ALASKA LEGISLATURE COMMITTEE FILES 1981-1982 8672

1778 HLC HCR 56 STATEWIDE TELECOMMUNICATION-SB 19

A Christian school in spectacular Southeast Alaska

Sheldon Jackson College

P.O. Box 479 • Sitka, Alaska 99835
Telephone (907) 747-5220

January 22, 1982

Representative Terry Martin, Chairman
House Labor and Commerce Committee
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Representative Martin:

I have been provided a copy of your December 14, 1981 memorandum to Bill Barrier of Legal Services ". . . requesting a draft of a House Consurrent Resolution spelling out the committee's policy on statewide telecommunications." I recognize this was written as a draft and that legislation might differ significantly in its final form.

In addition to teaching television, managaing a TV translator station and having a pending application for another license, I am a subscriber to a quality TV cable service. We have good service in Sitka and we appreciate it. Howe. r, I believe there must be a balance maintained between commercial and state-supported telecommunications systems. As I read the memo, it truly reflects the interest of the commercial enterprises rathern than the bests interest of the general public.

I have some reservations about many of the individual suggestions in the memo. However, I would like to address two that appear to violate the best interests of Alaskans - especially those in rural Alaska.

First, the reduction of airwave interference baetween state-owned and private facilities appears on the surface to be a good suggestion. However, we must consider what has prompted this suggestion. Licensed stations have priority and legal rights to specified channels in a community. Cable channels are flexible and can be switched as they wish. However, when all channels are used (as most are now with most cable companies), then a scrambling for space on the dial results. The request of the cable companies to put translator and low power stations on UHF is telling the educational/instructional staitions they are really step childs. People just won't search on the UHF dial (channels 14-83) which would render their outstanding services useless.

Sure, there should be less interference (normally caused by cable stations transmitting on the same channel as the over-the-air broadcasts. However this problem could be resolved by having cable companies expand their channels as is being done in many "down south" communities.

Secondly, smaller stations should have the right to carry commercials. To have to delete all the pre-recorded commercials from programs originating elsewhere would be totally impractical and is not required by their licenses. Also, the new TV licenses being received by the Learn/Alaska network are for Low Power which allows stations to originate local programming including commercials. Although we don't plan to originate commercials on our two low power stations in Sitka, it would be unwise to impose "artifical regulatory and government barriers" on local incentive. Commercials, in addition to generating some local funds to operate these small stations, can be beneficial to viewers wanting or needing this information.

To ban all commercial advertisements on state-funded facilities is impractical and unwise. To do so will either prompt violations or they will be called by another name such as "corporate underwriting."

Thanks for listening. I would be most pleased to provide additional information if you need it.

With best regards,

Dan Etulain Ph.D.
Director of Telecommunications

DRE/d

cc: Dr. Charles Northrip, Executive Director, Alaska Public Broadcasting
Commission

MEMORANDUM State of Alaska

TO: Members of the Alaska Legislature
State of Alaska

DATE: February 3, 1982

FILE NO:

TELEPHONE NO: 465-2846

FROM: Charles M. Northrip
Executive Director
Alaska Public Broadcasting Commission
Department of Administration

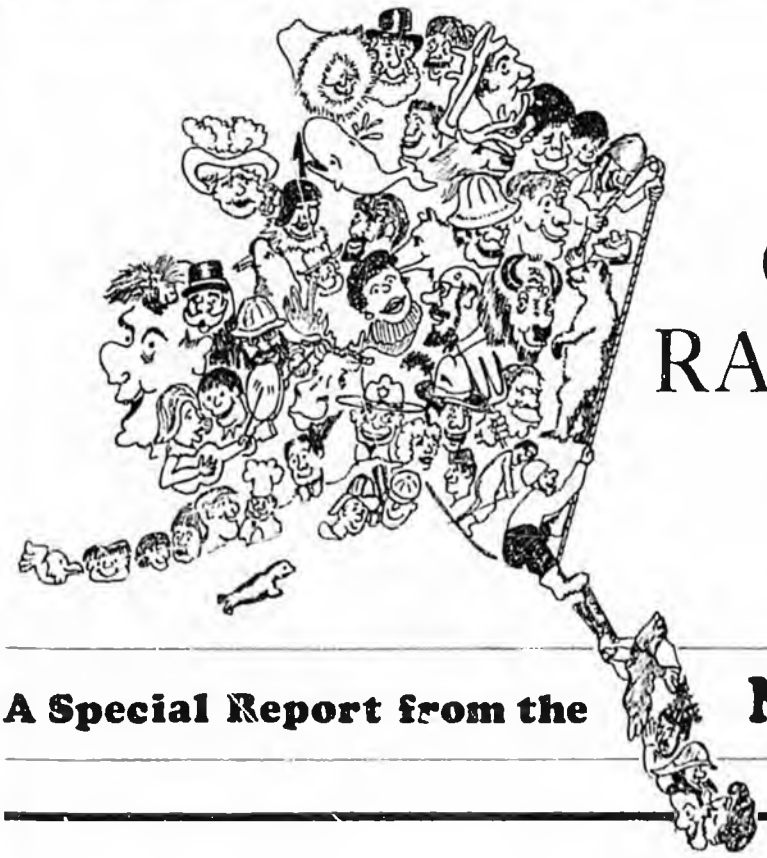
SUBJECT: NFCB Newsletter Supplement

The National Federation of Community Broadcasters recently published a special supplement dealing with Alaska public stations. Enclosed with thi memo are copies of "Community Radio In Alaska" for your information. The supplement provides an excellent summary of the services public radio stations provide to their communities.

Some portions of the supplement refer to the Alaska Public Broadcasting Commission's long-range plan for Public Broadcasting in the State. The first edition of that plan has now been approved by the Commission and is being printed. As soon as they are available, copies of that document will be made available to you, as well.

Mary
For our file
Consideration of new commission

02-001A(Rev.10/79)



COMMUNITY RADIO IN ALASKA

A Special Report from the NFCB NEWSLETTER

In Alaska, there are radio stations found where roads do not go, and where airplanes deliver groceries. They provide the listeners with the only mass media available, and are often called upon to provide more than traditional radio services. They are called bush stations.

BUSH RADIO

BY LES ROBINSON
Manager, KDLG, Dillingham

Each day, KDLG's powerful AM transmitter beams its signal over the mountains to dozens of remote villages, and across Alaska's Bristol Bay and the Bering Sea to small islands and lonely ships. Thousands of radios are tuned to the only signal coming from and reaching into this isolated part of the world. The station's studios are located inside the high school building, on one of the unnamed dirt streets, in the tiny village of Dillingham. The rest of the station — its listeners — is found scattered over an area larger than Ohio.

Molly works for the Fish and Game office in Dillingham but spends her lunch hours at KDLG translating news, social events, and flying doctor announcements into the language of the Eskimo. Although many speak English, Yupik Eskimo is the first language for most.

From Dillingham, it is a fifty-minute airplane ride to the village of Togiak. Twilly is on the high school wrestling team there. His school sent him off to study KDLG for a week. By Friday, he was an old hand at broadcasting the news. Whenever Togiak wrestles in Dillingham, Twilly takes a break between matches and sends the scores home via the radio station.

The village of Manokotak has given Mr. Arkanakyak the responsibility of gathering from each resident the date upon which they were born. He then arranges the names according to dates, and delivers the list to the radio station. He does this each month, to ensure that no villager's name is omitted from the *Birthday Show*.

There is only one teacher at the Aleknagik schoolhouse. Both he and his students monitor the radio each day at recess time. If the announcer reports a temperature colder than forty-four below, the disappointed youngsters must spend their play time inside.

Virginia works at the hardware store. Each summer she complains that there are no more batteries for sale. The fishing people buy them all up. Thousands of commercial fishing vessels aim their antennae at the Dillingham station to hear State of Alaska fishing announcements, and the all-important marine weather forecasts. One woman wrote that after three months on the water, she would have gone "bananas" without the radio.

K.C. spends her day answering the KDLG telephone.

Continued on next page

Continued from preceding page

She takes hundreds of messages and announcements which arrive from crackling radio telephones found in some spots, and from pilots who hand carry notes from village to village. When the weather is bad the radio is called upon to deliver the mail. "To Bill in Koliganek: From Martha at Kanakanak Hospital . . . You are a daddy, we had a baby girl this morning. We are both fine. Love and miss you," is typical.

As the only station, people depend on radio as their primary source of news. National Public Radio programs bring the outside world closer. Alaska Public Radio Network programs help tie the listeners to other parts of the state. Local news is gathered by telephone, mail, snow machine, the news director's airplane, bush pilots, and occasionally by sled dog.

Danial is the election supervisor in a village one hundred and fifty miles from KDLG. One day in the fall he appeared at the station to announce that Jimmy Carter had carried his town by two votes. Unconcerned that election day was not until tomorrow, Danial explained that the citizens were worried the results would not reach the radio station in time to be reported on election day. Everyone had agreed to vote a day early.

People use the bush stations as their newspaper, telephone, mail service, jukebox and bulletin board. The radio is no good unless people can use it. The work of the bush station is to make that easy.

HISTORY OF PUBLIC RADIO IN ALASKA

BY CHARLES M. NORTHRIP *Executive Director, Alaska Public Broadcasting Commission*

While noncommercial broadcasting in the United States can trace its origins to the earliest turn-of-the-century experimentation in radio, public broadcasting in Alaska is a fairly new development. Several commercial broadcasting pioneers operated stations in Alaska's territorial days, but the first public station did not begin service until three years after statehood.

THE BIRTH OF ALASKA PUBLIC BROADCASTING

KUAC, an FM station licensed to the University of Alaska in Fairbanks, signed on in September, 1962. The station began as a joint effort of the University's Departments of Speech and Drama and Electrical Engineering. It was among the first 65 stations in the US to qualify to receive support from the new Corporation for Public Broadcasting in 1969. It was also a charter member of National Public Radio.

Interest in public broadcasting on a statewide level was sparked in 1962 by the passage of the first federal assistance program for public television: the Educational Television Facilities Act. While this funding was not pursued, during the ensuing years several proposals to create an Alaska Educational Broadcasting Commission were presented to the state legislature.

After the proposed legislation failed in 1967 and 1968, the governor appointed an educational broadcasting committee instead, with Charles M. Northrip of KUAC-FM as its first Executive Director. Short-term funding for the committee's work was provided by the Department of Education and by the Rockefeller Foundation, and free office space offered by the University of Alaska in Fairbanks.

In 1969, the possibilities of satellite distribution of educational material provided a higher level of visibility for the committee's work, and legislation virtually identical to that which failed in 1967 and 1968 passed the state legislature in 1970. Funding for the Alaska Educational Broadcasting Commission began in July, 1970.

PRECEDENTS FOR STATE SUPPORT

The need for radio service in Alaska's rural areas was apparent to the new Commission. In December of 1969, still working as a governor-appointed committee, they had begun discussion of an idea for a public radio station in Bethel to serve the vast and sparsely-populated area of southwest Alaska. By April of 1970, a nonprofit corporation had been formed to act as licensee for the new station, the governor's office had requested state funds for a portion of the equipment costs, and Northrip had submitted an application to the FCC for an AM radio station construction permit and an application to the new, broadened Educational Broadcasting Facilities Program (EBFP) for federal assistance in the purchase of equipment for the station.

The creation of a nonprofit corporation to serve as the licensee for the Bethel station set an important precedent for the way in which state support for public broadcasting would be accomplished in Alaska. State

funds for equipping and operating stations were to be appropriated to the new Alaska Educational Broadcasting Commission (AEBC). The creating legislation, however, prohibited the AEBC from being the owner, operator or licensee of any station or production facility unless "no other competent contracting agency exists."

The formation of the community nonprofit corporation in Bethel created an entity which could receive funds for the station from the state. More importantly, such a corporation — formed solely to operate a public station, and governed by a board of local people whose primary interest was the service such a station could provide to the local area — set a pattern for similar developments in other communities, and provided the solid community-oriented base that is now one of the outstanding features of public broadcasting in Alaska.

A DECADE OF DEVELOPMENT

With the state legislature's commitment to public broadcasting in 1970, the ensuing decade was a period of extraordinary development. KYUK in Bethel went on the air in May, 1971. The station used an AM frequency to cover the many villages within a hundred-mile radius of the transmitter. News and other programs both in the Yupik Eskimo dialect and in English were among the unique aspects of its program schedule.

Plans were also starting for other stations. In early 1971, a meeting arranged by the Alaska Educational Broadcasting Commission in Kotzebue resulted in the formation of a local committee to explore ways to bring public radio to that area. KOTZ, patterned on the Bethel organizational model, signed on in March, 1973.

First "Community" Stations. Capital Community Broadcasting in Juneau was incorporated in 1972 and was the first local nonprofit corporation to offer membership in the governance of its proposed station to the general public. In early 1974, KTOO-FM began operating at a power of 10 watts. The station became CPB-qualified in 1977, increased its power, and upgraded its studio facilities in 1978.

In 1974, the Alaska legislature took the initiative in station development and appropriated start-up funds to the AEBC for two new stations, without a request from the Commission. KBRW in Barrow went on the air at 10,000 watts in December, 1975 and KMXT-FM in Kodiak began broadcast at 3000 watts in June of 1976. Kodiak Public Broadcasting, Inc. operated as a membership nonprofit corporation, while Silak-Kuagvik Communications, Inc. in Barrow followed the Bethel and Kotzebue model of a nonmembership local corporation.

The only exceptions to the rule that Alaska public stations are owned by local nonprofit corporations are KUAC, the university station in Fairbanks, and the Dillingham public radio station. KDLG-AM is owned by the Dillingham City School District and operates at 5000 watts. Since its inception, however, the station has had a community advisory board to oversee its programming to the Bristol Bay area. The station began broadcasting in July of 1975, with a grant from the Elementary and Secondary Education Act. Its operating costs are now partially supported by the Commission, much as is the case with all other public stations in the state.

Continued Growth. The most rapid period of growth has been in the last five years, with eight new public stations beginning operations.

- KRBD in Ketchikan signed on in May, 1976 as a ten-watt local membership-supported operation, and increased power to 7000 watts in 1979.
- KSTK in Wrangell began in July, 1977 as another ten-watt FM based on the KTOO model, and raised its power to 3000 watts in 1979.
- Petersburg's KFSK signed on in August, 1977.
- KSKA, the 3000-watt station of Aurora Community Broadcasting in Anchorage, signed on a year later.
- Katchemak Bay Broadcasters in Homer put 5000-watt KBBI-AM on the air in 1979.
- Lynn Canal Broadcasting, a membership nonprofit corporation, started KHNS in Haines at 3000 watts in the fall of 1980.
- KSKO, Kuskokwim Public Broadcasting's 5000-watt station in McGrath, began broadcast in July, 1981.
- KCAW, owned by Raven Radio, is scheduled to sign on in Sitka at 10,000 watts at the start of 1982.

STATE SUPPORT GUARANTEED

In 1980, the Alaska Public Broadcasting Commission (the AEBC became the APBC in 1976), instituted its "Essential Service Level" formula for providing public stations with operating support. The ESL formula guarantees that the APBC will request sufficient funds for each station, so that when those funds are combined with all other sources of station income, each station will meet all Corporation for Public Broadcasting qualification criteria.

With almost all Alaska population centers served by public broadcasting, the APBC is now concentrating on providing translator or repeater service to those areas not yet served. The Commission is also committed to maintaining its ESL funding standard for all existing full-service stations.

"The most important thing that the Alaska Public Radio Network can accomplish is to decentralize the way information is disseminated in Alaska," says APRN Executive Director Marcia Alvar. "For years, most of the news in the state came from Anchorage and Juneau. The Alaska Public Radio Network, and its daily thirty-minute news program Alaska News Nightly, represent the first time that communities from all over the state can speak for themselves, through the member stations, on issues and ideas of importance to local communities."

VOICES OF ALASKA— APRN

BY BRUCE THERIAULT
President, Alaska Public Radio Network

Alaska Public Radio Network is really a cooperative. It is governed by a board of directors elected by the fifteen member stations, and operated on a daily basis by a four-person staff. A committee structure helps with decision-making, including an active Program Advisory Committee consisting of program and news directors from the stations.

APRN is funded by the stations, which pass through a portion of their grants from the Alaska Public Broadcasting Commission to operate the network. Its programming comes from all its stations.

Since *Alaska News Nightly* went on the air in 1979, there has been a continuing extra effort to ensure that a significant portion of the program comes from the local stations. Stations have contributed over 1100 pieces to *Alaska News Nightly* during each of the two years the program has been on the air — around 40% of the program's content.

Alaska News Nightly, and the other cooperative programming of APRN — live coverage of news, sports and cultural events — has done much to acquaint Alaskans with one another. APRN has also helped the stations concentrate more closely on coverage of local events, since they can rely on program material from their sister stations, fed through the network, to cover part of their daily program schedule. Stations contribute programs to APRN without monetary compensation.

HISTORY OF ALASKA PUBLIC RADIO NETWORK

APRN's first broadcasts were in 1975, when Elaine Mitchell and others of Juneau station KTOO-FM broadcast live coverage of the Alaska state legislature. These broadcasts continued in various forms for several years. In November of 1976, APRN first broadcast statewide election coverage, using feeds from around the state. After receiving funding from the Alaska Public Broadcasting Commission in 1977, the Network did the first live two-way hearing from the Alaska state legislature. APRN also began feeding National Public Radio and other state programs to stations on a regular basis.

For the next year, programming consisted largely of NPR feeds, although APRN continued the tradition of election coverage with live broadcasts on both primary and general election nights in 1978. That year also marked the debut of *Capital Connection*, a daily legislative coverage news program.

Early in 1979, discussion began in earnest about producing a daily, statewide APRN news and public affairs program. There was much debate about what type of news programming was desired. Some stations wanted on-the-hour coverage; some a daily, in-depth program. In the summer of 1979, stations met and opted for the daily, in-depth format.

PRESENT INTERCONNECTION; FUTURE PLANS

APRN and member stations are presently interconnected by a 3Khz circuit leased from Alascom at a cost of approximately $34,000 per year. The audio quality of this interconnection is, quite simply, wretched — one of the reasons for the excitement over the development of satellite interconnection.

In 1980, the Alaska legislature appropriated $165,000 for a satellite uplink. Ten of the fifteen Alaska public stations already have downlinks. Funding received from the federal Facilities Program will complete satellite interconnection and APRN will be on satellite in the summer of 1982.

* * * * *

The Alaska Public Radio Network is unique in this country. It is one of only four state public radio networks providing daily news coverage. It is the only network making such an extensive use of independent station-based, non-network reporters for a large percentage of its material. It covers live events around the state when they happen, and truly gives the stations in "the bush" a chance to be one of the "Voices of Alaska."

TOO CLOSE FOR COMFORT

BY JON NEWSTROM
News Director, KCAW, Sitka

According to the US census, Alaska's population is a mere 400,000, with almost half of that number living in Anchorage. Only four out of the fifteen stations in the Alaska Public Radio Network are in communities of over 10,000. Excluding these four, the stations have an average of under 4,000 potential listeners.

Those small communities are what makes reporting in Alaska interesting, and the fact that only four out of fifteen have roads to them makes reporting in Alaska unique. Without distraction of a road to any place other than where you are, the town becomes close. For news reporters, too close for comfort.

In early November, almost forty reporters from the fifteen APRN stations attended a weekend workshop entitled *Reporting in a Small Town: Too Close for Comfort*. This seminar was held in Bethel, a "bush" community of about 3,000 people on the Kuskokwim River. Much like an NFCB National Conference, we held sessions in legal problems of reporting and the basics of journalism. Unlike participants at a national conference, however, we had all heard each other on *Alaska News Nightly*.

Ted Hall, publisher of the *Rainy Lake Chronicle* in Rainier, Minnesota (population 250 or so), led the first discussion. His viewpoint as a reporter working in a small town provided a perspective we all needed.

How do you report that your friend and neighbor made a fool of himself, without making him angry and yet reporting the truth? "With the skill that won him the Navy Cross as a World War II fighter pilot, the father of the bride untangled himself from her train."

And how do you deal with the problem of reporting on a small town government? Often the city council member who complains about your news is the one who delivers oil to your house on cold winter nights — or your doctor, landlord, accountant or best friend.

The long-term commitment and understanding of the people and the area in which the reporter is working was stressed by Tom Richards, former editor of Alaska's only Native newspaper. He and Bill McCaughan of the University of Alaska conducted a simulation game on village reporting. The exercise brought up important considerations for small town reporters in Alaska — Native stereotypes in the media, and the necessity of sensitivity at the station to Native and rural issues.

Also joining reporters in Bethel was Bob Rhodes of the Canadian Broadcasting Corporation. Rhodes' Northern Service covers three million square miles, with four regional production centers feeding repeaters.

There are notable similarities in these two northern services, the CBC and APRN. The geographic size of Rhodes' area dwarfs even Alaska; the natives of the Arctic areas are direct relatives of Alaska natives. Some of the Alaskan stations are programming in Eskimo dialects, as are most of the Northern Service stations. Small towns in Alaska sometimes resent stations hiring Outsiders; Rhodes has the same problem.

At it for a few more years, the CBC provides APRN with valuable examples. When Rhodes sends reporters to a village, he sends three. One is an English speaker, and two speak various Native dialects. When they return to the production center, bilingual stories are prepared.

In Alaska, the public news stations are much more important than in other parts of the country, because they are the sole service . . . and not one of a bunch of stations on the band. They're the only place to go!

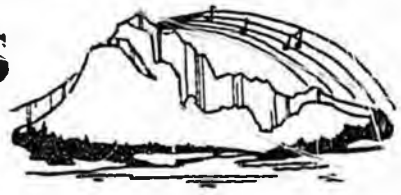
The CBC spends a considerable amount of time looking to the future and planning programs to prepare people for changes the future will bring. That idea caught hold in Alaska. At a recent teleconference meeting of the APRN Program Advisory Committee, a project was started in which each station will host a town meeting or call-in program. The topic: the future of Alaska. These meetings or programs will be edited to fifteen half-hour programs which will be carried by APRN, followed by a statewide call-in program.

Programming ideas weren't the only ones that the Alaskan reporters took away from their meeting with Rhodes. The CBC has started a program of training local people instead of hiring "carpetbaggers." Of course, not everyone is from the local area, but when they hire someone from the Outside, they don't ask if they want to *live* in the community, but if they want to *die* there.

The Bethel workshop was the beginning of what we hope will be a long history of cooperation between the CBC and APRN. A Whitehorse production staff will probably attend the All-Alaska Symposium (an NFCB regional meeting) in Petersburg this winter. Alaskans will probably attend a workshop in Mackenzie as well.

Too Close for Comfort was organized by Marcia Alvar, APRN's Executive Director. It was the first time the network's reporters had been able to meet as a group to discuss the uniqueness of their work. "In Alaska," notes Alvar, " the public news stations are much more important than in other parts of the country, because they are the sole service . . . and not one of a bunch of stations on the band. They're the only place to go!"

COMMUNITY RADIO KHNS



BY DEBRA J. SCHNABEL *Manager, KHNS, Haines*

. . . if your idea of community radio means an alternative to the commercial sound, it would be misleading to describe KHNS as community radio. KHNS is the alternative to NO radio.

The truth of the matter is that when a group of hams got together in 1978 to talk about a radio station for the community of Haines, they didn't have in mind community radio as we know it now.

In fact, the idea of "going public" was considered only after realizing the grim fact that the group could not guarantee the FCC that a privately-owned station (a recurring dream for 25 years) could survive a year in a city of 1900 people and two grocery, two hardware and four liquor stores. And what finally forced the timely decision to incorporate as a public, non-profit corporation was personal reaction to the rumor that a religious group had designs for the local air waves.

"Going public" broadened the financial base and the service area for Lynn Canal Broadcasting. The Alaska legislature agreed to fund the radio project on the condition that the community of Skagway – isolated by fifteen miles of fjord, population 750 – also be served by the signal and the programming. Service to Klukwan, a native village of 250 people located 22 miles north on the Highway, must also be provided.

Today, having spent 48 months, $309,500 in state funds and $142,750 in NTIA funds, KHNS is broadcasting the gamut of information and entertainment programming that is expected of community radio, to 3,000 people, with 3,000 watts.

But if your idea of community radio means an alternative to the commercial sound, it would be misleading to describe KHNS as community radio. KHNS is the alternative to *no* radio. And because of that, we must exercise a degree of discipline not usually found in community radio.

KHNS sounds different than most community radio stations because we are not alternative radio. As such, we must be accessible to the broad base of the community for at least a part of each day. We feel strongly, however, that we should not sacrifice service to specialized needs in the attempt to achieve accessibility.

We chose to make the daytimes the more broadly accessible listening time. We play a cross of popular, rock and country music during the weekdays, and rotate short-format features of special interest within the program format. The entire programming puzzle maintains maximum audience flow from one program to another. Produced promotional and public service announcements are integrated throughout the entire program schedule, much like commercials are placed in the commercial format.

The KHNS community, collectively, is fairly typical of Alaskan communities of its size and larger. (Come to think of it, that's not more than 25 places.) The white/native ratio is probably about 8:1. Generally, the economy is still controlled by a conservative element that immigrated to Alaska following World War I. Since the '60s, Alaskan communities have seen an influx of younger, politically liberal pioneers. They escaped the cities and came to Alaska, just as the state was opening up to large-scale resource development. They came seeking alternatives, and they have influenced the communities they live in by forcing an assessment of values. This has often meant political struggle.

Many community radio stations are an outgrowth of that struggle, and they come to represent alternative values within the community. But stations such as KHNS must embody that struggle, and act as a cohesive force. They must react to the natural tendency of the community to split into factions. And they must avoid becoming a polarizing force themselves.

A community radio station in this situation must be deliberate in every choice it makes. KHNS must be careful to balance the collective consciousness of the community in its administration and its programming. The staff (local hire, but professional, please) must collectively represent the communities' values.

Of course we heed the individuals. The mayor dismisses *Folk Tradition* as two hours of music no one *ever* heard before. Someone else believes that a "public" station shouldn't feature popular or image artists at all. One hears too much, and then not enough, classical music. A listener wants to do away with the local *Evening Report* and hear "that other half hour of *All Things Considered*," while a corporate director is contemplating doing away with *All Things Considered* because he thinks it is not. She wants Mother Jones; he, William F. Buckley.

But the emphasis is always the community. Essentially, KHNS is just another community member, but one that reflects all community members on some facet. And in that way, within that concentrated discipline, we take on a life of our own. We are community radio KHNS.

PLANNING FOR THE FUTURE

Alaska provides a model for state support and nurturing of citizen-controlled and -programmed radio. It is an exciting place to be.

BY RICH McCLEAR *Manager, KCAW, Sitka*

Alaska is a state of many very unique local communities, with a lot of very different problems, needs and strengths – not to mention climates, languages and cultures. These communities stretch over four time zones in an area which, if superimposed over a map of the US, would reach from Atlanta, Georgia to International Falls, Minnesota to Los Angeles, California. Alaska has fewer people needing access to the public broadcast media than the city of Minneapolis, but these people don't have buses or even roads to bring them to their local stations.

With the isolation of individuals and of whole communities, and the dramatic cultural differences between communities, local public broadcasting has taken on a crucial role in everyday life. As Les Robinson's article on *Bush Radio* demonstrates, radio in Alaska can be central to people's livelihood, safety, and ties with friends and community. And, as in the rest of the country, it gives citizens the opportunity to understand in detail the problems of their local communities, and encourages them to participate both in solving those problems and in celebrating their strengths.

To meet Alaskans' needs for public broadcasting, the long-range planning committee of the Alaska Public Broadcasting Commission was established. In recent meetings, the committee has drawn up a planning report that will be submitted to the full Commission at the beginning of 1982. This draft report gives some indication of where public radio in Alaska may be going.

COVERAGE

The planning committee has called for public radio service to every community of over 25 people in the state. Each service is to be controlled by a local board of directors and supported, in part, by local financial and volunteer resources. The committee envisions three types of service to the communities.

The first class of station is the *full service regional station*, CPB-qualified and with fully-equipped studios that allow them to produce at least ten hours a week of local programming. This local programming will include local news, public affairs, music (other than local record shows), documentary and drama.

Selected programming from the full service stations will be placed on satellite to serve the second level of station, which is the *local access repeater*. The repeater will be licensed as a regular public radio station, but will have a small staff of one or two, and a small local-access studio. These stations will choose programs from the full-service regional stations, and will also provide local news and access programming.

In this way, communities which cannot support full-service stations will be guaranteed some local service. As local support grows, local programming at these stations will grow also. Communities currently being proposed for this class of service are in the 600-1200 population range.

The third class of station proposed is the *translator station*. The translator will repeat one of the full-service or repeater stations for smaller, isolated communities. Some translators will be served from satellite feeds.

The planning committee has proposed the establishment of one more regional center (there are currently fifteen), seven local access repeaters and several new translators for radio by FY85. For each type of station, the community will provide at least 15% of the station's operating resources (including volunteer time). Larger communities will be asked to provide more support.

TRAINING

Since local citizen control is the keystone of Alaska public broadcasting, the planning committee has set board training as the highest priority. They call on the Alaska Public Broadcasting Commission to offer stations the opportunity to have *board training workshops*, funded by the Commission and held in the station's community, and to develop board training materials for all stations.

As its second priority, the Commission will assist in funding one *statewide training workshop* and one *training resource "round robin"* person to visit stations each year. The workshops are to train staff, and the round robins are to train both staff and volunteers at their own stations.

Both the workshops and the round robins, while funded by the Commission, are to be planned and controlled by the stations themselves.

The third priority set in the draft report is to aid stations in providing a *match for the women's and minority training grants* awarded by the Corporation for Public Broadcasting. Lower priorities call for the Commission to respond to other training proposals from the stations if funds are available.

Continued on next page

PLANNING FOR THE FUTURE

Continued from preceding page

PROGRAMMING

The nature of Alaska public radio is local, and the Alaska Public Broadcasting Commission is prohibited by law from being directly involved with programming. The long-range planning committee thus focused on assisting the stations' local programming efforts, and set two long-range objectives.

The first is to *provide each full-service station with the resources to produce at least ten hours of local programming a week*, excluding record programs. The second is to set up a *program fund* to enable stations and producers to create programs for regional, statewide and national distribution. By FY86, this fund would contribute 25% of what the stations themselves spend on programming.

One of the goals of the program fund would be to support new ideas and experimental programs. The draft committee report states, "APBC funds . . . must be free of any conditions that would limit programming freedom. Program producers should be able to "fail" without severe consequences."

CONCLUSIONS: AN EXCITING PLACE TO BE

These plans are still in draft form. They have not yet been presented to the Alaska Public Broadcasting Commission, or to the governor and legislature. The long-range planning report is a document produced by the APBC staff, and a committee consisting of three of the nine APBC commissioners and four station managers. However, it *is* based on what is already in place in Alaska.

This state, more than any other, supports the idea of community radio. With only two exceptions (one university and one school district), our stations are controlled by local boards of directors, most elected by members. One-third of the stations have Native Alaskans in control of their boards. Most stations make extensive use of volunteers on the air.

This system developed because it was state policy to develop community radio. Already, Alaska has fifteen regional centers, with one more planned. The first local access repeater has been funded by the legislature, and the APBC has been involved in funding staff training.

Alaska provides a model for state support and nurturing of citizen-controlled and -programmed radio. It is an exciting place to be.

With the isolation of individuals and of whole communities, and the dramatic cultural differences between communities, local broadcasting has taken on a crucial role in everyday life. Radio in Alaska can be central to people's livelihood, safety, and ties with friends and community.

NFCB Participant Members in Alaska include KCAW (Sitka), KFSK (Petersburg), KMXT (Kodiak), KRBD (Ketchikan) and KTOO (Juneau).

NFCB Associate Members are Alaska Public Radio Network, Educational Media Services (Fairbanks), KDLG (Dillingham), KHNS (Haines), KOTZ (Kotzebue), KSKA (Anchorage), KUAC (Fairbanks), KYUK (Bethel), Media Two (Anchorage) and Western Media Concepts (Anchorage).

(7)

Telecommunications

Comments, September 24, 1981

Rodger Davis to the House Labor and Commerce Committee

Representing: Executone of Alaska, ACI Office Systems, EOA Services, Member of the Office Systems Group.

Background: Former Branch Marketing Support Manager for Xerox in Alaska.

Present President of Executone of Alaska, Inc. Alaska's largest supplier of non-utility Telecommunications Equipment.

Present Officer and Board Member of ACI Office Products -- a broad based Word Processing, Data Processing, and Office Products Company.

Board Member in the recently founded EOA Services, Inc., a Data Networking Company.

Issue: The Industrial Age is over, the Information Age has just begun. Those who control the distribution of information control our age.

General: Fact: None of us would be here today, the Governor would not have issued Executive Order No. 50, and all of the wonders of Communications technology that make this hearing worthwhile would not even be an issue without competition in the Telecommunications industry.

Still today, the operating utilities control over 90% of all terminal equipment in the industry, after more than ten years of competition. In Alaska, the percentages are at least the same. This is only possible because the operating utilities have used their legislated Monopoly power to stifle competition. These methods include predatory tariffs, disparagement, Customer Harassment, interference with Monopoly services to customers using competitive equipment, and unsubstantiated reports of Market Sharing between utility parties. In spite of this, competition with the utilities continues because the goods and services being provided are needed in the Market Place. The Legislature will have to play a key role in ensuring survival of competition against incredible pressure to eliminate it by the utilities.

On Items 4,5,9,10, we are not qualified to testify and defer to those who are.

COMMENTS: Item 1: Is there a danger of Government crowding out private business? -- absolutely. All business exists in Alaska within a very confined market. The State represents over 20% of our firm's business, and is the single largest potential customer for four out of five telecommunications projects that we now have in development. Any direct action by the State can and will have a major impact on our business.

Generally, State actions are well intentioned, but ill-informed. Two examples came to my attention in the past week:

1. The Department of Community and Regional Affairs reacting to reports of high construction costs in Iliamna, purchased for the village heavy equipment, virtually running the existing contractor out of business.

2. The same Department, reacting to high transportation costs for goods brought into the village of Pedro Bay, purchased for the village a new heavy truck to transport goods, potentially destroying the business of a family providing the service for 50 years.

In both cases, the existing businesses have to buy their own equipment, pay the absurd present interest rates to suppliers, and pay taxes. Their new competitors do not.

Whether the State sets up other competitors not burdened by the costs of doing business or compete themselves, they can be devastating.

Item 3: Is there a danger of a telecommunications monopoly developing? -- absolutely. Pacific Power and Light, doing business in Alaska as Alascom, or Telecom, or Pacom, is committed to being the Bell System of Alaska. While they gobble up small independent utilities, their monopoly-generated revenues cross-subsidize their penetration of unregulated markets.

In areas where their Pacom Division, (the Division that sells and services station equipment), could aggressively compete with local utilities, they have approached the utilities with offers to curtail their efforts to compete in exchange for the utilities' support before the Commission of PP&L's efforts to stifle competition for long-distance services. This agreement does not, however, curtail Pacom from competing where the customer calls them in, or in competition for existing non-utility supplied customers where they sell at rates that no company not receiving Monopoly revenues from other sources could sell at and still survive. Interestingly, the only two utilities who agreed to this arrangement, that we are aware of, were both government owned and operated.

Unfortunately, the utilities appear to be making headway in their efforts to help Alascom stifle long distance competition. The notification attached as Exhibit A, indicates that ATU has succeeded in making any competition in Anchorage extremely expensive.

My final comments are directed at the Alaska Public Utilities Commission. First, let me affirm my confidence in the quality of staffing of the Commission. Let me also acknowledge that they are grossly understaffed to regulate an industry changing as fast as Telecommunications. Before the FCC's deregulation order goes into effect in March of 1982, they desperately need more accounting, tariff, and legal staffing.

Beyond the staffing problems, they need to develop a policy in tune with the National recognition that new technology in a competitive environment is the best possible means of holding down the costs of services to Alaska.

While the Federal Courts have repeatedly held that utilities may not use revenues from Monopoly services to cross-subsidize or hold down artificially the cost of services where they have competition, the APUC has passively allowed it to go on and on.

They appear to be taking the position that somehow Alaska is different from the rest of the world and competition really won't work here. The justification has been that, by allowing artificially high long distance rates and exceptional revenues pass through from Alascom to the local utilities, they are holding down the cost of local services. In reality, the costs for almost all local services have gone up substantially in the past year, except those where the utilities have competition; that is, Business Telephone Services. In effect, the commission allows local users to cross-subsidize business telephone expense.

Item 6: The State can dramatically improve its data transmission system. Competing sources of long-line transmission offer the State better networking capabilities. Simply unifying all "handshake" formats would have an immense benefit. The Department of Administration is presently attempting to find a way of insuring that all word processing, data processing, and data transmission systems are compatible.

Item 7: What kinds of new technology should the State be using? There is no one answer. The best system is a correct mixture of present and developing technologies based on the specific need of the project or the department. The risk is that the State will hire a consultant who is high on one technology and will make a decision based on too little input. Equally risky is the possibility that no short-term decisions will be made, while the State studies and studies its options, looking for one non-existant right decision.

Item 8: The Division of Telecommunications definition establishes State Policy on Telecommunications. Broad guidelines should first be set by the Legislature.

The Division of Telecommunications Systems; specifically is tasked with design, acquisition, and management of systems for agencies. In eleven years of working with the State in Systems Design, I've observed a four-phase developmental cycle in single task divisions:

1) The last-vendor-out-of-the-door phase.

2) The expert-consultant phase.

3) The don't-do-anything-until-we-clean-up-this-mess phase.

4) The active-solicitation-of-vendor-consulting phase.

If this Division can operate based on establishing very broad guidelines within which competition can offer choices, it will be successful. If it gets into actual specifications writing, two things will happen:

1) The State will begin buying technology that is challenging to the designers, whether or not it is right for the agencies applications or cost effective.

2) The State will pick a technology that it is comfortable with and stagnate with it.

There is no question that most agencies need some assistance in planning the office of the future. The new Division of Telecommunications systems can fill a vital role, if they actively encourage competition for the State's business and keep in mind there is no one answer.

Item 2: Below I've noted some provisions that we encourage be adopted as part of the State's Telecommunications Policy:

1) Competition is healthy for the industry.

2) The State of Alaska can create entire markets with its decisions.

3) The State has a responsibility to actively prosecute illegal efforts on the part of the Utility Monopoly to stifle competition.

4) The State should be a subscriber to services, not a provider of services.

Thank you.

George M. Sullivan,
Mayor

Anchorage Telephone Utility

600 EAST 36TH AVENUE, ANCHORAGE, ALASKA 99503
TELEPHONE (907) 277-7561
Telex 090-25-100

ATU
Owned by the Municipality of Anchorage

September 21, 1981

Executone of Alaska, Inc.
601 West 41st Avenue, #101
Anchorage, AK 99503

Gentlemen:

The Anchorage Telephone Utility has received approval from the Alaska Public Utilities Commission to tariff an access charge to be assessed to nontoll users who have access to local exchange service of ATU, but are not physically located within the exchange area. We wish to take this opportunity to make you aware of this newly tariffed rate and explain the types of services to which the access charge will apply.

The charge will apply to Other Common Carriers who wish access to ATU exchange service for the purpose of offering toll equivalent service to their customers. The rate for Other Common Carrier access to local exchange service is $265 per month.

An access charge will also apply to services furnished to customers who wish nontoll access to the local exchange from an area beyond the local exchange boundaries. This type of service includes, but is not limited to: (A) Foreign Exchange Service (FX), (B) Off Premise Stations (OPX) when the stations are located in an exchange which is beyond the boundaries of the exchange in which the main station or PBX is located and the OPX has nontoll access to the local exchange network, (C) Tie Lines (TL) between a customer's Private Branch Exchanges when the PBX's are not located in the same exchange area, (D) Common Control Switching Arrangements (CCSA) when any point of the arrangement is located beyond local exchange boundaries and the system has nontoll access to the local exchange network.

The rate for exchange access for FX, OPX, TL, and CCSA services is $99 per month.

We refer to the access rate as ESIS, Exchange System used by Interexchange Services. We are informing you of the ESIS charges, as some of your customers may currently have chargeable circuits and question you about their Utility statement. Any ESIS chargeable circuit arrangements should be reported to the Utility. We hope this information is useful to you and should you have any questions in reference to ESIS, please feel free to contact our office.

Cordially,

ANCHORAGE TELEPHONE UTILITY

Edward Wright
for A. P. Morkunas
Manager-Customer Services

W6 W1

E.D. & D., INC.

ELECTRONIC DESIGN & DEVELOPMENT, INC.
P.O. BOX 454 - HAINES, ALASKA 99827 - (907) 766-2337

September 18, 1 81

Rep. Terry Martin
Chairman, Labor & Commerce
Alaska Stute Legislature
House of Representatives
House Labor & Commerce Committee
921 West 6TH Avenue
Suite 250
Anchorage, AK 99501

Dear Mr. Martin,

We are writing to you regarding your memo of 8/18/81. We would like to thank you for your interest in letting us know about the Telecommunications Hearings.

We probably won't be able to attend but we certainly interested and have some input.

We would like to identify ourselves and give you some background. We currently own and operate Two (2) small Cable Systems. 1 in Haines, Alaska and 1 in Skagway, Alaska. Both systems are capable of 5 channel operation, except Ch. 3 & 9 in Haines which are inoperable because of State Translator's and Channel 13 in Skagway. E. D. & D. Inc., is a Design Company and these Cable Systems were purchased in part as a Test Bed for various systems. We are also a Communications Company, Land Mobile, Marine, Security, Consumer Products, TVRO Systems, Cable TV Components, Custom Electronic Systems, Sales & Service of all items. We do the Engineering and Maintenance for KHNS FM 102.3 Radio Station in Haines and handle Alternate Energy Systems.

We would like to address all items from your memo.

1) Yes. Though it is difficult to assess loss of revenue due to the many factors involved (people moving, general economic conditions, etc.) we appear to be down +1500-2 000 per year or [illegible] of seasonal people we know come to town every summer and hook up to Cable, but now have Antennas on Travel Trailers and can pick up State Programming out of the air. Residents disconnect and buy TV

Antennas and this is enough to slow down the development of these Two (2) Cable Systems. The rate in Haines recently increased approximately 18% over the price which has been charged for approximately the last 10 years. The increase due in part to the competition imposed by the State of Alaska. This is a modest increase in that the hours of Programming have increased 3 times what it was 10 years ago. It will be impossible to continue to provide service and upgrade systems at the current rate if the State insists on competing with us. In addition to the hard subscriber loss count we can not calculate potential loss of Advertising Revenue (lower subscriber count= less viewers for advertising - less attractive for the advertiser.). We plan to upgrade the system for minimum of 12 TV Channels and other two way services. The state operates two (2) translators one on Channel 3 and one on Channel 9, rendering these channels unusable by us on our Cable and we understand they (The State) are planning on additional translators.

We don't know who the States TV Project is funded by but if from Oil Reverues, How is the TV Project going to be supported when the Oil Revenue is ended? What is current cost, per site and total and what is projected cost of completed system and yearly upkeep? In our opinion the State of Alaska has no business whatsoever in the Commercial TV Business. State television should be used for NEWS, Two-way Video Teleconferences for Education, Emergencies and to make Government more accessable and subjects of interest to Alaska other than Commercial Programming, could be provided. As a Taxpayer I would be willing for my taxes to be spent in this manner, not for Commercial TV, especially where this service is already provided by Private Enterprise at less cost and higher quality and volume.

2) Not to get involved or as little involvement as possible.

3) Yes. First the Small Cable systems are hit with a loss of revenue, then they have to raise their rates to compensate. People don't like the higher rates and a percentage disconnect, then the rate again must go up to compensate and a dangerous cycle is started and Consumers end up with lower quantity and quality of Entertainment. This ensures that they will never gain the benefits possible over a Two-way Cable system.

4) The Villages should own and maintain their own Systems. A TVRO site, requires virtually no maintenance unless a physical trip by a qualified Technician is made to each site per month and the sole purpose of the trip is TVRO Maintenance. The cost should be more like $1000.00 per year plus parts for each site. (1 trip per year) A single frequency Agile Receiver, 6 Meter TVRO Antenna System with Modulator and Mini Two-Way Cable System can be purchased for $30,000.00-$40,000.00 depending on size of Village. Every set would have a quality picture and no mini-transmitter would be required. The system would also have potential use as intercom and Signaling system as well as all Two-way Cable Services, up to 12 Channels can be added. The State could make the Village a loan for equipment and installation. The State would have no say in programming. (It would be decided by the Village).

5) Yes. While we have the money. Improve the Phone System.

6) As we don't know anything about how they do it now, we can not offer an opinion for improved Data Transmitting.

7) Without knowing the particular needs of the State we can't pick any technology unless you have a given need. However, Digital Trasmission can be used for Two-way TV Transmission, but would suggest letting the very newest systems be tried and tested a year or two before purchasing.

8) N/A

9) The State should not encourage any Commercial Programming on State Television. This is strictly an expense and has no possibility of generating a return on our (the Taxpayers) investment.

A word about "BUSH". We moved down from Barrow, Alaska which is probably classified "BUSH". We engineered the Cable System in Barrow during our 3 years in business on the Slope. This Cable System supplies 12 Channels of programming and Services to Barrow, Proverville and the Naval Arctic Research Lab. The Translator there is redundant, can only be picked up by a few people, and is a waste of Alaskans money. It (The Translator) only causes interference to the Cable. This Cable System has built-in Two-way capabilities. Similar situations exist in many "BUSH" communities. This has all been done totally without State help at lower cost than the State's TV Project. Is this an example of responsible spending of our Oil Revenue by our State Government. According to the Juneau Paper for Week of 9/14/81 Headlines read: "Oil Revenues Shrink-State spends $1 billion to much" How much of this is for State TV Project?

If the State insists on trying to out us (Cable Systems) out of business, We feel it is only fair we be reimbursed for each and every channel we can not use because of the State.

Thank you, and we look forward to hearing from you after the hearings.

Yours Truly,

Larry E. Blackin Pat'y A. Blackin

Larry E. Blackin president Patty A. Blackin Sec/Treas.

LG:pc
CC:
Governor Hammond
Lt. Governor, Terry Miller
Deputy Commissioner, Alex Hills
Commissioner, Hudson
Congressman, Don Young
Senator, Ted Stevens
President, Alaska Cable Assoc., Mr. Bob Watell
Society of Cable Television Engineers
F.C.C.
Alaska Public Utilities Commission
Alaska Cablevision
Alaska Television Productions
Alaskan Cable Network
Barrow Cable Television
B. C. Cable Co.
Bethel Cablevision
Frontier Color Cable
McCaw Communications
Multivisions, Ltd.
Port Lions Cable
Spectrum
Visions, Ltd.
Air Alaska
Alaska Business Newsletter
Alaska Construction & Oil
Alaska Bar
Alaska Business
Alaska Legal Digest
Alaska Review of Social & Economic Conditions
All Alaska Weekly
Anchorage Daily News
Anchorage Times
Bering Straights
Chugiak-Eagle River Star
Copper Valley Views
Cordova Times
Daily Sitka Sentinel

CC:
Delta Paper
Fairbanks Daily News-Miner
Greater Anchorage Today
Homer News
Juneau Empire
Kodiak Times
Kenai Peninsula Cheechako News
Ketchikan Daily News
Kodiak Daily Mirror
Lynn Canal News
Mukluk News
Petersburg Pilot
Polar Star
Sourdough Sentinel
Southeastern Log
Take Me Away
This Month in Fairbanks
Tundra Drums
Tundra Times
TV Viewer
Valdez Vanguard
Valley Sun
Weekly Dial
Wrangell Sentinel
KABN-AM
KENI-AM
KFAR-AM
KFSK-FM
KGOT-FM
KHNS-FM
KINY-AM
KJNP-FM
KNUP-AM
KMXT-FM
KNOM-AM
KUAC-FM

E.D. & D., INC.

ELECTRONIC DESIGN & DEVELOPMENT, INC.
P.O. BOX 454 · HAINES, ALASKA 99827 · (907) 766-2337

OCTOBER 15, 1981

MR. WILLIAM J. TRICARICO
SECRETARY, F.C.C.
1919 M STREET NW
WASHINGTON, D.C. 20554

RE: LOW BAND MINI-TV TRANSMITTER LICENSING

DEAR MR. TRICARICO,

THIS LETTER IS IN REGARDS TO FILES NUMBER

BPTVL810303EI
CHANNEL 11, SKAGWAY, ALASKA 99840
K11OE

KPTVL8103031J
CHANNEL 7, HAINES, ALASKA 99827
KO7RF

AS PER MY TELEPHONE CONVERSATION WITH MRS. PEGGY REED OF THE F.C.C., SHE ADVISED US THE LICENSING DEPARTMENT OF THE F.C.C. HAS NOT GRANTED THE ABOVE LICENSES. WE WOULE LIKE FOR YOU TO TAKE A FEW MINUTES TO READ THE ATTACHED LETTERS OF CONCERN FROM US AND DENY LOW BAND MINI-TV TRANSMITTERS IN HAINES AND SKAGWAY, ALASKA, OR FOR HAINES HAVE THE EXISTING TRANSLATOR SHUT DOWN AND MOVED ACROSS THE HILL SO THAT LUTAK INLET CAN RECEIVE THE SIGNAL AND IF ITS EDUCATIONAL LET US CONNECT DIRECT TO IT AND WE WILL SUPPLY IT FROM OUR CABLE TO THE TRANSMITTER TO THE PEOPLE OF HAINES AND SKAGWAY, ALASKA FOR FREE.

PLEASE DO NOT GET US WRONG, WE ARE FOR EDUCATIONAL PROGRAMMING, ALASKAN NEWS, ALASKA PRODUCED PROGRAMS OR SPORTING EVENTS THAT WE DO NOT CARRY ON OUR SATELLITE, BUT WE DON'T UNDERSTAND WHY THE STATE CAN COMPETE WITH US OR ANY PRIVATE ENTERPRISE.

WE FEEL THE STATE CAN REMOVE COMMERCIAL PROGRAMMING ON THE TRANSLATOR ALREADY RUNNING AND ADD THE EDUCATIONAL PROGRAMS. FOR EVERY CHANNEL THAT IS ADDED BY THE STATE ON LOW BAND MINI-TV TRANSMITTORS OVER THE VHF AIRWAYS RENDERS EACH CHANNEL UNUSABLE BY US OR ANY CABLE SYSTEM AND FOR EVERY CHANNEL THE STATE BROADCASTS ON AND WE REBROADCAST, WE HAVE TO BROADCAST ON A DIFFERENT CHANNEL ON OUR SYSTEM BECAUSE OF THE INTERFERENCE ON THE CHANNEL THEY BROADCAST ON WHICH CAUSES US TO PROVIDE LESS SERVICE TO OUR CUSTOMERS, COSTS US MONEY EVERY MONTH, CAUSES OUR RATES TO GO UP DUE IN PART FROM LOSS OF REVENUE AND COMPETITION FROM THE STATE AND THIS AMOUNTS TO OUR SUBSCRIBERS FOOTING THE BILL FOR PROGRAMMING THAT WE ALREADY SUPPLY ON OUR CHANNELS, AND THE STATE CHANNEL RUNS TIL THE EARLY MORNING HOURS WHILE THE PEOPLE ARE SLEEPING AND THIS IS A WASTE OF ALASKANS MONEY. ALL WE ARE TRYING TO DO IS HELP OUR COMMUNITY AND IF WE ARE TO CONTINUE TO GROW AND PROVIDE BETTER SERVICE WE NEED TO HAVE YOUR SUPPORT.

WE HAVE STARTED A PETITION IN OUR TOWNS AND WILL FORWARD TO YOU IN THE NEXT COUPLE OF DAYS.

THANK YOU FOR YOUR HELP AND WE LOOK FORWARD TO HEARING FROM YOU.

YOURS TRULY,

Patty A. Glackin

PATTY A. GLACKIN

PG

CC: MR. JERRY MARTIN, REPRESENTATIVE ✓
MR. ALEX HILLS, DEPUTY COMMISSIONER FOR TELECOMMUNICATIONS
GOVERNOR HAMMOND

MR. TED STEVENS, SENATOR
MR. BILL RAY, SENATOR
MR. JIM DUNCAN, REPRESENTATIVE
MR. MIKE MILLER, REPRESENTATIVE
MR. JAMES E. SUTHERLAND, F.C.C. FIELD OFFICE
MR. WILLIARD R. NICHOLS, F.C.C. CHIEF OF CABLE TV
MRS. MARJORIE S. REED, GENERAL COUNCIL FOR F.C.C.
MR. MARK FOWLER, CHAIRMAN OF THE F.C.C.
MR. JON HALLIWILL, MAYOR, HAINES, ALASKA (CITY)
MR. BOB HENDERSON, MAYOR, HAINES, ALASKA (BOROUGH)

Terry, This is a draft policy for your info. Alex Hills

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C
JUNEAU, ALASKA 99811

DEPARTMENT OF ADMINISTRATION

TELECOMMUNICATIONS

POLICY STATEMENT

BACKGROUND -

The State of Alaska presently operates low power television transmitters in a large number of Alaskan communities. These "mini-TV" transmitters are, in many cases, a part of the Satellite TV project, which carries commercial entertainment programming. Recently, we have installed a number of mini-TV transmitters in connection with the LEARN ALASKA educational television project. Thus, a community may have two mini-TV transmitters, one for entertainment and one for education.

What happens when Private Enterprise provides satellite

Some of the State's mini-TV transmitters operate in communities that are also served by cable television (CATV) systems. Although CATV systems are supposed to be closed systems and not susceptible to interference, signals from mini-TV transmitters sometimes penetrate the CATV systems and cause interference. This interference is not generally caused by any defect in the mini-TV signal, and, from a legal perspective, the State has no obligation to remedy such interference.

POLICY

Although there is (no legal obligation ? ethical) to do so, the Department of Administration will endeavor to take necessary steps to eliminate or reduce interference wherever it is both possible and practical to do so. The Department will cooperate with CATV companies where there is the potential for television interference and will strive for solutions as detailed below.

Where no CATV system exists in a community, both entertainment and educational television will be delivered on VHF* channels wherever possible.

In communities which are served by CATV, entertainment television will be delivered on VHF channels wherever possible, with CATV distribution of the same signal on the same VHF channels. Delivery of education will be by the following options, listed in order of decreasing preference:

1) Mini-TV on VHF channel, CATV on same VHF channel

2) Mini-TV on UHF* channel, CATV on same UHF channel

3) Mini-TV on UHF channel CATV on mid-band* channel

In each community, the most preferable (lowest numbered) option which is compatible with both the capability and usage of the CATV system will be used.

W. R. HUDSON, COMMISSIONER
DEPARTMENT OF ADMINISTRATION

October 23, 1981

* NOTE:

VHF Channels: channels numbered 2 thru 13

VHF Channels: channels numbered 14 thru 83

Mid-band channels: channels lettered A thru I

INTERIOR REGION EMERGENCY MEDICAL SERVICES COUNCIL, INC.

P. O. BOX 2120 • FAIRBANKS, ALASKA 99707
PHONE (907) 456-3978

October 28, 1981

COMMUNICATIONS PRIORITIES *

1. Expansion of the microwave system along the Parks Highway to complete the Anchorage to Fairbanks system.

2. Placing a base station on Reindeer Hill site near Cantwell for 155.160 State EMS Communication.

3. Identify and acquire a site for a microwave link between Delta and Paxson.

4. Priority to complete the microwave system between Harding Lake and the Border.

5. Extending communications along the pipeline haul road, including 155.160.

6. Expand dispatch capabilities in Tok to ensure 24 hour coverage.

7. Assist communities within the region with the development or expansion of central dispatch capabilities.

8. Ensure back-up power source for communications in communities.

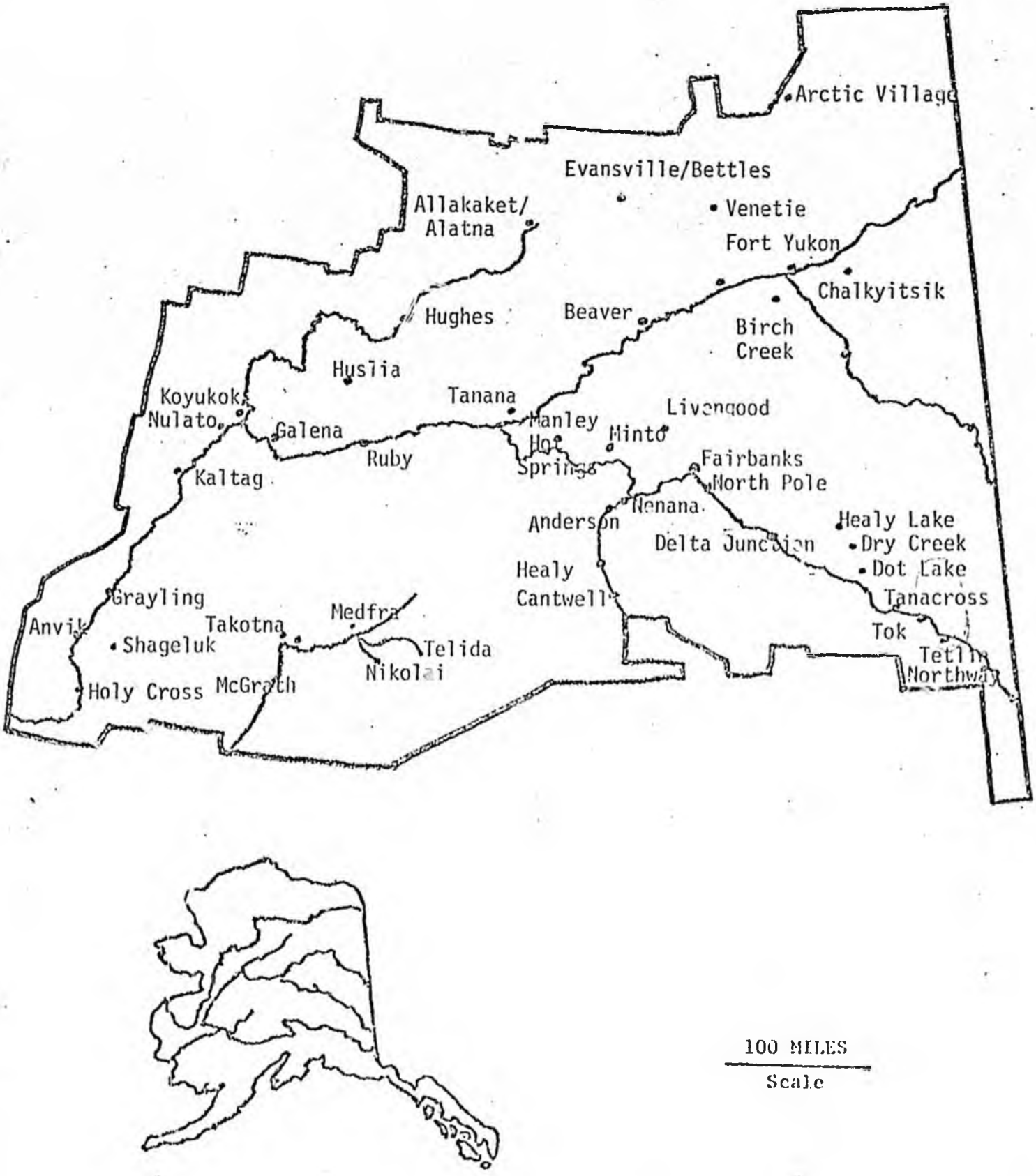
9. Explore the feasibility of no-charge emergency phone use on pay phones. Explore with A.P.U.C. the possibility of expansion of 911 system.

10. Expansion of console at Fairbanks Memorial Hospital, to include Civil Defense, outlying subregional clinics.

11. Develop telemetry capability from outlying clinics and ambulances to Fairbanks Memorial Hospital.

* These are not numbered in priority.

INTERIOR REGION

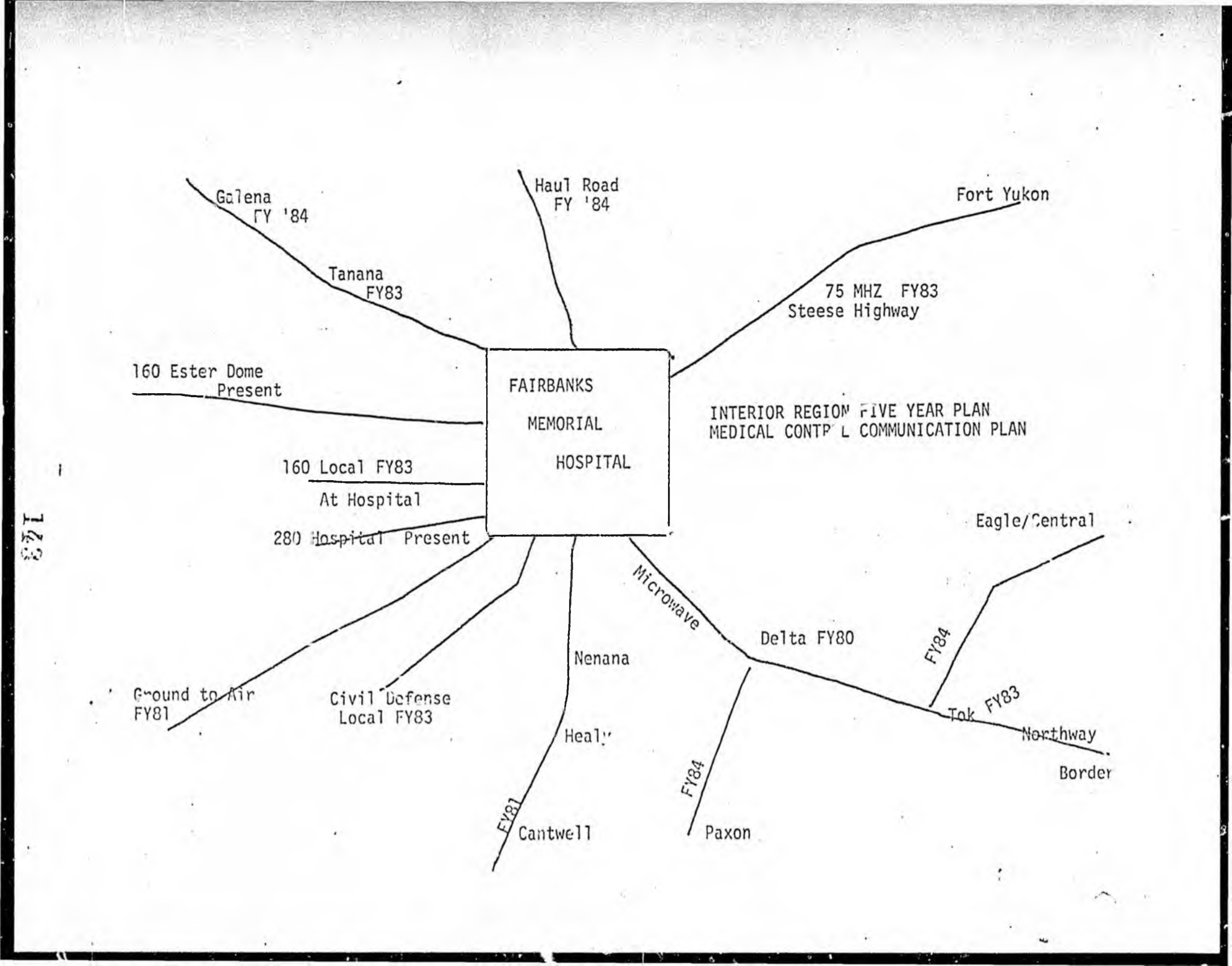


Five year Medical Control Plan

for Interior Region

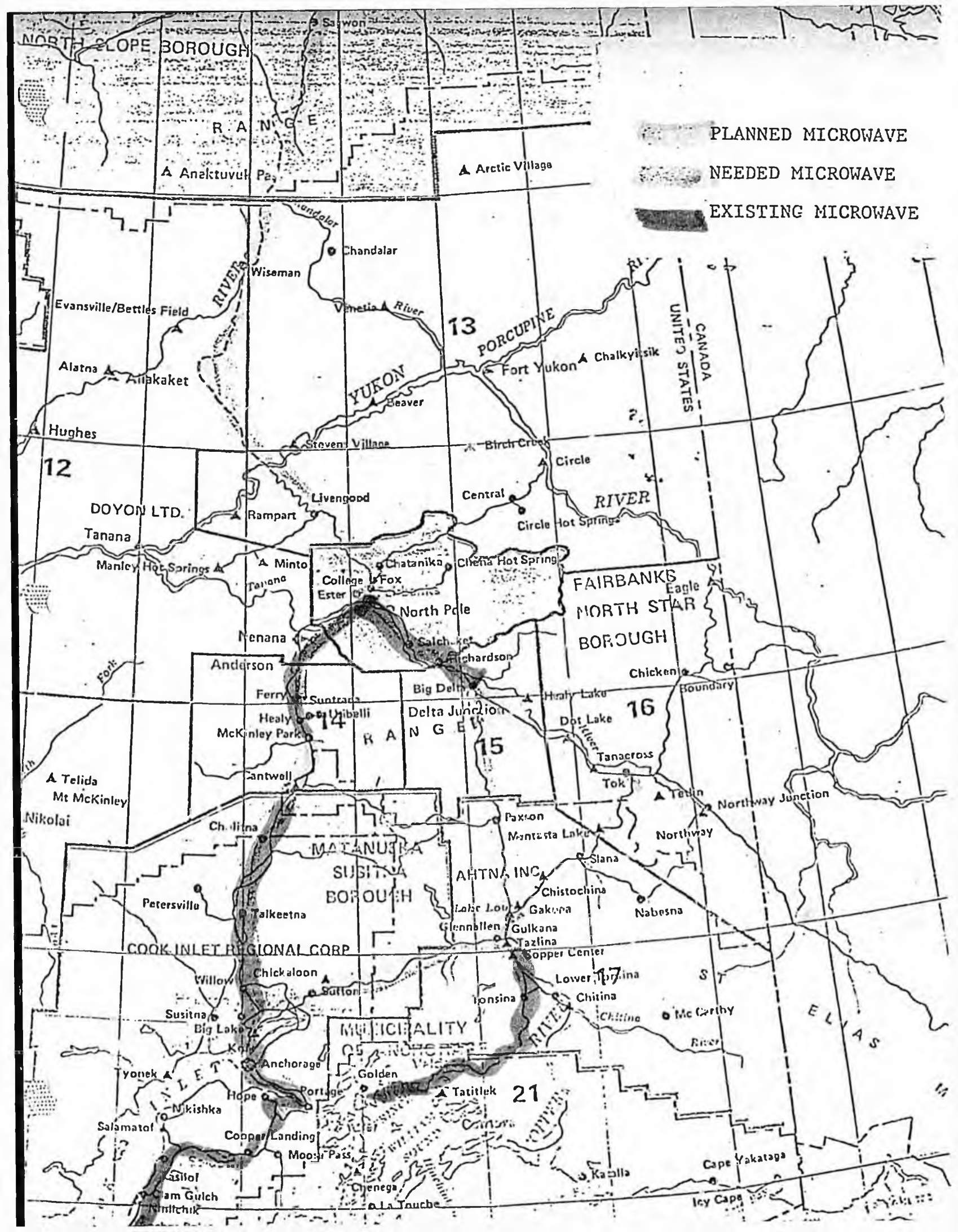
Once emergency access and response is assured, the most important goal that the communications system can meet is that of providing medical control for prehospital patient care when needed.

On the following diagram, the status of the Interior Region EMS Council's five year plan to improve medical control throughout the region, and the proposed implementation plan for the segments not yet in place are shown.


Galena
FY '84
Haul Road
FY '84
Fort Yukon
Tanana
FY83
75 MHZ FY83
Steese Highway
160 Ester Dome
Present
FAIRBANKS
MEMORIAL
HOSPITAL
INTERIOR REGION FIVE YEAR PLAN
MEDICAL CONTROL COMMUNICATION PLAN
160 Local FY83
At Hospital
280 Hospital Present
Eagle/Central
Microwave
Delta FY80
FY84
Nenana
Ground to Air
FY81
Civil Defense
Local FY83
Tok FY83
Northway
Border
Healy
FY84
FY81
Cantwell
Paxon

COMMUNICATIONS

THIS REQUEST WOULD ALLOW BACK BONE SYSTEM DEVELOPMENT AS SHOWN IN THE BLUE ~~BLACK~~ COLOR. THIS WOULD COMPLETE THE MICROWAVE SYSTEM FROM FAIRBANKS TO ANCHORAGE AND POINTS SOUTH AS WELL AS FROM DELTA TO THE BORDER. THESE ARE THE MOST TRAVELED ROADS.


PLANNED MICROWAVE
NEEDED MICROWAVE
EXISTING MICROWAVE
NORTH SLOPE BOROUGH
RANGE
Anaktuvuk Pass
Arctic Village
Chandalar
Wiseman
Evansville/Bettles Field
Venetia
River
13
PORCUPINE
Fort Yukon
Chalkyitsik
CANADA
UNITED STATES
Alatna
Allakaket
YUKON
Beaver
Hughes
Stevens Village
Birch Creek
Circle
12
Livengood
Central
RIVER
DOYON LTD.
Rampart
Circle Hot Springs
Tanana
Manley Hot Springs
Minto
Chatanika
Chena Hot Springs
College
Fox
Ester
North Pole
FAIRBANKS
NORTH STAR
BOROUGH
Eagle
Nenana
Salchaket
Richardson
Anderson
Chicken
Boundary
Big Delta
Healy Lake
Ferry
Suntrana
Healy
Usibelli
Delta Junction
16
Dot Lake
McKinley Park
14
RANGE
15
Tanacross
Cantwell
Tok
Telida
Mt McKinley
Tetlin
Northway Junction
Nikolai
Paxson
Chulitna
Mentasta Lake
Northway
MATANUSKA
SUSITNA
BOROUGH
Slana
AHTNA INC
Chistochina
Petersville
Talkeetna
Gakona
Nabesna
Glennallen
Gulkana
Tazlina
COOK INLET REGIONAL CORP
Copper Center
Chickaloon
Willow
Sutton
Lower Tonsina
17
Tonsina
Chitina
Susitna
Big Lake
Chitina
Mc Carthy
MUNICIPALITY
OF ANCHORAGE
River
ELIAS
Anchorage
Tyonek
Golden
Portage
Tatitlek
21
Hope
Nikishka
Salamatof
Copper Landing
Moose Pass
Cape Yakataga
Kasilof
Chenega
Kanilla
Clam Gulch
La Touche
Icy Cape

VHF/MICROWAVE COMMUNICATIONS SYSTEM

ALASKA HIGHWA

	1977 Costs	+	1982 inflated costs at 10% per year	=	1982 Total
DELTA (Junction of Alaska and Richardson Highways)					
1 Microwave terminal, 2 gHz, Hot stby	21,800	+	10,900	=	32,700
1 Multiplex, 2 channels	2,000	+	1,000	=	3,000
1 Baseband bridge	800	+	400	=	1,200
1 Antenna, Microwave 6'	800	+	400	=	1,200
1 Transmission line and connectors	300	+	150	=	450
1 Installation hardware	500	+	250	=	750
	26,200		13,100		39,300
DOT LAKE (40 miles northwest of Tok)					
1 Microwave repeater, 2 gHz, Hot stby	43,600	+	21,800	=	65,400
1 Multiplex, 6 channels	6,000	+	3,000	=	9,000
1 Alarm reporting encoder	1,700	+	850	=	2,550
1 Antenna, Microwave 8'	1,600	+	800	=	2,400
1 Antenna, Microwave 6'	800	+	400	=	1,200
1 Transmission line and connectors	600	+	300	=	900
1 Batteries and charger	4,600	+	2,300	=	6,900
1 Tower 30'	3,500	+	1,750	=	5,250
1 Installation hardware	900	+	450	=	1,350
	63,300	+	31,650	=	94,950
CATHEDRAL BLUFFS (12 miles west of Tanacross)					
1 Microwave repeater, 2 gHz, Hot stby	43,600	+	21,800	=	65,400
1 Alarm reporting encoder	1,700	+	850	=	2,550
2 Antenna, Microwave 6'	1,600	+	800	=	2,400
1 Transmission line and connectors	600	+	300	=	900
1 Tower, 30'	3,500	+	1,750	=	5,250
1 Equipment building (10 x 12)	6,000	+	3,000	=	9,000
1 Batteries and charger	4,600	+	2,300	=	6,900
1 Installation hardware	700	+	350	=	1,050
	62,300		31,150		93,450

VHF/MICROWAVE COMMUNICATIONS SYSTEM

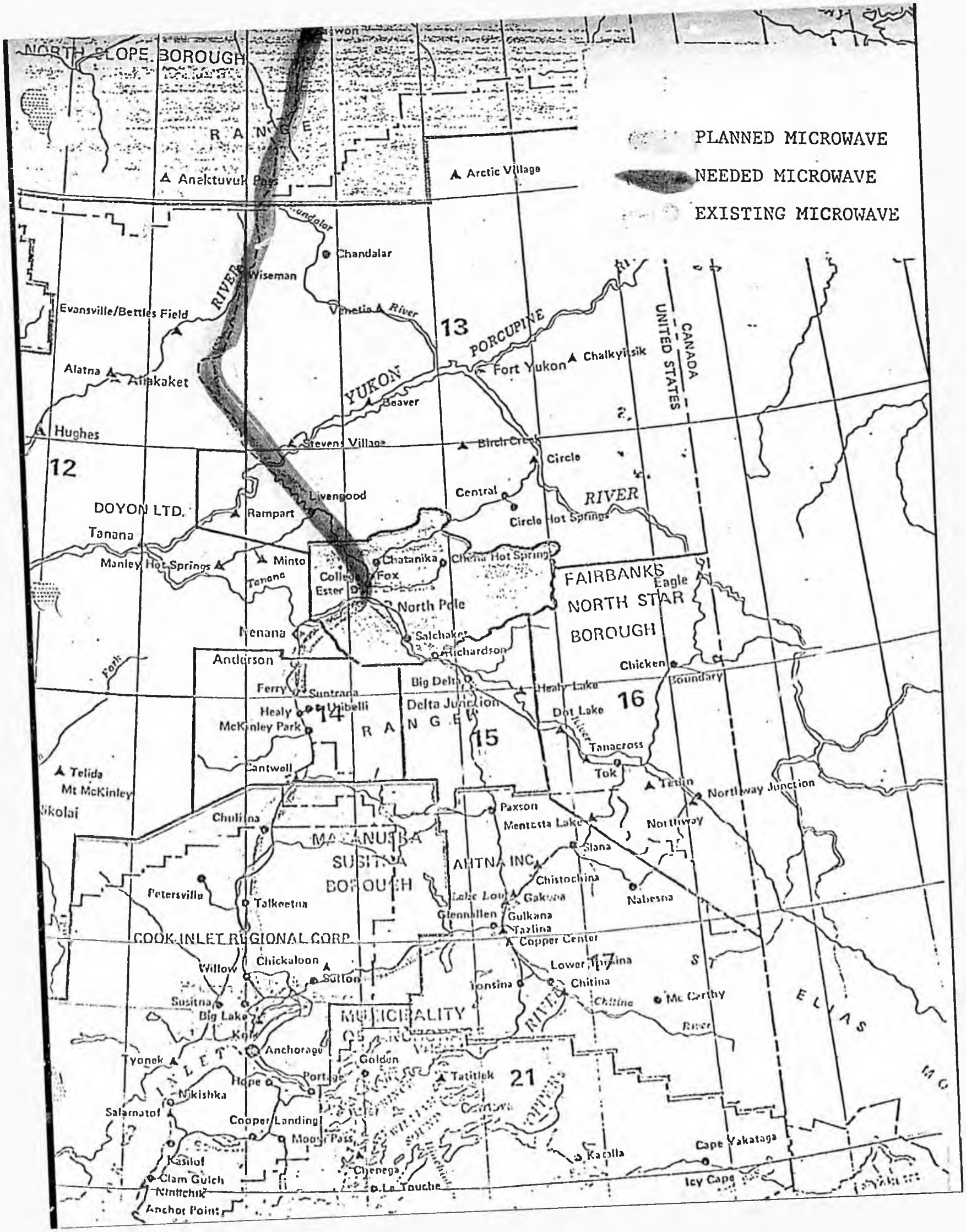
ALASKA HIGHWAY

	1977 Costs	+	1982 inflated costs at 10% per year	=	1982 Total
TOK (Junction of Alaska and Glenn Highways)					
1 Microwave repeater, 2 gHz, Hot stby	43,600	+	21,800	=	65,400
1 Multiplex, 12 channels	12,000	+	6,000	=	18,000
1 Alarm reporting encoder	1,700	+	850	=	2,550
1 Antenna, Microwave 6'	800	+	400	=	1,200
1 Antenna, Microwave 8'	1,600	+	800	=	2,400
1 Transmission line and connector	2,600	+	2,300	=	4,900
1 Tower, 150'	6,800	+	3,400	=	10,200
1 Equipment building (10 x 12)	6,000	+	3,000	=	9,000
1 Batteries and charger	4,600	+	2,300	=	6,900
1 Installation hardware	1,800	+	900	=	2,700
	81,500	+	41,750	=	123,250
BEAVER CREEK (3.5 miles north of Northway Junction)					
1 Microwave terminal, 2 gHz, Hot stby	21,800	+	10,900	=	32,700
1 Multiplex, 6 channels	6,000	+	3,000	=	9,000
1 Alarm reporting encoder	1,700	+	850	=	2,550
1 Antenna, Microwave 8'	1,600	+	800	=	2,400
1 Transmission line and connectors	400	+	200	=	600
1 Tower, 30'	3,500	+	1,750	=	5,250
1 Equipment building (10 x 12)	6,000	+	3,000	=	9,000
1 Batteries and charger	4,600	+	2,300	=	6,900
1 Installation hardware	700	+	350	=	1,050
	46,300	+	23,150	=	69,450

VHF

COMMUNICATIONS

THIS REQUEST WOULD ALLOW BACK BONE SYSTEM DEVELOPMENT AS SHOWN IN THE PINK COLOR.


PLANNED MICROWAVE
NEEDED MICROWAVE
EXISTING MICROWAVE
NORTH SLOPE BOROUGH
RANGE
Anaktuvuk Pass
Arctic Village
Chandalar
Wiseman
Evansville/Bettles Field
Venetia
River
13
PORCUPINE
Fort Yukon
Chalkyitsik
CANADA
UNITED STATES
Alatna
Allakaket
YUKON
Beaver
Hughes
Stevens Village
Birch Creek
Circle
12
Livengood
Central
RIVER
DOYON LTD.
Rampart
Circle Hot Springs
Tanana
Manley Hot Springs
Minto
Chatanika
Chena Hot Springs
College
Fox
Ester
North Pole
FAIRBANKS
NORTH STAR
BOROUGH
Eagle
Nenana
Salchaket
Richardson
Anderson
Chicken
Boundary
Ferry
Suntrana
Big Delta
Healy Lake
Healy
Ubibelli
Delta Junction
Dot Lake
16
McKinley Park
14
RANGE
15
Tanacross
Tok
Telida
Mt McKinley
Cantwell
Tetlin
Northway Junction
Nikolai
Chulitna
Paxson
Mentasta Lake
Northway
MATANUSKA
SUSITNA
BOROUGH
AHTNA INC.
Slana
Chistochina
Petersville
Talkeetna
Lake Louise
Gakona
Nabesna
Glennallen
Gulkana
Tazlina
COOK INLET REGIONAL CORP.
Copper Center
Willow
Chickaloon
Sutton
Lower Tonsina
17
Tonsina
Chitina
Susitna
Big Lake
Chitina
Mc Carthy
MUNICIPALITY
River
ELIAS
Anchorage
Tyonek
Golden
Tatitlek
21
Hope
Portage
Nikishka
Salamatof
Cooper Landing
Moose Pass
Cape Yakataga
Kasilof
Chenega
Katalla
Clam Gulch
Ninilchik
La Touche
Icy Cape
Anchor Point

(1) Project Title	(2) Location(s)	(3) Election Districts Served	(4) Start Date	(5) Completion Date
HAUL ROAD COMMUNICATION SYSTEM	INTERIOR REGION		7/1/81	6/30/82

(6) AGENCY REQUEST			(7) Operational Cost & No. Personnel Increase -- (Decrease)		First Operating Year ____	Ultimate Annual Year ____	GOVERNOR'S REQUEST Approved	Deferred	Disapproved
1002	Federal Receipts		Funding Source	Federal Receipts			1002	Federal Receipts	
1003	G/F Match			General Fund			1003	G/F Match	
1004	General Fund	4,800.0					1004	General Fund	
1005	I/A Receipts						1005	I/A Receipts	
	G.O. Bonds		Total Annual Operational Cost					G.O. Bonds	
			Position (FTE)						
			Previous Year Priority	Agency Priority		Governor's Priority			
	Total	4,800.0						Total	

PROJECT DESCRIPTION (8) Plans for the public use and development of the North Slope Haul Road/Utility Corridor region of Alaska are currently underway by BLM and the state of Alaska. In anticipation of these actions, the standard services supplied by various government agencies such as road maintenance, law enforcement and emergency medical services which exist in other areas of the state must be extended to meet the public needs and demands in this area.

The situation at present has allowed the various affected agencies to plan for their future needs in this undeveloped area and work with other agencies which share similar needs in order to consolidate services and prevent the proliferation of redundant systems.

The system would establish a multitude of communication facilities on mountain tops scattered along the corridor to service the needs of the many inter-agency users.

The agencies' requirements are quite similar: 1) The extension of their existing mobile communication system to allow the continuation of agency standards, 2) The existance of and access to a highly reliable telephone system at the nodal camp facilities. The use of a telephone would allow communicaiton for general emergency purposes and would permit temporary and transit personel access to home offices for check in and or message follwup.

Many agencies are experiencing communication needs now and feel that are both jeopardizing the safety of their personal in this area and compromising their efforts because of this. In many instances the efficiencies of the operations could be improved dramatically by the existence and use of a reliable communication system. For these reasons the Division of Maintenance and Operations within DOT/PF, which is responsible for maintenance of the state facilities along the Haul Road/Utility Corridor submitted this request for $4,800. in their FY 82 operating budget to establish a communication network.

LEGISLATIVE MEMBER'S SIGNATURE: _____

CATEGORY (9) TRANSPORTATION

AGENCY DOT/PF

PROGRAM INTERIOR REGION HIGHWAYS

Page 1 of 1

Revised Date

FY 82

(10) LEGISLATIVE REQUEST
PROPOSED CAPITAL
PROJECT

COMMUNICATIONS

THIS REQUEST WOULD ALLOW COMMUNITY

HOOK-UP TO THE BACK BONE SYSTEM

(1) Project Title	(2) Location(s)	(3) Election Districts Served	(4) Start Date	(5) Completion Date
EMS COMMUNICATION EQUIPMENT	STATEWIDE		7/1/81	6/30/82

(6) AGENCY REQUEST

1002	Federal Receipts	
1003	G/F Match	
1004	General Fund	823.5
1005	I/A Receipts	
	G.O. Bonds	
	Total	823.5

(7) Operational Cost & No. Personnel Increase -- (Decrease)

		First Operating Year ____	Ultimate Annual Year ____
Funding Source	Federal Receipts		
	General Fund	n/a	n/a
Total Annual Operational Cost			
Position (FTE)			

Previous Year-Priority	Agency Priority	Governor's Priority

GOVERNOR'S REQUEST

Approved	Deferred	Disapproved

1002	Federal Receipts	
1003	G/F Match	
1004	General Fund	
1005	I/A Receipts	
	G.O. Bonds	
	Total	

PROJECT DESCRIPTION (8)

This project will provide for design, purchase, and installation of essential Emergency Medical Services Communication equipment necessary to furnish the communications backbone between the EMT and a Physician or clinic/Hospital. There is a lack of appropriate EMS communication equipment along major transportation corridors, thus creating whole areas with minimal or no coverage. This project will fund equipment compatible with the currant statewide EMS communication frequency (155.160) and provide for uniform statewide services.

SOUTHEAST REGION	88.0
SOUTHERN REGION	620.0
NORTHERN REGION	115.5
TOTAL	823.5

LEGISLATIVE MEMBER'S SIGNATURE:

CATEGORY (9) HEALTH

AGENCY HEALTH & SOCIAL SERVICES

PROGRAM PUBLIC HEALTH (EMS)

Page 1 of 1

Revised Date

FY 82

35 LEGISLATIVE REQUEST PROPOSED CAPITAL PROJECT

ALLEN
BLUME
SERVICES, INC.

P.O. Box 1608 • 211 Assembly Bldg. • Juneau, AK 99802 • (907) 586-9685

Mr. Chairman, members of the committee:

Thank you for this opportunity to testify before your committee. For the record, my name is Allen Blume, President of Allen Blume Services, Inc. and representing Mr. Stuart Browne, President of TELELINK Communications, Inc.

TELELINK Communications, Inc. was formed in May to provide Alaskan customers with several telecommunications services which include:

- Customized audio teleconferencing through TELELINK's Conference Message Exchange (CMX) service
- Telecom systems analysis, design and planning consultation
- The supply of automated office components such as sub-minute facsimile equipment, data communications terminals and electronic mail

TELELINK is in the unique position of being an end user of common carrier supplied services at the same time providing end-point "add ons" for our customers. This means we will be actively stimulating the increased use of the state's local and long distance telephone network, creating revenues for the telco's and long lines carrier. We are advising our clients that through the use of modern, comprehensive telecommunications systems such as our Conference Message Exchange, in conjunction with existing networks; new levels of productivity, substantial dollar savings, and reductions in travel costs can be realized.

The fact that America's GNP is tied to productivity and that increased productivity is possible through the use of telecommunications is becoming more and more apparent. Major industrial strides have been made in the automation of factories and in streamlining the production process. Today, with a majority of the national economy based on information flow, retrieval and storage, its important to streamline and automate Alaskan offices and business procedures.

TELELINK hopes that we can stimulate business users of telecommunications to take advantage of new office oriented services: teleconferencing, word processing, electronic mail and other telecommunications based services. With 60% percent of our National GNP related to "knowledge workers", TELELINK's products and services are available to help executives and knowledge managers achieve the efficiencies possible through telecommunications.

In Alaska, there are several areas where the State Legislature can help stimulate the telecommunications industry and the efficiencies that are inherent in this media. I believe we need:

1. Permissive legislation that will encourage the performance of ministerial, executorial and problem solving functions of state government ~~and~~ via legally established audio, video and computer teleconferencing services.
2. Greater emphasis by State government (and particularly this committee) on the use of telecommunications and particularly teleconferencing as an adjunct and alternative to high cost, time consuming travel; and the attendant loss of personnel productivity due to fatigue, lost office time, etc. Less travel stay at home.

Could we have a shorter and cheaper session thrust

I would like to note for the record that these hearings have created a substantial loss of my time and revenues, as well as TELELINK's, simply because they were not teleconferenced. Originally we had not planned to testify before the committee, but rather sought to "listen in" to see what was transpiring.

However, when public issues are dealt with in a relative information vacuum, it becomes necessary to "jump in".

For the length of time and dollar cost that I have expended for:

a. Round-trip air fare from Juneau to Anchorage
b. Two day car rental
c. One day of hotel charges
d. Meals;

plus my absence from my desk, I could have otherwise walked across the street (or driven across town) to monitor these proceedings.

I am sure there are others who have been likewise affected.

Finally, we would like to endorse the beginning efforts of the principals in the new Division of Telecommunications Services for their accessibility and energy.

The provisions of Executive Order 50 have established firm grounds for the expansion and improvement of telecommunications services in Alaska. We look forward to a productive relationship with the Division and this committee.

Allen D. Blume
President
Marketing Associate for
Telelink Communications, Inc.

(5)

TELECOMMUNICATION ISSUES TO BE CONSIDERED BY THE HOUSE LABOR AND COMMERCE COMMITTEE. They are:

1.) Is there a danger of government "crowding out" private businessmen by becoming involved in telecommunications?

2.) What should be the state's policy regarding telecommunications?

3.) Is there a danger of a telecommunications monopoly developing in Alaska?

4.) Who should own the satellite T.V. "dishes" in the villages? The state does now and it pays Alascom $582 per month to maintain them.

5.) Should the state set up a loan program for telephone co-ops to replace the 5 percent federal loan fund which is being phased out?

6.) Can the state improve on its present system for transmitting computer data from all of the various departments?

7.) What new kinds of technology in telecommunications can give the state "the most bang for its buck?" The big technological developments now relate to digital transmission and packet contention, and two way television.

8.) The Governor (Executive Order 50) recently centralized all telecommunications programs in the Department of Administration. The Committee may want to do some oversight on the establishment of two new telecommunications divisions which were established.

9.) Should the state encourage more in-state programming and more Bush programming, or should it stay away from being involved in what plays on state-funded satellite television?

10.) There is a little bit of work being done on what social impact the introduction of television has on rural villages. You may be interested in these sorts of social impacts.

11.) Other concerns expressed by public or private enterprise.

United Utilities, Inc. — NATIVE OWNED CORPORATION
5400 A STREET ANCHORAGE, AK 99503 PHONE: (907) 276-1959

September 24, 1981

Representative Terry Martin
Chairman, Labor & Commerce Committee
Juneau, Alaska

Dear Representative Martin:

RECOMMENDATIONS FOR STATE POLICY ON TELECOMMUNICATIONS

1. State government should encourage and support reliable and quality universal service at affordable rates. We feel that a realistic goal of basic telephone and television service for communities over 25 residents by 1984 is achievable and is desirable.

2. Delivery of telecommunication services should be through private enterprise in a fully competitive but regulated environment. Local control should be prefered in owning, operating and maintaining these systems.

3. Artificial regulatory and government barriers for growth and development of new and innovative services should be removed.

4. No company through sheer market power and size should be allowed to manipulate state policies and objectives of universal service at reasonable rates.

5. Companies owned and operated by Alaskan residents and based in Alaska should be given competitive edge over outside interests.

6. Any revenue shortfalls that cannot be met through rate design, rate integration and revenue pooling concepts should be supported through direct appropriations in forms of grants and loans to the providers of these services.

7. Long term and short term capital needs of the telecommunications industry should be supported by loans and grants at reasonable interest rates under reasonable terms, available to all providers of these services in the ratio of their ability to pay back such loans and based on genuine need when alternate sources of financing are unavailable.

Vinod Batra
President
VB:pa

MAILING ADDRESS: P. O. BOX 4-2730 ANCHORAGE, ALASKA 99509

Please make 5 copies.

NORTHERN TELEVISION, INC.

THE BROADCAST CENTER

P.O. BOX 2200 ANCHORAGE, ALASKA 99510
KTVA-TV/KBYR-AM/KNIK-FM/MUZAK
(907) 272-3456

P.O. BOX 950 FAIRBANKS, ALASKA 99701
KTVF-TV/KFRB-AM
(907) 452-5121

September 22, 1981

Representative Terry Martin
Chairman of Labor and Commerce Committee
921 West Sixth Avenue Suite 250
Anchorage, AK 99501

Dear Representative Martin:

Although Northern Television, Inc. will certainly try to have a representative at the Anchorage meetings September 23 and 24 regarding telecommunications, neither Mr. Hiebert nor I will be able to attend, so we are submitting our comments in writing. As President of the Anchorage Associated Broadcasters, many of these same questions continue to come up each session, so we are grateful for this opportunity to make comments.

Question 1: We see a definite danger of government "crowding out" private businessmen by the sheer magnitude of the state's involvement already in telecommunications. The state should only involve itself when the private sector is unable to provide service or determines it is not economically viable. In a situation where the state does provide telecommunications service, it is the opinion of both the Anchorage Associated Broadcasters and Northern Television, Inc. that the services should be contracted or subcontracted to the private sector.

Question 2: Responding to what the state's policy regarding telecommunications should be could take several pages, but my response above to Question 1 certainly relates to policy. Also very important is the concern those of us have over the state's involvement in distribution of program signals that those of us who are network affiliates in Anchorage are responsible for to our networks. Even in the recent legislature, legislation was introduced without any consultation whatever with any of the commercial broadcasters, let alone determining whether the network programming would be made available to the state for distribution. The entire state television project could quickly be discontinued if the networks pulled our authorization to the state due to concern over the lack of proper controls in distribution of their programming.

Question 3: There definitely is a great danger of a telecommunications monopoly in Alaska.

Question 4: The villages should have the opportunity to own their own satellite earth stations if they have the expertise to operate and manage them. Otherwise they should be owned by Alascom, a local telephone utility, or some other common carrier; not the state.

Question 5: A state loan program to telephone co-ops would be beneficial if this would enhance improved service to the general public. However, since there is considerable danger of fiscal abuse, the loaning of money must go hand-in-hand with continued oversight and regulation by the Alaska Public Utilities Commission.

Question 6: We are not privy to how efficient or effective the present method of data transmission for state agencies happens to be. If there is a serious question, then an unbiased, competent third party firm should be engaged to make a comprehensive study so that an intelligent course can be followed in the future. The transmitting of computer data for the various state departments is another service that should be provided by the private sector.

Question 7: There are dozens of state-of-the-art technology developments which will provide the state with the best service in a cost-effective manner. Alascom's commitment to own a satellite within the next two year time frame is a basic example of how the potential of present and future new technologies can be implemented, consistent with the growing and expanding needs of the state. Alascom's proposed satellite is to be situated at an ideal orbital slot to provide a perfect "footprint" over Alaska, and at the same time will be able to cover adequate (and necessary) locations in the South 48 states, Hawaii, and the Pacific Rim. This is especially significant considering Alaska's growing economic ties to the Pacific. Capabilities of satellite transmission are such that new and emerging technologies (such as digital) can be perfected and used as they become cost-effective and required, and with no concern as to whether or not the satellite is capable of transmitting these new techniques. Satellites are capable of handling any new technologies that are likely to be developed during the life of the bird.

Question 8: Lt. Governor Terry Miller approached the Anchorage Associated Broadcasters and the commercial stations individually prior to the final draft of Executive Order 50, and our largest concern was again the distribution of programming by the state as authorized by the affiliated stations on behalf of their respective networks. We were assured that this would never happen, and twice since Executive Order 50, to my knowledge, the problem has surfaced. As we mentioned in responding to Question 2, legislation was introduced in the last session that did not address or request the rights to distribute programming, and most recently plans were well underway to take network programming signals "off the air" from monitors at the state's communications center rather than have the programming recorded by the network affiliates, delivered to the state, and then returned to the affiliated station for the tape to be erased as required by the network's authorization conditions.

There is also concern by Northern Television, Inc. that any commercial broadcaster, including us, utilizes the state satellite system for "commercial" purposes. We have purposely stayed clear of any inference whatsoever that advertising can reach any of the areas of the state via the state satellite system so that state or taxpayer money was not being used to our benefit. However, there are examples of stations using the state satellite system to their own commercial advantage and the telecommunications division responsible for this area should be especially aware of this practice.

Question 9: In-state programming or Bush programming can be beneficial to many sectors of the Alaskan community. However, the Division of Telecommunications should make sure all projects are cost-effective and that regardless of the cost to produce this programming, it should be monitored as to its effectiveness. I believe the state should always try to make the production of this programming available on a contract or bid basis from the private sector.

Again I thank you for the opportunity to respond, and if the legislature and the Administration "before the fact" both stay in touch with the broadcasters who are deeply obligated to our respective networks, it will save a lot of headaches and avoid jeopardizing the state satellite project in the future.

Sincerely,

Ron L. Moore
President
Northern Television, Inc.

cc: A. G. Hiebert, Chairman

RLM/AGH:cag

Alaska Cable Television Association

5 Copies

The Alaska Cable Television Association has the ability to bring state government much closer to the people of Alaska. As President of ACTA, I am writing to propose the creation of a system to place full coverage of proceedings in the House and Senate, plus elected committee meetings, on cable television throughout Alaska. The system ACTA proposes would also make it possible for individual legislators to report to their constituents regularly via cable TV without leaving the Capitol, and provide a phone-in link to receive questions and input from home districts.

We are calling the proposed system A-SPAN (for Alaska Satellite Public Affairs Network). The basic idea is borrowed from C-SPAN (Cable Satellite Public Affairs Network), the non-profit, cooperative effort of the nation's cable TV industry, which now brings live gavel-to-gavel coverage of the U.S. House of Representatives into more than eight million homes in all 50 states. C-SPAN also airs phone-in programs to allow Representatives to talk directly with constituents, and covers both House and Senate hearings. A bill to allow C-SPAN's cameras into the U.S. Senate is currently pending. I have enclosed a copy of a C-SPAN ad for your information.

The proposed A-SPAN system would do much to improve the accessibility of state government to the average citizen. Your support for A-SPAN does not necessarily imply any feelings one way or another on the Capitol move issue, and we at ACTA believe it will have a positive effect on all persuasions. If we move the Capitol, this is a good interim measure while we wait. If we don't move it, it may prove to be a very viable alternative. Either way, this form of communications has and will continue to greatly improve the dialogue and understanding between constituents and representatives. The potential for implementing a more effective system is greatly enhanced by the use of this medium.

Once the MultiVisions system is completed in Anchorage (by the end of 1984), 90% of Alaska's citizens will have access to cable television. By providing cable service in schools and libraries, A-SPAN can be made readily available even for people who don't subscribe to cable TV. This would give Alaska the most open and responsive State government of all the fifty states.

A-SPAN would interpose no editor between government and the people and would only inform the audience of who the speaker is and what the referenced bill is about. A brief suggested format is attached for your perusal.

A-SPAN would not be an expensive project, considering the enormous benefits it would bring to the State of Alaska and its people, and the Alaska Cable Television Association is very committed to making A-SPAN a reality as a public service project. However, the overall cost of the program will exceed our means, and the project's benefits to the statewide public lead us to hope that state funding might be made available to help us create the system. Perhaps, like C-SPAN, A-SPAN could be organized as a private, non-profit corporation and receive funding both from the State, the ACTA, the ABA and other interested parties. If there is substantial support for our concept among legislators, ACTA will develop a detailed proposal and budget by November.

I hope you will want to help ACTA turn this drama into a reality. I believe that A-SPAN would be the most positive step the legislature could take to provide Alaskans with freer access to their state government. I hope to speak with you about A-SPAN, in person or by telephone, before ACTA's next bi-annual meeting this November. At that time, I will report to the Association's members on the response of Alaska's elected representatives to the A-SPAN concept. I look forward to discussing this idea with you.

POSSIBLE PRODUCTION FORMAT -- A-SPAN

House and Senate Chambers

10:00 a.m. - 12:00 p.m. (Hours will lengthen as session progresses)

Description: "Live" television coverage of House and Senate session in progress (two separate channels). Through the use of remotely operated TV Color cameras, legislators, Speakers, and voting machine display boards of both chambers will be covered. A technical director, one assigned to each chamber/channel, will switch between cameras located in each chamber to keep up with the activities. Each director will have access to a title generator to identify who is speaking.

Committee Hearings

1:30 p.m. - 4:30 p.m. (Hours may vary as session progresses)

Description: "Live" television coverage of one (1) House and one (1) Senate Committee Hearing will be covered daily when in progress, using two separate TV channels (these would be the same channels earlier designated for coverage of the House and Senate sessions). The schedule of what committee hearings will be covered will be announced the day before on the "Electronic Information Center" channel. Each hearing will be assigned a technical director who will run and switch remote TV color cameras to cover the event. A title generator will be used to identify those speaking.

Electronic Information Center

10:00 a.m. - 7:00 p.m.

Description: This channel will run continuous listings of current and upcoming legislative events using a sophisticated character generator (television typewriter) which can be updated daily or as often as needed. Items will include House, Senate, and Committee Hearing calendars, schedule for the "Legislator Access" channel, times and places for special community hearings - statewide, and other timely announcements.

Legislator Access

4:30 p.m. - 6:30 p.m.

Description: This channel will be open for scheduling by legislators for short (10-15 min.) presentations on any topic they feel would be of interest to their constituents (regional or statewide). The public will be given a chance to react or to ask questions of the legislator via a direct call-in telephone line. The frequency of activity on this channel will be dependent on legislator usage, therefore the hours of operation will vary. However, a requirement will be that legislators must give adequate notice of topics and times so that notice may be given to the public via the "Electronic Information Center" ahead of time.

CABLEVISION

10512 N.E. 68TH STREET — KIRKLAND, WASHINGTON 98033
(206) 822-0252

April 10, 1981

Ms. Jane Demmert
Director of Telecommunications
221 Northern Lights Blvd.
Anchorage, AK 99503

Dear Ms. Demmert,

I am writing to you as a result of conversations I have had with several other people involved in the Low Power Transmitter applications that have been filed by the State of Alaska with the FCC.

First let me quickly introduce ourselves. Alaska Cablevision, Inc. operates Cable Television systems in seven Alaskan communities: Petersburg, Wrangell, Valdez, Cordova, Kodiak, Kotzebue and Nome. We acquired these properties in the fall of 1980. Since then we have assumed a very aggresive posture in terms of technically upgrading these facilities and introducing new satellite delivered programming. In addition, the principals of Alaska Cablevision own and operate several Cable TV systems in the "Lower 48". Four of the five principal partners have been very "hands on" involved in the Cable TV industry since the mid Sixties.

Our concerns over the pending LPT applications stem from the following:

1) The Cable Television industry has 12 VHF channels available to deliver its programming (channels 2 thru 13). To expand beyond that requires devices (converters) be placed at each subscribers set. In view of the multitude of programming available via satellite this is precious space to us and we must be able to use all of it without handicap.

2) The State of Alaska currently has in our communities a VHF transmitter for the State channel. The State transmitters cause us technical problems. The Cable TV subscriber now has 2 transmissions of the same channel arriving at his set: one via coaxial cable and one via the State transmitter. The result is a picture with an interference problem, called co-channel interference.

3) There are certain things a Cable operator can do to help protect his customers when this situation arises.

A technique known as phase locking is used to reduce the viewing problem from one of co-channel (very objectionable) to one of a ghosting problem (less objectionable). Also, the Cable operator must maintain the ingress/egress integrity of the Cable facilities to prevent off-air signals from entering the Cable system at a point and being carried along, the cable, again causing co-channel interference.

These things having been done, we have reduced, but not eliminated the problems at the customers set. However, the built in tuner and/or the built in antenna within the customer set, can with varying degrees of effectiveness, receive the off-air signal and add it to the one being delivered via the Cable system coaxial cable causing interference. The type of television, sensitivity of the built in antenna, distance from the transmitter, type and direction of the transmitting anterna, quantity of signal delivered by the Cable TV company all are factors in determining the degree of significance of the problem. Our problems vary from community to community but they do exist; and naturally the people turn to the Cable company, not the State for answers.

Yet, you can eliminate this problem. It is our hope that you would ammend the applications for Wrangell, Petersburg, Cordova, Valdez, Kodiak, Kotzebue and Nome such that the transmitter would be at a UHF frequency. At UHF all of the above mentioned problems for the subscriber would vanish. Virtually all of the sets have UHF tuners as well as VHF tuners, so the customer could simutaneously use UHF for State programming and VHF for Cable programming.

Some re-engineering of your application would be necessary, however, there would be some duplication in the seven applications that would diminish the size of that project. I am sure that time is of the essence for you in this project, however, I feel that ammending the applications would create no slow down in your time table, since the LPT affair is moving somewhat slowly at the FCC.

I hope you consider this request with an appreciation for our deepest concern. We have a limited space to do business. One channel is already troubled and if nothing is done, another will soon be also. Please appreciate our absolute need to deliver signals to our customers of the very highest quality.

Please feel free to contact me at any time.

Sincerely,

Robert Allison,
Vice President

RA/lk

April 16, 1981

Ms. Jane Demmert
Director of Telecommunications
221 Northern Lights Blvd.
Anchorage, Alaska 99503

Dear Ms. Demmert:

I received a copy of Bob Allison's recent letter to you regarding VHF/UHF transmitters. Before the ACTA makes certain assumptions, I wonder if you would be able to take some time to write me and tell me the main goals and objectives of your recent dealings and how you see our member companies interfacing and/or complementing your needs and those of the rural areas of Alaska. Obviously, it is of great interest and concern to the ACTA since we have a substantial investment in most communities within the State of Alaska. Your time and consideration would be most appreciated.

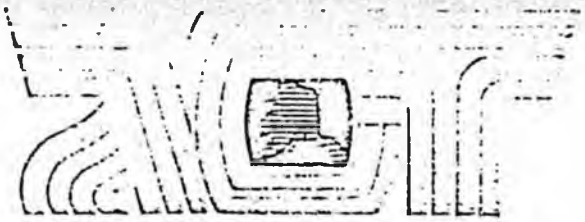
Sincerely,

Robert N. Uchitel
President

cc: R. Allison

RNU:gh

Alaska Cable Television Association



May 14, 1981

RE: Work session report between R.N. Uchitel and Jane Demmert, Director of the University of Alaska Instructional Telecommunications Consortium, and Bill McCaughan, Director of the Operations Center of the University of Alaska Instructional Telecommunications Consortium, and Tom McNulty, Director of Marketing for MultiVisions.

Gentlemen:

Getting to the crux of your concerns, more specifically, the concerns expressed in the enclosed letter from Bob Allison to Jane Demmert, I wanted to explore with Jane what it is that she does, why she is doing it, where she's going with it, and how, if possible, it can benefit all of us without hurting any one of us. I believe, that both she and Bill are friendly, aware, and understanding of our position and our concerns about the State sompeting with, rather than complimenting, our service. I throw out for your consideration and quick response to me, several ideas which came from the meeting.

In those areas where cable does exist, the State os Alaska need not put up any kind of transmitter of their own, but instead, transmit their programming on one cable channel in the following fashion:

The cable operators would commit to hardwiring all the homes, or the very vast majority of the homes, in their community.

The State would purchase all the necessary trapping hardware, so that if people simply warted to see the "Learn Alaska Channel" and nothing else on the cable, the subscriber would be prevented from seeing the cable channels if they chose not to pay for it; therefore, the cable would be in their home without charge to them for watching that one State subsidized channel fourteen hours a day.

The State in turn, on their channel, would thank the cable operator in his community for participating in the project and recommend that the viewer look at other cable channels that are being trapped out, if indeed they are being trapped out, because of the good programming on those channels that they are missing. Thusly, the State would be marketing on their channel, for free, the use of and advantages of the other channels on the cable system.

In those communities where there is no cable, the Alaska Cable Television Association would go along with the concept of allowing various cherry-picked programming from the satellite, that has traditionally been the programming source of the Cable Operator, and help them to show that programming in those communities until cable became a viable alternative. I see this as being potentially a great plus for us, because, it would finally show us to be the

conduit and broker that we prefer to be. Eventually, depending on regulation and proven costs, perhaps we could charge the State and other groups for the use of that cable channel.

Free marketing on the part of the State is a unique, and I believe, positive concept that can only lead to maximizing penetration in all markets. If we don't go along with the things that I have just suggested or other things that have been discussed, I believe that the relationship between the two organizations is still a healthy and viable one and that we haven't lost anything or given up anything and, of course, neither have they. Right now, they are willing to cooperate and will put up money to that end on our behalf. Let me know your thinking so that I may pursue it further or drop the whole issue. Thank you for your consideration, and I again hope to see you all during our Preview Presentation for Alaska 1984 in the first week of June.

Most sincerely,

Robert N. Uchitel
President

P.S. In a subsequent conversation with Augie Hiebert, he suggested and I concurred in our common alliance to protect ourselves from certain bills now before the House that potentially compete with us on a more serious basis than the above legislation. I would like to hear your feedback on that because the Broadcasters Association will be meeting shortly and would like our help on the pending problem. In addition, Augie would like to expand the idea to Satellite broadcasting of KBYR to Bethel and would like to have the participation of all cable systems throughout the State. He's indicated that he's gotten positive feedback from many of you and any thoughts I can pass along to him for you or you directly to him, I think he'd appreciate. Thanks again.

RNU:gh

encls:

(1) Put into Legislation - per John Lindauer

A Bill to get the state out of competing with private business and to stop state officials from using their offices and influence to control the news should have the following parts:

OK 1. No advertising or acknowledgements or name mentions shall be provided for any business product by public radio stations, public television stations, or public networks in response to money payments, grants, or donations.

OK 2. No commercial advertisements shall be carried in state funded or state subsidized programs or in programs transmitted by state funded or state subsidized satellite channels.

OK 3. No corporation doing business in Alaska shall charge higher prices to Alaska private broadcasters than it charges an Alaskan public broadcaster.

OK 4. The production of all news and other programming that would otherwise be provided by the Alaska Public Radio Network or any other similar organization shall be put out to competitive bid and awarded to the lowest qualified bidder. The cost of having the Public Radio Network or any other state-funded group provide the service shall be revealed in the bid request so that private bidders will know what price they have to beat in order to get the contract.

5. The state's public radio stations may buy any programming service they desire and no programming shall be pre-funded by the state in order to preempt their choices. Said programming services so desired will be put out to competitive bid and awarded to the lowest qualified bidder.

OK 6. It shall be felony bribery for an employee of the state or a public radio or television station to solicit any payment for the purpose of directly or indirectly influencing a public official or the content of any newscast or program carried by public stations or any commercial newscast carried by satellite at state expense.

7. ~~The~~ public radio stations in cities with populations in excess of 1800 people ~~shall~~ may be sold to the highest bidder who will contract to maintain or increase the current level of service and the proceeds will be used to increase services in communities not now served by public radio.

(3)

Chairman Martin, Members of the Committee:

Alaska is currently first in revenue per capita of the 50 states. Alaska is 50th in television reception. Alaska is the only state that does not have full time "live or real time" TV broadcast of the three major networks and the public broadcast system.

The loss to the people in education, health, information opportunities, reaction to current events, and entertainment is enormous - and uncalculable.

The loss to our rural citizens is even greater as they do not as a whole have daily newspaper coverage.

Currently the major networks are going more and more to special events and special commentations by top reporters, rather than carrying the story on the news. In most cases Alaska misses these specials.

During the last session, HB 517 was introduced by Representative Oral Freeman and was originally co-sponsored by 24 members of the House - to correct this deplorable situation.

The Freeman bill would bring 4 channels of "real time" television to 94% of the state's residents. It is designed to give Alaska citizens equal programming on major networks with all the people in the other 49 states.

Thousands of Alaskans would be receiving 4 channels live on real time television for the first time in the history of Alaska.

This program could be installed with the very latest in technical equipment at a cost of $50 per person statewide and an operation cost of $1.25 per person per month. Total cost for hardware was estimated at $25.5 million - operation $5 million.

The greatest benefit to live real time TV is its educational and informational value. It is without a doubt that TV is the greatest method to reach the people with information available today. Yet thousands of Alaskans have no television or delayed programs and our bush communities have no freedom of choice, receive only one channel. We in the major cities miss important news programs of vital events because a two-week delay makes the event no longer news.

And then the station must fill that gap by reruns of much older programs having received nothing from the Networks.

In the proposed project the private TV stations would indeed be benefitted as all programs would necessarily be channeled through the licensed network franchise and their individual advertising would be carried into a larger area by satellite.

This program while providing real time coverage of major network TV will not interfere with cable or pay TV. Every city in the other 49 states has live network TV and the cable business is flourishing.

At this point I might add that although I do represent one telecommunicati company their only request is to have an equal opportunity to bid on the various elements of this program and to encourage free competition in telecommunications in Alaska.

The question of state versus private enterprise in the case of tele-communications the answer is quite obvious. Even in the largest cities it is not economically feasible for private business to pay the transmission charges to Alaska. It is reasonable to assume that in smaller cities and rural areas it will perhaps never be feasible.

It is extremely beneficial to the state that the people be well informed. The costs are minimal when spread over the entire population.

The earth stations should be owned by local private telephone companies where one exists and by non-profit local co-ops where no telephone company exists.

Under this proposal the state would not be involved in programming as the four channels would give each household their individual choice of major network programs.

It is my hope that thru this committee that the state will provide this great service to all its people. The costs are small and each and every citizen, rich or poor, can benefit equally from this state expenditure.

Russ Me tins

(4)

Robert Wold Company of Alaska, Inc. testimony on Telecommunications before:

Alaska State Legislature

House of Representatives

Labor and Commerce Committee

September 23, 1981

Chairman Martin and Members:

I am Gene Deck, Vice-President and Associate Director for Robert Wold Company of Alaska. Mr. Wold, due to other commitments, is unable to attend and has asked me to relay his apologies. We thank you for this opportunity to appear before this committee on such an important issue as Alaska's telecommunications future.

Recently, we have seen Alaska's executive and legislative branches take the much-needed step to increase the efficiency of telecommunications functions in state government. We are in agreement with this step and laud you for it. We are encouraged by the intent to develope in this new organization policies which will:

- facilitate and develope basic and advanced telecommunications services and facilities.
- minimize the size and influence of state government by promoting private ownership and control of telecommunications facilities.
- recognizes the state's dependence upon innovative use of new telecommunications services and techniques.

We believe these policies will permit growth of telecommunications services and facilities, only if, competitive forces are allowed to thrive in Alaska's marketplace.

It is well known that Alaska's telecommunications atmosphere has been a monopoly since 1970 when private enterprise took over the Alaska Communications System. Monopolies are well known for exclusive control of a commodity or service in given markets which makes possible the fixing of prices and virtual elimination of free competition. Additionally, monopolies have no incentive or motivation to keep prices down or introduce innovative services and new techniques.

The other forty-nine states are presently benefitting from the government's well-established policies of promoting competition in terrestrial and satellite communications. While the established providers of these services and facilities understandably resisted such policies at the outset, there is almost unanimous agreement in the communication industry and in all other sectors that competition fosters efficient, economic, and well-directed communication services and that it has not adversely affected any group or segment in the society.

New technologies offered by new entrants into the telecommunications field are here and Alaska should take advantage of these technologies by making them available to its citizens. For instance:

- Digital television transmission techniques which permit a multiple number of TV channels in a single satellite transponder.
- Time Division Multiple Access techniques which permit a multiple number of users to access the same facilities for message telephone and data services.

These are only two of many which are available.

Open market competitive policies can make these technologies available to Alaska's citizens.

In summary, I would like to leave this message with you.

> "It should be the policy of Alaska's state government to rely wherever and whenever possible on marketplace competition and on the private sector to provide all telecommunications services. Marketplace competition will result in technological innovation, operating efficiencies, and availability of a wide variety of telecommunications techniques that are now or may become available in the future, and will promote the equitable and efficient use of such technologies to provide services to all geographical areas of Alaska."

Thank you.

Oct. 28th - Fribs hearing - State-Telecommunications.

Rep. Fred Brown
Dick Edge - FCC - Wash. D.C. specialist SB 898
Timothy Worth - U.S. House - "Universal Services"

Get back to basics - [illegible] -
"Compelling Interest" of State -"
Do you see the day - out side of basic needs
Alascom - buying out the small rural companies - Anti-trust Law.

Cable T.V. + F.C.C. thru A.P.U.C.
* Consider sending telegram to Sen. Stevens + F.C.C.

Jeannie Otnise - E.M. telecomm
See planned program for addition to FY 83 Budget.

See State funding 911 State wide - meet cost for local
Needs more continuous education for E.M.'s phone companies.

Glenn Standley - consultant

---

73 wks - Learn Ab. -
*[credited courses] re invent the wheel. -
production - cost of equip - cameras

Use of PB system +
" " Cable " +

Mr Brad Brooks. E.M. $700,000 FY82
USPHS, State Troopers -
BIA
Military etc.
Radio relay.

Annie - Moderator
Welcome to L + CC Telecomm. Hearings -- Great participation in Sept. hearing we look for same in ~~[illegible]~~ today
Beautiful day in Hrbs. -
Rep Brown -

state people are not here but you can be assured that as your reps. we will strongly

---

Kodiak - Mine T.V. Demonstration - K.O.T.V. Channel 9 (Is On State demonstration) serve 9 to 16 chans
Dave Thompson - Bill Glenn. Compelling interest? How many People served or reached
Is there unfair competition
Feels that Public Broadcast is now on a strong good path.
Sam Deonelli - Port Lions owner

Bill Glenn - Interference fears of cable T.V. people..
[Problems were eliminated when TV switch to another channel
stealing channel

Juneau. - Alex Hill - state Sat. - "out of business"? (compelling interest.)
"no legal obligation" ethical procedures
strick letter of the law? productions
alternatives ↔
New? -
48 employees

Peterbergs -

Kotzebue [$40 M's in loan for T.V. How can we have your system in Auch

Barrow - Thank for your very frank report + Great need for all involved to communicate.
Tom Saxton - Barrow Cable T.V.

Growth Policy report - State should avoid state - will send his written report.
* make use of local maintenance + services not i.g. send out own employees or

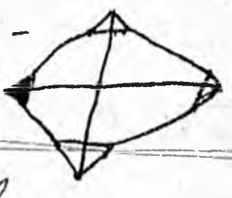
Bob Allison - Petersburg - ITV - Learn AK.
Problem is with delivery method choosing channels.

Anch - David Hammett. - good conservation pts. -
wants to allow rural outlets to clock on private lines
What about electrical power for villages - basic needs.
Much to think about -

Legislature meeting & Board meeting - astronomical legal questions.

PAT-NET

Larry Blackburn & Patty - Haines -
New policy of Mr. Hills



Harvey Dallain - Petersburg -
Channel 9 interference problems -

David Morgan - Petersburg
Exec. Order 50 ⟷ Thanks for position note.
need input on programming.

Betty - AK. Coal Conf.
Lack of communication with private & State

Introduce Guest —

Alex Hill —

This whole ~~pro~~ Div. is kind of on a ~~tight~~ rope!!!

New Div. of Telecomm — problem is that next year a new Governor may dissolve the Div. — Leg. may not approve appropriation — only in law is there a permanent status —

Cart before the horse — hardware + staff before state policy development.

Private Y/s Public developing —

Girdwood

Kenai

Soldotna

Everything and anything —

What is future staff coming to —

Hero's or Villians

Mr. Russ Meekins Sr. —

HB 517 — 24 sponsors ????

Letter of intent by Commerce Comm. ??

$50.00 per person —

Mr. Dane Deck — Vice Prest. Robert Wold Co. —

Tele. in Ak. is a monopoly —

Other states establish incentives for maximum competition

? In other States + Ak. "monopoly" — utilities need for protection. — water, telephone

Mr. John Lindauer - State should spend fewer dollars and allow private dollars to do the job -
No more need for State expenditures.
State is influencing public news and concepts.
Massive political abuses in the bush.
Alascom. was ordered twice by gov's office to announce supposed news releases - this is against the FCC regulations. -

Direct broadcasting is coming - most of what is developing now under State may be out of date - too late - too costly -

---

Marv Weatherly - APUC - the destiny of AK.
Our future is to be determined by Wash DC - F.C.C. the Fed. give monies to many area in need, but AK. is conceived as having enough $$$.

VS SB 898 - attemps to set state policies -
Do we need APUC to monitor cable T.V.
Give us idea of procedure & policies for certification
HB 606 - $40,000,000 loan bill - move this for develop. of rural telephone - will = REA Fed low % loans.
need interim financing to take place of R.E.A.

AS 42:05 - cable T.V.
Why then U's having their own system.

Mr. Robert Blodgett - Is interested in private sector feels public
Mukluk Tel. Comm - has gotten financing through REA - $3M's for 35 yrs.

Loans - not limited to co-ops - allow independents op. also. - Decrease regs to enable

Mr Blodgett. - uses data to order groceries wt Gottstein.
improve on data etc.
State VMA tape — 35 mil. too limited
Data can greatly reduce mail..
Safety Comm Network - OK.

State programming - individual choice -

Social impact to villages - good in decreasing alkohol use - Villages do have council that have entertainment authority - movies etc. T.V will allow more at home.
T.V evaluation 80% entertainment 20% educ. and other

Blodgett is going to build his cable network - equip in this field is decreasing in cost.
Competition with State is cost him in need for more equip. and double equip in same area.
Micro-processor will greatly change all lives in comm, and social being --

---

Ak. cable Tele.
Sam Evans - 6,000 families - 7 stations
Kot, Nom, Vald, Cordo, Wrngl,
84 employees - 36 in AK.
Have switch from 4 channell to 11 channels.
Injoys not being over regulated through APUC
Enthused with State cable openness -
Fears competition with State giving fall what they are now paying for.
Conflix with U of A - learn Ak prog. - UA wants to use channell 4 that his company now has. This Co. can give better quality and free service but UA is persistant and has asked FCC to adjudicate the problem.
They feel UA is now commercial not I.T.V.

V of N. in Oct. —
Public Safety

Allen Blume - Juneau. —

Clarke Northrup —
Repeater service is smaller communities —
will this decrease many small staff in every small area or is there insistance that each area have their own local people for local interest - everyone gets their own name or grp. on airwaves —

appropriation? Line itemed out by Gov. last yr.
this yr. spent before Gov's signature

Why Feb. for develp. policy -

Ex 50 - prohibits direct production —

Frank Price - Meteor Data Inc.
FCC now limits use of meteor data - State did put his firm somewhat out of business do to establishing its own system - however Leg. did change direction through RSP - request for — propursors ----
Alascom - Meteor Inc. competed for bid.

Owner of local satilite disc —
private - State put up for bid — ?? one comp pay high for long range purposes.

Bob Herron —
Owner of Bethel Cable - Feels there is a crowding out of local business.
State is spreading out too much —
Team AB said they will use Channel 2 when local station has been using this " " for four years. over &

Bethel TV is investing $1 # million for satilite.

I-TV and Learn Alaska.

Bob Allison – Alaska Cablevision

I'm jealous of what you are doing – an we don't have in Anch.

HJR 49

COMMITTEE REPORT

HOUSE

4/23/81

(5)

FURTHER:

Date: _____

Mr. Speaker:

The Committee on LABOR & COMMERCE has had HJR 49

Requesting the United States Congress to exclude state unemployment insurance trust funds from the federal unified budget.

under consideration and reports it back as follows:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

CHAIRMAN

H 60 (Rev. 3/81)

Bill No. House Joint Resolution No. 49

Date April 24, 1981

Title Relating to exclusion of state unemployment insurance trust funds from the federal unified budget.

Contact: Judy Knight J Knight
465-2700

Funds used for unemployment compensation are generated by payroll taxes enacted by State Legislatures. These funds can be used only to pay unemployment compensation in the state in which they were collected and are held in trust by the federal government and drawn as needed to pay benefits. Since 1969, these funds have been included in the unified budget. The "bottom line" impact of inclusion of state trust funds in the unified budget is that all unemployment compensation--including benefits paid completely from dedicated state funds--appear as federal outlays. This makes unemployment insurance programs the target for budget-balancing proposals such as taxation of benefits, pension offsets, removal of extended benefit claimants from the computation of unemployment rates, and other cost-cutting proposals like those included in the Omnibus Reconciliation Act of December 5, 1980.

In addition to those set out in the Resolution itself, there are a number of other reasons unemployment compensation trust funds should not be included in the unified budget, as follows:

1. The majority of the federal payroll tax is not collected from employers, but is credited if employers participate in an approved state program and are subject to contribution rates set by the state.

2. The operations of the U.S. Treasury do not require that the accounts be included in the unified budget. The Treasury currently handles accounts for several "off-budget" agencies.

3. Basic program decisions--level and duration of benefits, contribution mechanisms, eligibility, and many administrative functions--are almost entirely in the hands of state legislators.

Policy calling for removal of funds has been adopted by the National Governors' Association, the Interstate Conference of Employment Security Agencies, the Federal Advisory Council on Unemployment Insurance, and the National Commission on Unemployment Compensation. These policy positions were adopted recently and the issue is not yet well-known in Congress. One way to speed consideration of this important issue is to ensure that states' Congressional delegations recognize the impact of inclusion of state unemployment trust funds in the unified budget and are aware of the states' strong desire to remove the funds from the budget. The proposed resolution could be used to convey Alaska's sentiment on this issue to national policy-makers.

Position: The Department of Labor supports the proposed resolution and recommends immediate approval.

POSITION PAPER/Department of Labor

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Position: The Department of Labor supports the proposed resolution and recommends immediate approval.

POSITION PAPER/Department of Labor

SB
19

COMMITTEE REPORT

HOUSE

2/26/81

FURTHER: FINANCE

(5)

Date: _____

Mr. Speaker:

The Committee on LABOR & COMMERCE has had SB 19am

"An Act relating to the legal rate of interest; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[✓] replace with CS for SB 19 am [X] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Terry Gardner

Terry Martin

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

CHAIRMAN

H 60 (Rev. 12/78)

Fact Sheet: SB 19 "An Act relating to the legal rate of interest."

Purpose: Amend the usury statute (1) to reduce the number of loans on which the interest rate is set by law rather than by free market forces; and (2) to adjust the procedure by which the legal rate of interest is set, by making it more timely.

At present, the usury statute applies to all loans originated in Alaska under $100,000. For those loans, the interest rate may not exceed five percentage points above the discount rate set by the Federal Reserve Bank of San Francisco (12th District) on the 25th day of the month preceeding the commencement of the present calendar quarter.

The following chart illustrates how this works:

QUARTER:	DATE RATE SET:	USURY RATE:
January, February, March	December 25, 1979: 12%	17%
April, May, June	March 25, 1980: 13%	18%
July, August, September	June 25, 1980: 11%	16%
October, November, December	September 25, 1980: 10%	15%
January, February, March	December 25, 1980: 13%	18%

If SB 19, as amended, were to become law, two things would happen:
(1) the usury ceiling would only apply to those loans under $25,000; i.e. those loans between $25,000 - $100,000 upon which the interest rate is presently set by law, would be made at whatever the lender and borrower decided was the market rate (essentially the cost of the money to the lender plus a reasonable profit); and
(2) the usury rate would be based on the present discount rate at the time the loan commitment is made.

Rationale: Although usury ceilings were originally designed to protect borrowers from unduly high interest rates, it is more likely that in today's market, they tend to deny financing to relatively riskier (or smaller) borrowers. For example, in November of 1980, several Alaska banks were lent money from the Department of Revenue in the form of certificates of deposit yielding from 15.25% - 16%. That was the cost of money to the banks. In November, banks were restricted by the usury ceiling from charging interest on loans of less than $100,000 to 15%. The question is, why would a bank make such a loan? The answer is, they wouldn't.

The reason for adjusting the procedure by which the usury ceiling is set, is simply that the present formula doesn't reflect present fluctuations in the capital market. For example, the legal rate of interest during the fourth quarter of 1980 was set at five points above the discount rate in effect on September 25, 1980, i.e. 15%. During the fourth quarter, however, the discount rate went up one percent on September 26, one percent on November 17, and one more percent on December 5. If SB 19, as amended, were to become law, lenders could have charged, say on December 5, 18%. As it was, they were limited by law, to charging 15%. Our guess is that consumer lending was down during this period.

Footnote: On March 31, 1980, Congress passed 96-221, "Depository Institutions Deregulation and Monetary Control Act", the most significant banking legislation pas ed since the Great Depression. One of the features of the bill allows the federal government to preempt state usury ceilings. Consequently, since April 1, 1980 the actual usury ceiling for business and agricultural loans over $25,000 has been five points above the discout rate at the time the loan commitment is made. There are provisions in the law for state override of the federal preemption. The state should take advantage of those provisions, and it is expected that the Senate Commerce Committee will be considering a further piece of legislation on this matter later this session.

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February 6, 1981

Please reply to: ANCHORAGE

Senator Patrick Rodey
Pouch V
Juneau, AK 99811

Amendment #2

RE: Senate Bill No. 19

Dear Senator Rodey:

I would like to take this opportunity to offer some suggestions for amendments to Senate Bill No. 19, "An act relating to the legal rate of interest; and providing for an effective date," introduced January 13, 1981 under your sponsorship and presently referred to the Senate Labor and Commerce Committee.

Due to apparent oversight by the legislature in prior sessions, an inequitable anachronism has been carried forward in the statutes of Alaska. AS 09.55.440(a) provides that the rate of judgment interest awarded under a declaration of taking proceeding will equal six per cent per year on the amount finally awarded which exceeds the amount paid into court under the declaration of taking. This provision was enacted in 1962, and has never been amended (ch. 101, § 13.21, SLA 1962 .

By way of background, a declaration of taking is often used by the State of Alaska in lieu of a complaint for condemnation and the correlative court order for possession. It provides for immediate possession in the State; otherwise the State must await the execution of an order giving it possession. The impact upon Alaskan landowners is the same regardless of whether their land is taken by a declaration of taking or a complaint for condemnation. However, a different rate of interest is paid to the landowner depending upon which method is used by the State. When a complaint seeking condemnation and an order for possession is used,

interest due the landowner (on amounts not deposited by the State) is governed by AS 09.55.330 which provides that the "lawful" rate of interest (AS 45.45.010) applies. This provision was enacted along with the provision applying to declarations of taking in 1962 (ch. 101, § 13.10, SLA 1962). Accordingly, it can be seen that in 1962 the legislature provided for the payment of interest at the rate of six per cent whether a declaration of taking or complaint seeking condemnation and an order for possession was used. However, in 1976 the statute setting the "lawful" rate of interest in Alaska [AS 45.45.010(a)] was amended to increase the rate of interest from six per cent to eight per cent. However, it would appear that no one has brought to the attention of the legislature the fact that interest under a declaration of taking condemnation remains at six per cent. Subsequent increases in the legal rate of interest have similarly failed to be reflected in AS 09.55.440(a).

It has been my unfortunate experience to witness the inequitable application of the six per cent interest statute to many landowners whose land is taken for public use. Surely, the procedural means by which possession is taken by the State should not dictate the rate of interest to be paid landowners on compensation which is delayed. However, attorneys in the Office of the Attorney General for the State of Alaska, while apparently recognizing the inequity of such differential treatment, are bound by AS 09.55.440(a).

The inequity in treatment was recently noted by the Supreme Court for the State of Alaska in State of Alaska v. Alaska Continental Development Corporation and Alaska General Properties, Inc., No. 2254, December 31, 1980 (emphasis added):

> We note the disparity between the interest rate specified in AS 09.55.440(a) and the other statutes mentioned. We also are concerned about the inequity in awarding a higher rate of interest on judgments obtained in one form of eminent domain proceeding than in another, as may result from the current provisions of AS 09.55.440(a) and AS 09.55.330. We strongly urge the legislature to consider amending what appears

to be a defect in the current statutory scheme. But we decline to repeal by judicial action the clear and unambiguous provision of an enactment of the legislature on the grounds that it must be an oversight.

Although the Alaska Supreme Court's recognition of the doctrine of separation of powers is admirable, landowners in the State of Alaska remain in need of an amendment to bring the rate of interest under a declaration of taking eminent domain proceeding in line with the other interest rate provisions in the Alaska statutes.

Since Senate Bill No. 19 will focus the legislature's attention on interest rate matters, it would seem an amendment or amendments may be attached to the bill which will remedy the inequitable situation described above. I would recommend for your consideration amendments to Senate Bill No. 19 along the following lines:

1. Insert a new Section 3--"AS 09.55.440(a) is amended to read:

   (a) Upon the filing of the declaration of taking and the deposit with the court of the amount of the estimated compensation stated in the declaration, title to the estate as specified in the declaration vests in the plaintiff, and that property is condemned and taken for the use of the plaintiff, and the right to just compensation for it vests in the persons entitled to it. The compensation shall be ascertained and awarded in the proceeding and established by judgment. The judgment shall include lawful interest [AT THE RATE OF SIX PERCENT PER YEAR] on the amount finally awarded which exceeds the amount paid into court under the declaration of taking. The interest runs from the date title vests to the date of payment of the judgment.

2. Renumber present Section 3 of Senate Bill No. 19 as Section 4.

I am enclosing for your convenience a copy of the relevant section from State of Alaska v. Alaska Continental Development Corporation and Alaska General Properties, Inc., No. 2254, December 31, 1980, and a version of Senate Bill No. 19 with the suggested amendments. Please feel free to contact me should you have any questions or need for further information with respect to this matter. I thank you for your time and consideration.

Very truly yours,

Steven S. Tervooren

SST/bs

Enclosure

cc: Senator Mulcahy, Chairman
Senate Labor and Commerce Committee

Mr. Chairman, I am John E. Malarkey, State Bank Commissioner for the State of Delaware, and Vice Chairman of the Federal Legislation Committee of the Conference of State Bank Supervisors on whose behalf I am appearing today. The Conference is the nationwide organization of state officials who serve as the primary chartering, examining and regulatory authorities for approximately 10,500 state-chartered commercial and mutual savings banks with total assets of approximately $500 billion.

My comments this morning will focus on the proposal to establish a Consumer Usury Study Commission. Although I am not aware of the full details of your proposal, the Conference is very concerned about federal preemption of states in the usury area and the need for a broader recognition of the efforts of states to establish greater flexibility in the lending area in order to meet the credit needs of their residents.

I note that your proposed Study Commission would be directed to the question of federal preemption of state usury ceilings and to possible alternatives to further federal preemption as well as to a number of other related areas. The Conference always has stressed its position that in setting usury ceilings, the states are in a better position to more responsively reflect the needs of their respective citizens than is the federal government. That is still our basic position, even though we have seen in recent months usury ceilings in a number of states become anachronistic, in part because of underlying conditions over which states had no direct