICHIGAN	11,101	14,008	14,807	15,393	6.8	5.7	4.0
OHIO	10,927	13,219	13,857	14,612	6.0	4.8	5.4
WISCONSIN	11,073	13,174	13,923	14,742	5.9	5.7	5.9
PLAINS							
IOWA	10,857	12,570	13,335	14,236	5.6	6.1	6.8
KANSAS	11,811	13,826	14,503	15,126	5.1	4.9	4.3
MINNESOTA	11,549	14,149	14,995	15,927	6.6	6.0	6.2
MISSOURI	10,868	13,256	13,946	14,687	6.2	5.2	5.3
NEBRASKA	11,055	12,982	13,572	14,328	5.3	4.5	5.6
NORTH DAKOTA	10,520	11,921	12,440	13,004	4.3	4.4	4.5
SOUTH DAKOTA	9,489	11,017	11,803	12,550	5.8	7.1	6.3
SOUTHEAST							
ALABAMA	8,837	10,705	11,293	11,940	6.2	5.5	5.7
ARKANSAS	8,604	10,523	11,025	11,507	6.0	4.8	4.4
FLORIDA	11,313	13,921	14,622	15,584	6.6	5.0	6.6
GEORGIA	9,867	12,618	13,454	14,300	7.7	6.6	6.3
KENTUCKY	9,277	10,775	11,268	12,059	5.4	4.6	7.0
LOUISIANA	10,234	11,291	11,233	11,473	2.3	-5	2.1
MISSISSIPPI	8,006	9,239	9,663	10,292	5.2	4.6	6.5
NORTH CAROLINA	9,281	11,665	12,423	13,314	7.5	6.5	7.2
SOUTH CAROLINA	8,710	10,734	11,286	12,004	6.6	5.1	6.4
TENNESSEE	9,208	11,263	11,984	12,880	6.9	6.4	7.5
VIRGINIA	11,631	14,472	15,423	16,517	7.3	6.6	7.1
WEST VIRGINIA	9,007	10,099	10,587	11,020	4.1	4.8	4.1
SOUTHWEST							
ARIZONA	10,316	12,955	13,679	14,315	6.8	5.6	4.6
NEW MEXICO	9,506	11,203	11,459	11,875	4.5	2.3	3.6
OKLAHOMA	11,390	12,124	12,249	12,551	2.0	1.0	2.5
TEXAS	11,684	13,466	13,494	13,866	3.5	.2	2.8
ROCKY MOUNTAIN							
COLORADO	12,639	14,678	15,114	15,584	4.3	3.0	3.1
IDaho	9,284	10,823	11,172	11,868	5.0	3.2	6.2
MONTANA	10,084	11,021	11,726	12,347	4.1	6.4	5.3
UTAH	9,041	10,642	10,968	11,366	4.7	3.1	3.6
WYOMING	12,235	12,827	12,723	12,709	.8	-8	-1
FAR WEST							
CALIFORNIA	13,235	16,016	16,792	17,821	6.1	4.8	6.1
NEVADA	12,499	14,671	15,453	16,366	5.5	5.3	5.9
OREGON	10,581	12,628	13,239	14,041	5.8	4.8	6.1
WASHINGTON	12,018	14,060	14,866	15,599	5.4	5.7	4.9
ALASKA	17,360	18,726	18,378	18,230	1.0	-1.9	-8
HAWAII	11,760	13,867	14,683	15,679	5.9	5.9	6.8
SEA REGIONS							
NEW ENGLAND	12,569	15,944	17,158	18,579	8.1	7.6	8.3
MIDEAST	12,593	15,529	16,491	17,678	7.0	6.2	7.2
GREAT LAKES	11,292	13,700	14,432	15,212	6.1	5.3	5.4
PLAINS	11,108	13,269	13,998	14,792	5.9	5.5	5.7
SOUTHEAST	9,876	12,044	12,687	13,497	6.4	5.3	6.4
SOUTHWEST	11,339	13,081	13,231	13,634	3.8	1.1	3.0
ROCKY MOUNTAIN	11,028	12,673	13,070	13,546	4.2	3.1	3.6
FAR WEST	12,838	15,463	16,237	17,213	6.0	5.0	6.0

SOURCE: U.S. DEPARTMENT OF COMMERCE, BUREAU OF ECONOMIC ANALYSIS.

TABLE 3. -- TOTAL PERSONAL INCOME, BY STATE AND REGION, 1982-87

	MILLIONS OF DOLLARS				AVERAGE ANNUAL PERCENT CHANGE		
	1982	1985	1986	1987	1982-87	1985-86	1986-87
UNITED STATES	2,663,432	3,317,239	3,521,393	3,768,125	7.2	6.2	7.0
NEW ENGLAND							
CONNECTICUT	45,237	57,847	62,418	68,291	8.6	7.9	9.4
MAINE	10,902	13,834	15,056	16,558	8.7	8.8	10.0
MASSACHUSETTS	73,266	94,944	102,884	112,085	8.9	8.4	8.9
NEW HAMPSHIRE	10,990	15,349	16,845	18,529	11.0	9.8	10.0
RHODE ISLAND	10,643	13,305	14,219	15,337	7.6	6.9	7.9
VERMONT	5,267	6,626	7,207	7,840	8.3	8.8	8.8
MIDEAST							
DELAWARE	7,198	9,082	9,814	10,751	8.4	8.1	9.6
DISTRICT OF COLUMBIA ..	9,210	11,065	11,803	12,722	6.7	6.7	7.8
MARYLAND	54,411	70,175	75,550	82,190	8.6	7.7	8.8
NEW JERSEY	103,773	133,403	143,297	156,145	8.5	7.4	9.0
NEW YORK	223,261	280,397	299,324	320,930	5.5	6.8	7.2
PENNSYLVANIA	135,945	161,029	169,857	181,565	6.0	5.5	6.9
GREAT LAKES							
ILLINOIS	141,841	169,921	179,076	190,430	6.1	5.4	6.3
INDIANA	56,447	68,378	72,217	76,961	6.4	5.6	6.6
MICHIGAN	101,228	127,264	135,320	141,618	6.9	6.3	4.7
OHIO	117,766	142,033	146,929	157,580	6.0	4.9	5.8
WISCONSIN	52,562	62,906	66,590	70,862	6.2	5.9	6.4
PLAINS							
IOWA	31,569	36,208	37,999	40,348	5.0	4.9	6.2
KANSAS	28,459	33,855	35,667	37,450	5.6	5.4	5.0
MINNESOTA	47,734	59,289	63,173	67,624	7.2	6.6	7.0
MISSOURI	53,723	66,729	70,618	74,945	6.9	5.8	6.1
NEBRASKA	17,576	20,829	21,683	22,845	5.4	4.1	5.4
NORTH DAKOTA	7,070	8,163	8,441	8,738	4.3	3.4	3.5
SOUTH DAKOTA	6,590	7,801	8,351	8,900	6.2	7.1	6.6
SOUTHEAST							
ALABAMA	34,851	43,038	45,736	48,753	6.9	6.3	6.6
ARKANSAS	19,855	24,825	26,135	27,481	6.7	5.3	5.2
FLORIDA	118,530	158,315	170,994	187,365	9.6	8.0	9.6
GEORGIA	55,787	75,376	82,069	88,977	9.8	8.9	8.4
KENTUCKY	34,281	40,168	41,985	44,945	5.6	4.5	7.1
LOUISIANA	44,863	50,638	50,539	51,174	2.7	-2.2	1.3
MISSISSIPPI	20,551	24,143	25,361	27,013	5.6	5.0	6.5
NORTH CAROLINA	55,867	73,029	78,654	85,382	8.9	7.7	8.6
SOUTH CAROLINA	28,048	35,783	38,162	41,110	7.9	6.6	7.7
TENNESSEE	42,969	53,681	57,523	62,533	7.8	7.2	8.7
VIRGINIA	63,837	82,511	89,372	97,515	8.8	8.3	9.1
WEST VIRGINIA	17,671	19,553	20,296	20,907	3.4	3.8	3.0
SOUTHWEST							
ARIZONA	29,756	40,954	44,857	48,466	10.2	9.5	8.0
NEW MEXICO	13,012	16,248	16,944	17,812	6.5	4.3	5.1
OKLAHOMA	36,713	40,209	40,493	41,069	2.3	.7	1.4
TEXAS	179,673	220,694	225,203	232,783	5.3	2.0	3.4
ROCKY MOUNTAIN							
COLORADO	38,822	47,461	49,364	51,369	5.8	4.0	4.1
IDAHO	9,079	10,863	11,192	11,847	5.5	3.0	5.9
MONTANA	8,118	9,095	9,583	9,992	4.2	5.4	4.3
UTAH	14,091	17,496	18,253	19,095	6.3	4.3	4.6
WYOMING	6,246	6,536	6,455	6,231	0	-1.2	-3.5
FAR WEST							
CALIFORNIA	328,033	422,142	453,404	492,989	8.5	7.4	8.7
NEVADA	10,956	13,791	14,949	16,484	8.5	8.4	10.3
OREGON	28,263	33,955	35,778	38,245	6.2	5.4	6.9
WASHINGTON	51,420	61,953	66,343	70,795	6.6	7.1	6.7
ALASKA	7,739	9,777	9,780	9,576	4.3	0	-2.1
HAWAII	11,732	14,576	15,634	16,972	7.7	7.3	8.6
SEA REGIONS							
NEW ENGLAND	156,305	201,904	218,629	236,639	8.8	8.3	9.2
MIDEAST	533,797	665,151	709,645	764,303	7.4	6.7	7.7
GREAT LAKES	469,844	570,503	602,131	637,451	6.3	5.5	5.9
PLAINS	192,722	232,873	245,931	260,850	6.2	5.6	6.1
SOUTHEAST	537,110	681,058	726,825	783,155	7.8	6.7	7.8
SOUTHWEST	259,155	318,106	327,496	340,131	5.6	3.0	3.9
ROCKY MOUNTAIN	76,356	91,450	94,847	98,534	5.2	3.7	3.9
FAR WEST	418,672	531,841	570,474	618,513	8.1	7.3	8.4

SOURCE: U.S. DEPARTMENT OF COMMERCE, BUREAU OF ECONOMIC ANALYSIS.

TABLE 4. -- POPULATION, BY STATE AND REGION, 1982-87

	THOUSANDS OF PERSONS				AVERAGE ANNUAL PERCENT CHANGE		
	1982	1985	1986	1987	1982-87	1985-86	1986-87
UNITED STATES	231,996	238,736	241,096	243,400	1.0	1.0	1.0
NEW ENGLAND							
CONNECTICUT	3,128	3,175	3,193	3,211	.5	.6	.6
MAINE	1,139	1,165	1,172	1,187	.8	.6	1.2
MASSACHUSETTS	5,746	5,823	5,834	5,855	.4	.2	.4
NEW HAMPSHIRE	948	998	1,027	1,057	2.2	2.9	2.9
RHODE ISLAND	953	967	975	986	.7	.8	1.2
VERMONT	520	535	541	548	1.0	1.1	1.3
MIDEAST							
DELAWARE	600	622	633	644	1.4	1.7	1.7
DISTRICT OF COLUMBIA ..	627	623	625	622	-.2	.3	-.6
MARYLAND	4,272	4,391	4,461	4,535	1.2	1.6	1.6
NEW JERSEY	7,430	7,568	7,625	7,672	.6	.7	.6
NEW YORK	17,575	17,762	17,795	17,825	.3	.2	.2
PENNSYLVANIA	11,883	11,864	11,894	11,936	.1	.2	.4
GREAT LAKES							
ILLINOIS	11,481	11,538	11,551	11,582	.2	.1	.3
INDIANA	5,484	5,500	5,503	5,531	.2	.1	.5
MICHIGAN	9,118	9,085	9,139	9,200	.2	.6	.7
OHIO	10,777	10,745	10,748	10,784	0	0	.3
WISCONSIN	4,747	4,775	4,783	4,807	.3	.2	.5
PLAINS							
IOWA	2,908	2,880	2,850	2,834	-.5	-1.1	-.5
KANSAS	2,410	2,449	2,459	2,476	.5	.4	.7
MINNESOTA	4,133	4,190	4,213	4,246	.5	.5	.8
MISSOURI	4,943	5,034	5,064	5,103	.6	.6	.8
NEBRASKA	1,590	1,604	1,598	1,594	.1	-.4	-.2
NORTH DAKOTA	672	685	679	672	0	-.9	-1.0
SOUTH DAKOTA	695	708	708	709	.4	-.1	.2
SOUTHEAST							
ALABAMA	3,944	4,020	4,050	4,083	.7	.7	.8
ARKANSAS	2,308	2,359	2,371	2,388	.7	.5	.7
FLORIDA	10,475	11,373	11,694	12,023	2.8	2.8	2.8
GEORGIA	5,654	5,973	6,100	6,222	1.9	2.1	2.0
KENTUCKY	3,695	3,728	3,726	3,727	.2	-.1	0
LOUISIANA	4,383	4,485	4,499	4,461	.3	.3	-.9
MISSISSIPPI	2,567	2,613	2,624	2,625	.4	.4	0
NORTH CAROLINA	6,019	6,260	6,331	6,413	1.3	1.1	1.3
SOUTH CAROLINA	3,220	3,334	3,381	3,425	1.2	1.4	1.3
TENNESSEE	4,666	4,766	4,800	4,855	.8	.7	1.1
VIRGINIA	5,488	5,701	5,795	5,904	1.5	1.6	1.9
WEST VIRGINIA	1,962	1,936	1,917	1,897	-.7	-1.0	-1.0
SOUTHWEST							
ARIZONA	2,884	3,161	3,279	3,386	3.3	3.7	3.3
NEW MEXICO	1,369	1,450	1,479	1,500	1.8	1.9	1.4
OKLAHOMA	3,223	3,316	3,306	3,272	.3	-.3	-1.0
TEXAS	15,378	16,389	16,689	16,789	1.8	1.8	.6
ROCKY MOUNTAIN							
COLORADO	3,072	3,233	3,266	3,296	1.4	1.0	.9
IDaho	978	1,004	1,002	998	.4	-.2	-.4
MONTANA	805	825	817	809	.1	-1.0	-1.0
UTAH	1,559	1,644	1,664	1,680	1.5	1.2	.9
WYOMING	510	510	507	490	-.8	-.4	-3.4
FAR WEST							
CALIFORNIA	24,786	26,358	27,001	27,663	2.2	2.4	2.5
NEVADA	877	940	967	1,007	2.8	2.9	4.1
OREGON	2,671	2,689	2,702	2,724	.4	.5	.8
WASHINGTON	4,279	4,406	4,463	4,538	1.2	1.3	1.7
ALASKA	446	522	532	525	3.3	1.9	-1.3
HAWAII	998	1,051	1,065	1,083	1.6	1.3	1.7
SEA REGIONS							
NEW ENGLAND	12,435	12,663	12,742	12,844	.6	.6	.8
MIDEAST	42,388	42,832	43,033	43,234	.4	.5	.5
GREAT LAKES	41,607	41,642	41,722	41,904	.1	.2	.4
PLAINS	17,350	17,551	17,569	17,634	.3	.1	.4
SOUTHEAST	54,383	56,549	57,288	58,022	1.3	1.3	1.3
SOUTHWEST	22,854	24,317	24,753	24,946	1.8	1.8	.8
ROCKY MOUNTAIN	6,924	7,216	7,257	7,274	1.0	.6	.2
FAR WEST	32,612	34,393	35,133	35,933	2.0	2.2	2.3

SOURCE: U.S. DEPARTMENT OF COMMERCE, BUREAU OF THE CENSUS.

Attachment 2

Table 3.2 Characteristics Of Boroughs And Census Areas And Components Of Change By Region, 1970-85.

Census Area	End Population	Population Change	July 1 To July 1						Average Annual Rate Of Change	Percent Of State Population End Date	Persons Per Square Mile End Date
			Births	Rate Per 1000	Deaths	Rate Per 1000	Natural Increase	Net Migrants			
THE UNITED STATES OF AMERICA #											
Land Area 3,618,770 Sq. Mi.											Alaska as % of U.S. Population
April 1, 1970	204,401,000										
April 1, 1970-80	227,061,000	22,660,000	33,288,000	16.3	19,295,000	9.4	13,993,000	4,074,000	1.05	0.18	62.75
July 1, 1980-81	230,138,000	2,381,000	3,619,000	15.9	1,998,000	8.8	1,621,000	757,000	1.04	0.19	63.60
July 1, 1981-82	232,520,000	2,382,000	3,666,000	15.9	1,969,000	8.6	1,697,000	683,000	1.03	0.20	64.25
July 1, 1982-83	234,799,000	2,279,000	3,681,000	15.8	1,999,000	8.6	1,682,000	567,000	0.98	0.21	64.38
July 1, 1983-84	237,001,000	2,202,000	3,614,000	15.4	2,034,000	8.7	1,580,000	621,000	0.93	0.22	65.49
July 1, 1984-85	239,279,000	2,278,000	3,731,000	15.7	2,069,000	8.7	1,662,000	613,000	0.96	0.23	66.12
July 1, 1985-86	241,613,000	2,334,000	3,765,000	15.7	2,103,000	8.8	1,662,000	673,000	0.97	0.23	66.77
July 1, 1986-87	243,915,000	2,302,000	3,767,000	15.6	2,103,000	8.7	1,664,000	639,000	0.95	0.22	67.40
July 1, 1980-87	243,915,000	16,158,000	25,843,000		14,275,000		11,568,000	4,553,000	0.98		
The State Of Alaska											
Land Area 570,333 Sq. Mi.											
April 1, 1970	302,583									100.00	0.53
April 1, 1970-80	401,851	99,268	77,760	25.7	15,390	5.1	62,370	36,898	2.82	100.00	0.70
July 1, 1980-81	433,900	14,000	9,908	24.7	1,700	4.2	8,208	5,792	3.28	100.00	0.76
July 1, 1981-82	463,400	31,400	10,781	24.9	1,755	4.0	9,026	22,374	6.60	100.00	0.81
July 1, 1982-83	497,600	32,400	11,726	25.3	1,850	4.0	9,876	22,524	7.12	100.00	0.87
July 1, 1983-84	522,000	24,400	12,308	24.7	1,938	3.9	10,370	14,030	4.79	100.00	0.91
July 1, 1984-85	541,300	17,600	12,719	24.4	2,032	3.9	10,687	6,913	3.63	100.00	0.95
July 1, 1985-86	547,600	6,300	12,555	23.2	2,107	3.9	10,448	-4,148	1.16	100.00	0.96
July 1, 1986-87	537,300	-9,800	11,923	21.8	2,086	3.8	9,837	-19,637	-1.81	100.00	0.94
July 1, 1980-87	537,800	90,000	81,920		13,468		68,452	71,633	3.52		
ANCHORAGE/ MATANUSKA-SUSITNA REGION											
LAND AREA 26,234 SQ. MI.											
April 1, 1970	132,894									43.92	5.07
April 1, 1970-80	192,247	59,353	36,138	27.2	5,931	4.4	30,307	29,046	3.65	47.84	7.33
July 1, 1980-81	209,796	8,514	4,528	23.6	680	3.5	3,848	4,566	4.14	48.36	8.00
July 1, 1981-82	224,732	14,936	4,983	23.8	686	3.3	4,297	10,639	6.87	48.50	8.57
July 1, 1982-83	245,115	20,383	5,519	24.6	736	3.3	4,783	15,600	8.68	49.26	9.24
July 1, 1983-84	260,376	15,261	5,940	24.2	809	3.3	5,131	10,130	6.04	49.93	9.93
July 1, 1984-85	273,052	12,676	6,239	24.0	847	3.3	5,392	7,284	4.75	50.14	10.11
July 1, 1985-86	275,781	2,729	6,125	22.4	878	3.2	5,247	-2,518	0.99	50.36	10.51
July 1, 1986-87	268,519	-7,262	5,717	20.7	874	3.2	4,843	-12,105	-2.67	49.93	10.24
July 1, 1980-87	268,519	50,209	39,051		5,510		33,541	48,319	4.09		

Table 3.2 Characteristics Of Boroughs And Census Areas And Components Of Change By Region, 1970-85.

Census Area	End Population	Population Change	July 1 To July 1						Average Annual Rate Of Change	Percent Of State Population End Date	Persons Per Square Mile End Date
			Births	Rate Per 1000	Deaths	Rate Per 1000	Natural Increase	Net Migrants			
ANCHORAGE BOROUGH											
Land Area 1,732 Sq. Mi.											
April 1, 1970	126,385									41.77	72.97
April 1, 1970-80	174,431	48,046	33,915	26.8	5,220	4.1	28,695	19,351	3.19	43.41	100.71
July 1, 1980-81	190,274	8,042	4,109	23.6	590	3.4	3,519	4,523	4.32	43.86	109.86
July 1, 1981-82	202,172	11,898	4,462	23.5	591	3.1	3,871	8,027	6.06	43.63	116.73
July 1, 1982-83	217,591	15,419	4,864	24.1	632	3.1	4,232	11,187	7.35	43.73	125.63
July 1, 1983-84	227,214	9,623	5,132	23.6	691	3.2	4,441	5,182	4.33	43.53	131.19
July 1, 1984-85	235,757	8,543	5,313	23.4	732	3.2	4,581	3,962	3.69	43.55	136.12
July 1, 1985-86	236,934	1,177	5,221	22.1	746	3.2	4,475	-3,298	0.50	43.27	136.80
July 1, 1986-87	231,492	-5,442	4,903	20.7	733	3.1	4,170	-9,612	-2.32	43.04	133.66
July 1, 1980-87	231,492	33,176	34,004		4,715		29,289	32,881	3.40		
MATANUSKA-SUSITNA BOROUGH											
Land Area 24,502 Sq. Mi.											
April 1, 1970	6,509									2.15	0.27
April 1, 1970-80	17,816	11,307	2,223	34.2	611	9.4	1,612	9,695	9.30	4.43	0.73
July 1, 1980-81	19,522	1,712	419	23.5	90	5.1	329	143	2.45	4.50	0.80
July 1, 1981-82	22,560	3,038	521	26.7	95	4.9	426	2,612	14.44	4.87	0.92
July 1, 1982-83	27,524	4,964	655	29.0	104	4.6	551	4,413	19.82	5.53	1.12
July 1, 1983-84	33,162	5,638	808	29.4	118	4.3	690	4,948	18.58	6.35	1.35
July 1, 1984-85	37,295	4,133	926	27.9	115	3.5	811	3,322	11.73	6.89	1.52
July 1, 1985-86	38,847	1,552	904	24.2	132	3.5	772	780	4.08	7.09	1.59
July 1, 1986-87	37,027	-1,820	814	21.0	141	3.6	673	-2,493	-4.80	6.88	1.51
July 1, 1980-87	37,027	17,033	5,047		795		4,252	16,218	9.16		
GULF COAST REGION											
Land Area 60,031 Sq. Mi.											
April 1, 1970	30,972									10.24	0.52
April 1, 1970-80	43,569	12,597	7,761	25.1	1,797	5.8	5,964	6,633	3.38	10.84	0.73
July 1, 1980-81	46,103	785	1,121	25.7	207	4.8	914	-129	1.72	10.63	0.77
July 1, 1981-82	53,392	7,289	1,221	26.5	215	4.7	1,006	6,283	14.65	11.52	0.89
July 1, 1982-83	56,691	3,299	1,305	24.4	222	4.2	1,083	2,216	5.99	11.39	0.94
July 1, 1983-84	60,353	3,662	1,319	23.3	225	4.0	1,094	2,568	6.26	11.56	1.00
July 1, 1984-85	61,778	1,425	1,346	22.3	236	3.9	1,110	315	2.33	11.41	1.03
July 1, 1985-86	62,805	1,027	1,369	22.2	284	4.6	1,085	-58	1.65	11.47	1.05
July 1, 1986-87	61,659	-1,146	1,271	20.2	298	4.7	973	-2,119	-1.84	11.47	1.03
July 1, 1980-87	61,659	14,771	8,952		1,687		7,265	11,195	4.36		