

ALASKA LEGISLATURE COMMITTEE FILES 1983-1984

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STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800


LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 28, 1983

SUBJECT: Political advertising
(CSSB 8)

TO: Senator Vic Fischer
Chairman, Senate State Affairs
Committee
Attn: David Dye, A.A.

FROM: Richard C. Folta 
Legislative Counsel

On further review of political advertising issues and the specific problem illustrated by the Palmer case, I felt that a complete change should be made in the format of the bill to avoid constitutional questions. The new language is specific and we had avoided the sticky definition problem of defining political advertising. If you have problems with this please call me at 465-2450.

RCF:ljb

Enclosure

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TO: Senator Vic Fischer
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FROM: Richard C. Folta 
Legislative Counsel

The enclosed bill, in my opinion, goes as far as constitutionally permissible in prohibiting political advertising in or outside of state offices.

The existing cases consider a prohibition overbroad that covers all the exterior of a private building, when the state leases only a portion of the structure.

The problem of building exterior advertising could be best handled in each individual lease, depending on the circumstances. I do not think we can justify an overriding state purpose on prohibiting advertising on all leased building exteriors.

I changed the words "election ballot proposition or question" to just "any election" since the former is not all inclusive.

RCF:ljb

Enclosure



Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • 1024 W. 6th Ave., Suite 204 C,
Anchorage, Alaska 99501
(907) 278-3654

Official Business

November 3, 1982

Billy Berrier
Legislative Legal Service
Pouch
Juneau, Alaska 99811

Dear Billy,

During the general election campaign, I received numerous complaints about political signs being posted on buildings housing state offices - specifically the Palmer police station.

The Ombudsman's office looked into the complaint and found that the building in question was privately owned and the posting of such signs could not be prevented by the state.

I would like a bill prepared for pre-filing that would prohibit this kind of thing from happening again. Basically, I want the state to require that leasing contracts for state office space include a prohibition against posting political signs on the property.

How best to achieve this, I leave to you. Should you feel a statute is not the best way to address this issue, I'd appreciate an alternative suggestion. My goal is to prevent a situation where an Alaskan, forced to do business with the state, such as to obtain a drivers license or make a complaint to the troopers, is not required to walk under, around or through a political advertisement.

Thanks, and best regards.

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

Senator Vic Fischer

VF/gb

Date Received _____

Bill Number _____ Title _____

Fiscal Note - Date Requested _____ Of Whom _____

Position Paper - Date Requested _____ Of Whom _____

Contact People

People Who Expressed Interest

Follow-up

POSITION PAPER
Senate Bill 8
March 1, 1983

It is important to the Executive Branch's image as a non-political body that it not be perceived to be a proponent of a particular political viewpoint. To this end, State employees are prohibited from indicating their political views on their person during working hours or any time at their work space. It would also seem appropriate that there be no expression of political viewpoint on facilities occupied by the State. That is the apparent purpose of Senate Bill 8.

I have worked with State leases for over six years and do not recall any complaints in this area. However, if a bill is passed to prevent political advertising on State-occupied facilities I would prefer it apply to future leases. That would avoid the necessity of renegotiating over 400 existing leases.

If the bill is passed with no retroactivity it will not significantly impact the operations of the Department of Administration.



Robert Link, Acting Director



Lisa Rudd, Commissioner

RL/je
5/0301-03/GSS1

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STATE OF ALASKA

Bill Sheffield, Governor

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

March 16, 1983

Honorable Vic Fischer
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Re: SB 8 -- Political Advertising
Prohibition

Dear Senator Fischer:

We have briefly reviewed Senate Bill No. 8, a bill relating to political advertising on buildings owned or leased by the state. While our preliminary research has not disclosed a case which directly addresses the issue, we believe that a state may prohibit the posting of advertising on the exterior of state-owned buildings used for governmental purposes. Indeed, it is eminently within the scope of the "public purpose" doctrine, Alaska Const., art. IX, sec. 6, to prohibit the use of the exterior of public buildings for advertising purposes. In this regard, what limited restriction on the political activities of state employees which may be implicated by such a prohibition would almost certainly be viewed as reasonable and appropriate. See generally Annot., 28 A.L.R.3d 717 (1969) (Public Employees -- Political Activity).

SB 8, however, interjects two additional considerations, and in doing so, poses substantial constitutional questions. First, SB 8 restricts not all advertising, but only "political advertising." While the state may impose reasonable restriction on the "time, place, and manner" of speech activities, regulation may not be based on content alone. Alaska Gay Coalition v. Sullivan, 578 P.2d 951, 78 Alaska 178 (1978). In a related vein, it would pose an arguable violation of due process to enforce a vague prohibition on speech activities. See Marks v. City of Anchorage, 500 P.2d 644, 651 (Alaska 1972).

Second, SB 8 extends the prohibition to instances where the state leases office space. The difficulty, here, is that any prohibition affects the rights of the lessor, and, in instances where the state tenancy is not exclusive, other private tenants as well. "Because of the 'chilling effect' that overbroad laws have on the exercise of constitutional rights, . . . broad prophylactic rules are suspect and 'precision of regulation must be the touchstone. . . .'" Marks v. City of Anchorage, 500 P.2d at 647, quoting N.A.A.C.P. v. Button, 371 U.S. 415, 433 (1963). Consequently, where the state is not an exclusive, or at least substantial, tenant, it is questionable whether a court would en-

Honorable Vic Fischer
Alaska State Senate

March 16, 1983
Page 2

force a leasehold provision which prohibits advertising on the exterior of the building.

If we can be of further assistance on this matter, please feel free to contact us.

Sincerely,

NORMAN C. GORSUCH
ATTORNEY GENERAL

By: *Jonathan B. Rubini*
Jonathan B. Rubini
Assistant Attorney General

JBR:md

STATE OF ALASKA

Bill Sheffield, Governor

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

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Alaska State Senate
Pouch V
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Honorable Vic Fischer
Alaska State Senate

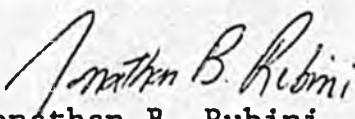
March 16, 1983
Page 2

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If we can be of further assistance on this matter, please feel free to contact us.

Sincerely,

NORMAN C. GORSUCH
ATTORNEY GENERAL

By: 
Jonathan B. Rubini
Assistant Attorney General

JBR:md

S

B

2

7

ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS COMMITTEE

SENATOR VIC FISCHER, CHAIRMAN

POUCH V, JUNEAU 99811

(907) 465-4954



March 15, 1983
3:00pm

Butrovich Room
Capitol Bldg.

Members Present

Senator Vic Fischer, Chair
Senator Pat Rodey
Senator Tim Kelly
Senator Arliss Sturgulewski

CSSB 27--Toll free telephone calls to state agencies

The committee discussed the committee substitute, a letter of intent and the fiscal note. The latter was delivered only minutes prior to the meeting. Several members questioned the congruence of the fiscal note with the CS and the letter of intent.

Ralph Walp of General Communications, Inc. spoke in favor of the bill and the letter of intent. He felt that the committee should consider enhancing toll-free service with a central information operator who would direct callers to the right agency. He also stressed the need to publicize the program.

The bill was held over.

SB 83--Court leave for non-permanent employees of the state.

Terry Cramer, Executive Director of the Blue Ribbon Commission on State Personnel explained that the bill allows statutory court leave for "non-permanent" employees who are not part of a bargaining unit covered by the collective bargaining agreement. All forms of leave, including court leave, are bargainable items. However no collective bargaining agreement currently covers this type of leave.

Mike McMullen, Deputy Director of Personnel explained certain technical drafting considerations. He also explained the difference between "non-permanent" and "temporary" employees. He stated that this bill would affect about 35-40 employees.

Senator Sturgulewski moved and asked unanimous consent to move the bill from committee with individual recommendations. There was no objection.

CSSB 111--Use of teleconferences under the Administrative Procedures Act.

David Dye, Aide to the committee explained the CS to the committee. Changes from the original bill were in the nature of clarification rather than changes in substance and had been suggested by a representative of the Department of Administration at the first hearing on the bill.

Senator Kelly moved and asked unanimous consent that the bill move from committee with individual recommendations. There was no objection.

Senator Fischer adjourned the meeting at 3:45pm.

by
David Dye
Committee Aide

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF ADMINISTRATION

POUCH C
JUNEAU, ALASKA 99811
PHONE: (907) 465-2041

DIVISION OF TELECOMMUNICATIONS SERVICES

COST SUMMARY

ZENITHS

Zenith Monthly Service Charges	
82 Juneau Zeniths	\$ 207,624/year
89 Anchorage Zeniths	225,348/year
56 Fairbanks Zeniths	141,792/year
Subtotal	\$ 574,764/year
Toll Estimate - Juneau	595,320/year
Toll Estimate - Anchorage	\$ 646,140/year
Toll Estimate - Fairbanks	\$ 406,560/year
TOTAL	<u>\$2,222,784/year</u>

COLLECT CALLS

Toll Estimate - Juneau	\$ 595,320/year
Toll Estimate - Anchorage	\$ 646,140/year
Toll Estimate - Fairbanks	\$ 406,560/year
TOTAL	<u>\$1,648,020/year</u>

CENTRAL OPERATORS

One Zenith Monthly Service Charge	\$ 2,532
Local Telephone Company Monthly Line Charge	294
Remodeling	8,000
Personnel	59,350
Toll Estimate	920,040/year
Equipment Purchase (One Time Charge)	10,000
TOTAL ANNUAL	<u>\$ 990,216</u>
TOTAL ONE-TIME CHARGE	<u>\$ 10,000</u>

ZENITH NUMBERS FOR ALL AGENCIES WITH EXTENSIVE PUBLIC CONTACT

ADVANTAGES

1. No additional personnel or equipment required.
2. Can be implemented quickly.
3. No long term commitment required. Service can be stopped without liability.
4. If implemented as an interim solution, data gathered regarding frequency of use and costs can be used to plan the best, permanent solution.
5. Easier access for caller than Collect Call option.

DISADVANTAGES

1. Most expensive of three options due to Monthly Service Charge for each Zenith number in addition to toll charges.
2. Less control at agency and no chance to screen calls. More potential for abuse.
3. Increase in agency budget required.

CENTRAL OPERATOR ANSWERING ONE STATE ZENITH NUMBER

ADVANTAGES

1. Cheaper than Zenith option.
2. Easiest access for public as only one number involved.
3. Less "wrong numbers" will be reached by caller as operator will transfer to correct agency.
4. Other information services will be provided in addition to channeling calls to appropriate agencies.

DISADVANTAGES

1. More expensive than Collect Call option.
2. Additional personnel and equipment required.
3. Only Juneau has existing technical capability to implement this type of service.
4. Could not be implemented as quickly as other options due to hiring, training and remodeling requirements.

COLLECT CALLS ACCEPTED BY ALL STATE AGENCIES

ADVANTAGES

- 1.. Least expensive of three options presented. Costs directly related to usage. No additional fixed costs such as Monthly Service Charge.
2. No additional personnel or equipment required.
3. Can be implemented quickly.
4. Agencies can have more control to prevent abuse. Special numbers will be assigned and agency designee will have authority to accept or reject inappropriate calls.
5. No long term commitment required. Service can be stopped without liability.
7. If implemented as an interim solution, data gathered regarding frequency of use and costs can be used to plan the best, permanent solution.
8. Increased public awareness that toll calls are not free and are being paid by the State.

DISADVANTAGES

1. Increase in agency budgets required to cover toll charges.
2. Less convenient for caller than Zenith option.

SB 27

Ted MacIntire

- 1- Zenith service - \$ 2,222,000/yr.
- 2- collect calls ~~\$~~ 1,648,020 - point calls.
- 3- central oper. ~~\$~~ 990,260 - add pers. only Juneau.
 ↳ Zenith #

leg - trial Zenith or collect call method -

agencies pay

UA - own toll free

90 day trial - collect option
6 months.

Letter of intent

Allowed to accept collect calls.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF ADMINISTRATION

POUCH C
JUNEAU, ALASKA 99811
PHONE: (907) 465-2041

DIVISION OF TELECOMMUNICATIONS SERVICES

FISCAL ANALYSIS SB 27, SB 42

February 1, 1983

"An act relating to toll-free telephone calls to state agencies"

(a) The Department of Administration shall provide toll-free telephone service for calls to a state agency by residents of the state.

(b) In this section "state agency" means a department, office, board, commission, or agency of the executive, legislative, or judicial branch of state government including the University of Alaska.

ANALYSIS:

This fiscal detail is based on the following assumptions:

- 1) That toll-free telephone service will be available to all State agencies to which significant amounts of public access is required.
- 2) That such access is provided through Zenith numbers (automatic charge reversal) assigned to each identified agency.
- 3) That the agencies under consideration are located in Anchorage, Fairbanks, or Juneau.
- 4) The number of agencies, identified by the Department of Administration, Division of Telecommunications Services, as probably having significant public access requirements, and their locations are:

<u>Location</u>	<u>Number of Agencies</u>
Anchorage	89
Fairbanks	56
Juneau	82
TOTAL	<u>227</u>

- 5) The average calls received would be 10 per day per office, at 5 minutes per call.
- 6) The average call cost will be \$2.75 (\$.55/minute)
- 7) That no additional positions, or telephone services will be required by agencies as a result of implementation of this system.

Based on these assumptions:

Basic Zenith charge	\$211/mo x 227	\$ 47,897
Toll charges	\$605/mo x 227	137,335
MONTHLY TOTAL		<u>185,232</u>
YEARLY TOTAL		2,222,780
Publication and Advertising		80,000
TOTAL		<u>\$2,302,780</u>

COMMENT:

The method of obtaining toll-free access to State agencies addressed in this fiscal note has the advantage of fairly rapid implementation without capital investment or the need for new positions, but it may not be the most efficient or cost-effective method over a longer period.

Alternative solutions are currently being investigated by the Telecommunications Divisions of the Department of Administration, but since these alternatives involve engineering study and more complex cost analyses, fiscal impact statements for these possibilities have not yet been developed.

Longer range plans for state government telecommunications service, provide for toll-free access to all state agencies through an integrated telephone system. Funding for a State telephone system for Anchorage, Phase 1 of the State plan, has been requested by the Department of Administration in its' FY84 Capital Budget.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF ADMINISTRATION

POUCH C
JUNEAU, ALASKA 99811
PHONE: (907) 465-2011

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<u>Location</u>	<u>Number of Agencies</u>
Anchorage	89
Fairbanks	56
Juneau	82
TOTAL	227

- 5) The average calls received would be 10 per day per office, at 5 minutes per call.
- 6) The average call cost will be \$2.75 (\$.55/minute)
- 7) That no additional positions, or telephone services will be required by agencies as a result of implementation of this system.

Based on these assumptions:

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MEMORANDUM

State of Alaska

TO: Carole Burger, Commissioner
Dept. of Administration

DATE: July 30, 1982

THRU: Alex Hill ^{HH} Deputy Commissioner
for Telecommunications

FILE NO:

TELEPHONE NO: 465-2041

FROM: Sioux Plummer, Director ^{SP}
Div. of Telecommunications Services

SUBJECT: Toll-Free Service
Report

Attached is the expanded "Toll-Free Service" report which you requested. In preparation for the FY'84 budget process, we have included detailed cost breakdowns and greater consideration of every foreseeable requirement associated with the option which we recommend.

I will be happy to further discuss this report with you at your convenience. In the meantime, I hope the information as presented here is what you were seeking.

INTRODUCTION

In his memorandum to the cabinet dated January 8, 1982, Governor Hammond directed that "steps be taken to study the establishment of a toll-free number statewide so that the public can have their governmental questions answered, or receive referrals to proper agencies for reply, by dialing one central toll-free number." The Governor further stated that he believed "this service could, to a great degree, relieve the frustration of the public attempting to obtain information from State government."

Interest has been shown for some time, by both state agencies and citizens, in a toll-free information service. The need for such a service is primarily based upon the high intra-state rates for long-distance telephone calls, as well as the inaccessibility to state government due to some unique situations in Alaska such as great distances between communities, extreme weather conditions, few interconnecting highways, and four time zones.

Citizens often have questions that must be directed to specific agencies for correct answers. Currently, someone unsure of where to direct a call will probably call the Centrex Operator in Juneau for help in determining who to call, after first consulting with their local directory information operator or telephone book. In most cases, the Centrex Operator can direct the caller to the agency that is thought to provide the answer. At that time, the call can be transferred, if it is to a 465-Centrex number, or the caller can hang up and re-dial that number another time. In either case, the calls are placed at the citizen's expense and are not always productive.

At present, the Centrex Operator is averaging between 50-60 calls per hour. This call volume allows the Centrex Operator to function as a directory operator only. This operator is not equipped and lacks the time to offer in-depth information or have lengthy conversations with callers who have legitimate inquiries.

In order to describe options that would provide a toll-free information service, existing similar services should be considered. At present, two similar information services and 10 agency-sponsored Zenith Toll-Free information numbers are being offered in Alaska to the general public:

1. Legislative Information Offices

These offices are operated by the Legislative Affairs Agency, Division of Public Services, in fourteen communities throughout the state. They are centrally located in each community, managed by local citizens and offer a wide range of information to walk-ins and callers in the form of electronic mail to and from the Capitol, facsimile transfer and teleconferencing. Inquirors are provided with about 75% legislative information, and 25% of the information given relates to the executive branch, if it is known. Generally, the information officers in these locations are quite well-informed and know where to direct people for correct answers to non-legislative questions. However, if a citizen needs to call an agency it is at his or her own expense. The legislative offices do not offer free long-distance telephone calls.

2. Governor's Offices in Anchorage, Nome, Fairbanks & Kotzebue

The Anchorage Governor's Office offers an in-depth service to citizens, often providing specific answers during the initial call precluding the need for another call. The Anchorage staff has compiled a detailed State government guide which lists programs, agencies, commissions, acronyms, abbreviations and much more, to which they refer when answering queries. The other offices do not have staff to answer numerous telephone calls as they act more broadly in representing the Governor in those rural areas. All offices refer questions or problems to the Governor's Office in Juneau and other agencies for reply. This service is extremely well-received but does not answer the need for relief from long distance charges since there are no toll-free lines into these offices.

3. Presently, six State departments operate Zenith Toll-Free numbers to provide specific information.

Department of Environmental Conservation

DEC has provided a toll-free number for the reporting of oil spills since 1977. The infrequent calls to this number (2-3 per month) are primarily from the general public because most oil spills are reported by people or agencies that are familiar with other DEC numbers.

Department of Education

DOE lists a toll-free number in its publications that relate to their Learn/Alaska instructional television channel. Interested viewers can call in for printed material that relates to the programming, offer comments or ask questions. This number is not intended to reach the general public; rather it is aimed at elementary and secondary educators. Started in January, 1982, the number averages 15-20 calls per month.

EXISTING SERVICE (cont.)

Community and Regional Affairs

C&RA's Division of Housing Assistance has had a toll-free number for two years which provides information to the general public about three C&RA housing assistance programs. Although the traffic is somewhat seasonal, this number averages 15-20 calls per day.

Department of Revenue

Revenue presently has three toll-free numbers: two that provide information about Permanent Fund Dividends and one that gives Child Support Enforcement information. One of the permanent fund numbers, activated two years ago for taxpayer assistance, presently receives 780 calls per day for dividend information. The other number, installed in January, 1982 for Ketchikan area residents to call Juneau, is also used primarily for dividend information. It has been receiving up to 500 calls per day recently. The Child Support Enforcement number handles 300-500 calls per month.

Department of Labor

Labor uses two toll-free numbers as an inexpensive alternative to offering permanent staff in two locations. Valdez does not have a Job Service office, so employers and job seekers in that area can call toll-free to the Glenallen Job Service office. Similarly, people in Fairbanks who want labor market information can call toll-free to the labor market economists located in Anchorage.

Lieutenant Governor's Office

The Division of Elections in the Lt. Governor's Office began offering toll-free service in their offices in Anchorage, Fairbanks, Juneau and Nome in June, 1982. Information about election and filing dates, candidates and issues is provided. Since the service is new and not well publicized yet, no traffic data is available.

OPTIONS

There are three options that are most practical for providing a toll-free service, in terms of cost, timely installation and personnel requirements.

Option One

One solution is to expand the Governor's office staff in Anchorage and install toll-free (Zenith) telephone service to that facility. The present staff could not sufficiently handle the impact of a new free service, so at least one full-time person would have to be hired, as well as back-up personnel.

These employees would be responsible for providing information to callers and keeping the information document current. Work involving the collection and verification of State agency numbers in Anchorage for local telephone book listings is presently handled by the Anchorage Governor's Office and would become another responsibility of the Information personnel.

It is estimated that work related to the toll free service would involve 65% of two employees time. The remaining 35% could be devoted to other work in the Governor's Office.

In 1981, the Anchorage office received over 35,000 calls; sometimes up to 200 calls per day. This was double the 1980 figure. Most calls were local; the remainder were primarily from within Southcentral Alaska, (at caller's expense), and less than 2% were from out of state. Not many of the calls received were longer than three minutes, and most queries related to employment, public assistance, agency phone numbers, loan programs and other government-supplied services. Due to their up-to-date information on hand, the Anchorage staff could answer questions adequately, in most instances.

Option Two

Another option is to locate the new service in Juneau, within the Department of Administration on the 10th floor of the State Office Building, or within the Governor's Office in the Capitol. In either case, new staff would be required, as well as work and equipment space. Back-up personnel would be necessary as well. Unlike the Anchorage location, where training is readily available, training would have to be arranged or a person hired who is familiar with State agencies and the functions and operations of State government. This can be done with little difficulty, provided it is clear what information is to be provided, i.e., level of service offered and who is responsible for its accuracy.

Option Three

A third option is to locate this service in Juneau in conjunction with the Centrex Operator position which is presently located on the 8th level of the State Office Building in a central, publicly-accessible area. This office is actually a glass cornered booth. Presently, this space is arranged for only one person who sits at a central switchboard. While it appears that the operator sits there to answer questions for passers-by while answering the phone, that is actually not his or her function. He or she is a central switchboard operator with access to over 1600 telephone stations in Juneau. Callers from all over the State who want an agency, name and/or telephone number, are assisted by the operator who offers only directory assistance, but has the ability to transfer many of the inquiring callers from the switchboard directly to the agency they seek. This operation could

OPTIONS (cont.)

be expanded to include two operator stations, one offering toll-free information service and the other handling local and centrex directory calls. To do this would require some remodeling of the space around the present operator station, adding appropriate acoustic treatment and accommodating two persons. It is possible also, that this arrangement would free the present operator from receiving so many calls as to allow for more adequate response to public (including tourist) inquiries at the window of the booth. Since there are no signs or indicators on these windows now, it could be advertised to note "State Government and Directory Information," or something similar. Tourists with other types of inquiries would still be directed to the local Juneau Chamber of Commerce log cabin only a few blocks away.

While gathering information for this study, need for another service associated with the Juneau Centrex was discovered. It is included here in the discussion of Option Three as a recommended consideration in addition to a toll free service. The desire is to have at least two "lobby phones" installed outside the booth for State business use. These phones could be restricted so as to only accept Centrex (465 prefix) calls and would provide a convenient and free way for state employees and other visitors to call ahead before dropping in for unscheduled visits. The placement of the phones by the Centrex Operator's booth would allow easy access for questions, numbers or other information.

COSTS

Both one-time and on-going costs must be considered for the provision of toll-free service. One-time costs would include purchase of equipment for options 2 & 3, advertising the service, telephone company installation charges, and remodeling for option 3. On-going expenditures would include the costs of the Zenith line and local telephone company lines, toll charges, salaries for new positions and listings in Alaskan telephone directories.

ONE-TIME COSTS

Equipment

Staff in the Anchorage Governor's Office keep all data for their information document in an information processor in order to facilitate updating. Changes are entered as they become known and updated versions are run off quickly and easily. To provide this type of equipment to a new location, as in option 2 or 3, would require \$20,000. If the Anchorage Governor's Office continued to provide service to the Anchorage area and a new location provided the same information to the rest of Alaska it would be advisable for the two information processors to have communication capability (via phone line) in order to exchange new data. If option 3 is adopted, the Centrex Operator's data could be filed in the information processor also.

Advertising

In order for this new service to receive maximum use, its availability will have to be publicized statewide. One scenario to accomplish this would be to mount a traditional month-long advertising campaign using Alaska's print and electronic media. The Governor could issue a press release, followed by maximum runs of three 30-second T.V. and radio Public Service Announcements and display ads in Alaska's newspapers. Given that two channels of statewide T.V. exist, as well as 12 T.V. and 50 radio stations, it seems that the information could be disseminated easily at relatively low cost. If newspaper display ads were added to the campaign the cost would triple and although newspaper advertising would assure complete statewide saturation, an adequate campaign could be run without that component. Costs for a T.V. and radio campaign would be \$4,500. Display ad costs would be estimated at \$15,634. Details are included in Attachment #1.

Local Telephone Company Installations

\$206 would be needed to provide the installation of four telephone instruments and associated lines. One would be for the Information Operator, one to allow the information processing equipment to communicate with its counterpart in Anchorage and two would be for lobby phones.

Remodeling

The remodeling of the existing Centrex Operator's space mentioned in Option 3 would include carpentry work to reconfigure the space, some additional furniture, signs and special acoustical treatment to provide sound insulation. Also, one additional electrical power circuit would be needed for the information processor components. It is estimated that \$7,000.00 would be needed.

Training

Training new personnel, if Option 1 is not adopted, should take place in the Anchorage Governor's Office as that office currently provides the service closest to the kind described in this report. It would be advisable to send the new staff person to Anchorage so the person could see Anchorage personnel in action and more importantly, to see how the information processor is used in conjunction with the information document. Airfare and per diem for two days in Anchorage would cost approximately \$460.00.

If the Anchorage service was kept in place and additional service added in Juneau it would still be advisable to send new personnel to Anchorage to insure proper coordination of the two services as well as training.

It is assumed that any new personnel hired would be familiar with an information processor and possessed the necessary skills to operate that machine.

ON-GOING COSTS

Zenith and Local Telephone Lines

A flat fee per month is charged by Alascom for the dedicated Zenith toll-free number. There is also a monthly charge from the local telephone utility for the connection to Alascom and for other associated lines.

	Charges for Option 1 or 2:	
Zenith	\$211.00/mo. X 12	\$2,532.00
Local Telco.	\$24.50/mo. X 12	294.00
	Option 1 or 2 total:	\$2,826.00

	Charges for Option 3:	
Zenith	\$211.00/mo. X 12	\$2,532.00
Local Telco. (Zenith)	\$24.50/mo. X 12	294.00
Local Telco. (Juneau Info. Proc.)	\$24.50/mo. X 12	294.00
Local Telco. (Anch. Info. Proc.)	\$24.50/mo. X 12	294.00
2 Centrex lobby phones (Juneau)	\$1.69/mo. X 12	20.28
	Option 3 total:	\$3,434.28

Toll Charges

Associated costs are the long distance calls made by the people using the Zenith number and charged to the State. If 120 three-minute calls are placed per day to the Zenith number and are divided equally among regions, using Ketchikan, Nome, Fairbanks and Kotzebue as examples, the following cost assumptions can be made:

	<u>To Juneau From</u>	
Ketchikan	@ 1.65/3 min. x 30	\$ 49.50
Nome	@ 2.75/3 min. x 30	82.50
Fairbanks	@ 2.55/3 min. x 30	76.50
Kotzebue	@ 2.75/3 min. x 30	82.50
		<u>\$ 291.00 plus tax</u>

ON-GOING COSTS (cont.)

	<u>To Anchorage From</u>	
Ketchikan	@ 2.55/3 min. x 30	\$ 76.50
Nome	@ 2.40/3 min. x 30	82.50
Fairbanks	@ 1.65/3 min. x 30	49.50
Kotzebue	@ 2.40/3 min. x 30	72.00
		<u>\$ 270.00</u> plus tax

Per 20-day month, based on above, typical costs would then be:

	<u>Monthly</u>	<u>Annually</u>
To Juneau	\$5,820.00	\$69,840.00
To Anchorage	\$5,400.00	\$64,800.00

If Option 3 is chosen the information processors would need to "talk to each other" at least once a week to update information. Since computers communicate much more rapidly than people, two full pages of information could be easily transmitted in one three-minute call. As the station-to-station daytime rate for calls between Anchorage and Juneau is high (\$2.55/3 min.), it would be advisable for a weekly call routine to be established rather than having the processors call each other every time new information is obtained. The cost for 52 three-minute calls would be \$132.00.

Salaries

Along with toll charges, personnel costs must also be considered. There is presently great disparity between the Centrex Operator position at a Range 7 and the Information Officer in the Governor's Office at a Range 14. Where this new position fits in depends on the level of service provided and the knowledge required to fill the position. Range 7 is paid \$1,319.00 per month; Range 14 - \$1,995.00 per month.

Listings in Alaskan Telephone Directories

\$288.00 would be needed annually to list the Zenith Toll Free number in Alaska's telephone directories.

COST SUMMARY

Annual costs described herein include charges for the Zenith number, typical toll charges, salary for one Information Operator (Range 10) and charges for telephone directory listings.

One-time costs include equipment and training (Options 2 and 3), telephone and line installations, advertising and remodeling (Option 3).

	<u>Annual</u>	<u>One-Time</u>	<u>Total</u>
OPTION ONE Information service in Governor's Office, Anchorage	\$ 87,990.00	\$ 4,547.00	\$ 92,537.00
OPTION TWO Information service in Governor's Office or Department of Administration, Juneau	93,030.00	25,007.00	118,037.00
OPTION THREE Information service in State Office Building, 8th Level, Centrex Booth, Juneau	111,654.88	32,166.00	143,820.88

RECOMMENDATION

There is not one option that will absolutely offer the best possible service statewide to all Alaskans. This is due to the existence of similar services in some state locations, the difference in costs for long distance calls between points and because start up costs will differ in each location. Therefore, the recommendations herein is based on the best possible compromise of all considerations:

1. Promote existing services
2. Implement Option 3 (Juneau Centrex Booth location)
3. Continue Anchorage Governor's Office service on a local basis
4. Coordinate new Juneau service with existing Anchorage service to create one service with 2 locations.

Since there are both Legislative and Executive branch services presently offering information, particularly in the rural areas, and considering that some State agencies have toll-free numbers operating now, it seems reasonable to promote these services as much as possible.

While the present services are being promoted and it is hoped, more effectively utilized, implementation should take place for locating a toll-free number in Juneau. While it may take longer to develop, the most suitable permanent location would be on the 8th level of the State Office Building in conjunction with the Centrex Directory Operator. It seems appropriate for this service to be located in the capital where state government access is greater and the up-dating of information is more readily available. Also, there would exist a natural exchange of current information between the Directory Operator and the Information Operator, which would enhance both positions and the service they provide to the public.

Further, both positions, as well as back-up personnel, could be employees of the Department of Administration, Division of Administrative Services. The Directory Operator could also handle public information at the window, while the Information Operator could handle the more in-depth calls which would not allow him/her time to deal with the walk-up public as well. Significantly, a high visibility location in Juneau will encourage state agencies to more fully cooperate when the up-dating of information is solicited from them by the operators, and will naturally help to support the function of the service, that is, to provide better access for the public to state government.

The present information service being offered by the Anchorage Governor's Office should be continued as a local service. As the majority of calls received are local, it would be silly to refer those requests to Juneau especially when the State pays the toll charges. Long distance callers could be informed of the Zenith number for future calls or referred to it if the information needed was not readily available.

The two services would work in concert and would, in fact, be one service with two locations. This service should be based on the format and information document developed in Anchorage and should utilize the interactive capabilities of two information processors. Both locations could gather data which then could be shared to provide the most current information to the public.

Initial training should be conducted by Anchorage personnel. Additional training should include an understanding of what present services are offered and materials should be supplied to the operator by these agencies. A frequent liaison

should develop between these offices and the Operator for continual up-date and information exchange. The Information Operator should also develop a working rapport with the Information Officers of each state department, as well as become familiar with the primary function of the departments.

The Information Operator must not only have personable telephone courtesy skills, but must be well-organized, thoughtful, deliberate and accurate. He or she must have the tenacity to follow-through and have self-initiative to provide an adequate level of service to the public. Additionally, previous experience with information processing equipment would be necessary. These criteria make the demands of the position somewhat greater than those of the Centrex Directory Operator position at a Range 7. However, it has been felt for sometime that Range 7 has not been sufficient for the Centrex Operator position due to the high pressure nature of that position. In developing the new Information Operator position as recommended, the duties of the Centrex Directory Operator could change enough to allow handling the questions of passers-by at the windows of the operators' booth. It is recommended then, that the Information Operator be hired at a Range 10, equivalent to a Secretary I, and that the Directory Operator be upgraded to a Range 8.

There has been question about transferring long-distance Zenith calls from the Information Operator station to agencies on the State Centrex System. While this would certainly be an enhancement to the overall service, it would also add considerable expense due to the length of the "free" call. Based on the assumption that the Information Operator will be able to adequately answer most questions, transferring calls will not be necessary in most cases. However, where more in-depth service is required, the operator will refer the call to the proper agency, who will then respond by telephone or letter, whichever that agency determines is appropriate. This procedure is recommended for start-up and can be re-evaluated after the service has been operational for a suitable length of time to determine if any changes in the level of service should be made.

As noted previously in this report, this recommended option (OPTION 3) would cost the State \$111,654.88 annually which covers costs for Zenith and local telephone company lines, toll charges, salaries, and Alaskan telephone directory listings. Additional one-time costs for remodeling, furniture and equipment would be \$32,166.00 and if a reasonable amount of advertising was desired, an additional \$4,500.00 would be needed. Maximum costs for an FY 84 appropriation would be \$143,820.88.

The aforementioned recommendation, if implemented, may well be an interim measure, as the result of a present study being under-taken by the Division of Telecommunications Services. This study will review state government telephone systems and data communications networks, with an eye to developing a five-year telecommunications master plan. A requirement within this plan is to develop a state telephone network that will provide centrex to centrex calling and tie lines between urban centers. This will enable citizens to make calls to a central number at their nearest urban center that would be extended via toll-free tie lines to the appropriate agency or central information center. This is the long-term solution to more economical and efficient telephone service, as well as the permanent answer for continued citizen access to state government.

Advertising

Costs associated with advertising of a new toll-free service fall into two categories: Radio and T.V., and newspapers.

1. Radio and T.V. Public Service Announcements

T.V. - Production and duplication of three 30 second PSA's	\$3,000.00
Radio - Production and duplication of three 30 second PSA's	<u>1,500.00</u>
Subtotal	\$4,500.00

Includes copies for 12 T.V. and 50 radio stations. Distribution via these stations and the two statewide channels (TVP and LEARN/Alaska) would be free as broadcasters are required to run PSA's at no charge.

2. Newspaper Display Ads

There are eight dailies and 22 other papers that publish weekly, bi-monthly or monthly in Alaska. Prices for ads vary, but generally the larger, urban papers charge more than the rural or non-daily publications. For budget purposes two averages have been developed:

\$265.00 per $\frac{1}{4}$ page ad in urban dailies
 \$ 98.00 per $\frac{1}{4}$ page ad in rural or non-dailies

Ads could be run four times in one month in the dailies and weeklys (25), and once in each of the others (5).

\$265.00 per ad x 8 papers x 4 ads =	\$ 8,480.00
\$ 98.00 per ad x 17 papers x 4 ads =	6,664.00
\$ 98.00 per ad x 5 papers x 1 ad =	<u>490.00</u>

Subtotal \$15,634.00

TOTAL \$20,134.00

*By cutting the size of ads run to 1/8 page, costs for newspaper ads could be reduced by half.

ATTACHMENT TWO

Total Costs for Recommendation
(Option Three)Non-Recurring

1.	Equipment	
	Information Processor	\$20,000.00
2.	Advertising	
	3 30 sec Radio and TV PSA's	4,500.00
3.	Remodeling	
	Carpentry, Furniture, Signs, Acoustic Treatment & Additional Electric Circuit	7,000.00
4.	Local Telephone Company Installations	
	4 Telephone Instruments & Lines	206.00
5.	Training	
	Travel & Per Diem to Anchorage for 1 Person for 2 Days	<u>460.00</u>

Non-Recurring Total \$32,166.00

Annual Recurring

1.	Zenith line @ \$211/mo x 12 mos.	\$ 2,532.00
2.	Local Telephone Company Lines	
	3 Single Lines @ 73.50/mo x 12	882.00
	2 Centrex Lines @ 1.69/mo x 12	<u>20.28</u>
	Sub-total	\$ 3,434.28
3.	Toll Charges	
	120 3 min. calls/day x 20 days per mo/ x 12	\$69,840.00
	Information Processor - 1 3 min. call/wk @ 2.55 x 52 wks.	<u>132.60</u>
	Sub-total	\$69,972.60
4.	Salaries	
	Information Operator (Range 1) \$1,673/mo x 12	20,076.00
	Centrex Operator (Range 8) \$1,487/mo x 12	<u>17,884.00</u>
	Sub-total	\$37,960.00
5.	Alaskan Telephone Directory Listings	
	\$1.20/mo x 20 directories x 12	288.00

Annual Recurring Total \$108,982.88

Grand Total \$143,820.88

Based on the above figure \$143,820.88 would be needed in FY 84 to cover start-up and one years operating costs. For subsequent years, \$108,982.88 would be needed, plus a percentage for inflation.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

Page 1 of 4

I. REQUEST

Bill/Resolution No.: CS SB 27
Title: Toll-Free Telephone Calls
Sponsor: V. Fischer, Moss, Sturdelewski
Requestor: Senate State Affairs
Date of Request: _____

II. FISCAL DETAIL

Agency Affected: ADMINISTRATION
Program Category Affected: Gen. Govt.
BRU, Program of Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		52.1	54.7	47.4	30.3	96.1
200 TRAVEL						
300 CONTRACTUAL		2353.0	1000.0	1050.0	1102.5	500.0
400 COMMODITIES		2.0	2.1	2.2	2.3	3.7
500 EQUIPMENT		48.0	20.0	10.0	10.0	24.3
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING		2455.1	1076.8	1119.6	1175.1	624.1
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		2455.1	1076.8	1119.6	1175.1	624.1
FEDERAL FUNDS						
OTHER (Specify Source)						
TOTAL						

POSITIONS:

FULL-TIME		2	2	2	2	3
PART-TIME						
TEMPORARY						
TOTAL						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

This is one of two fiscal notes prepared for CSSB27. This note is based on Zenith numbers to all agencies for a one year period resulting in higher contractual costs.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Sioux Plummer, Director *slp* Phone: 465-2041
Division: Telecommunications Services Date: 12/2/83

Approved by Commissioner: Lisa Rudd *JR* Date: 12/2/83
Department: Administration

Original Submission: 3/22/83

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

9/14/83

ANALYSIS
Fiscal Note for
CSSB27

Toll-Free Telephone Calls

It is not possible to determine precisely the fiscal impact of this bill. This difficulty stems from the fact that the major costs of the program will be directly proportional to the amount of demand for the service (toll charges), and there is insufficient data on which predictions of demand can be made.

227 offices, located in Anchorage, Fairbanks and Juneau, have been identified as probably having significant need for citizen access. If the average toll calling rate is assumed to be 10 calls per day per office, toll charges would amount to approximately 1.6 million per year.

If calling activity actually does reach the levels predicted on the basis of the above assumptions, it will be an indication that an alternate system, such as one based on leased lines and special switching equipment or on services provided by other (than Alascom) common, or resale carriers.

Without capital investment or long range commitments, the most immediately implementable toll-free access systems would be to have agencies accept collect calls, or implement Zenith service. With Zenith service, the long distance operator puts calls directly through to the agency and automatically bills the agency; this service entails a monthly fixed cost (\$211.00) in addition to the toll charges.

From the standpoint of simplifying and enhancing citizen access, certain additional services would be desirable. These include wide advertising and promotion of the toll-free numbers to State agencies and a toll-free directory operator service.

Whether or not State Agencies will be able to absorb the cost of toll charges associated with free citizen access will depend on the level of calling that develops. For example, an agency in Juneau that receives 10 calls per day from South Central Alaska or beyond, would have additional phone billing of \$627.00 per month.

To ensure that funds will be available to pay the cost of toll-free services to various State agencies, the Department of Administration could appropriately manage a toll-free project. Therefore, the fiscal notes shows funds for an accounting clerk to handle the additional work the project would bring to the Division of Administrative Services.

Because of the perceived increase in calls to the present Juneau Centrex directory operator, should a toll-free directory service be established, an additional directory operator position is also shown.

The costs of immediately available (tariffed) service based on the previously stated assumptions are estimated as follows:

1. Zenith Lines to 227 Agencies (fixed cost @ \$211. per month)	\$ 574,764./year (Optional)
2. Zenith Line to Directory Operator (fixed cost @ \$211. per month plus 50 calls per day)	36,192./year
3. Toll Charges to 227 Agencies	1,650,552./year
<u>TOTAL</u> Tariffed long-line service costs <u>ONLY</u>	\$2,261,508./year

To have a reasonable assurance of providing an adequate level of toll free access, and ancillary services, would require 2.46 million dollars for the first year. This will provide for payment of collect calls to State agencies for one year and the associated administrative costs to the Department.

If the level of calling is such that reverse billing arrangements are not cost-effective, the Department of Administration will have obtained the data necessary to specify or design alternate systems and will still have funding to implement alternate systems prior to the end of FY 85.

SUMMARY

Toll-free access to State government can be provided to selected State agencies and the State's directory operator located in the capital. Costs below pertain specifically to such a suggestion, per the language in SB27.

Personnel

Directory Operator (Range 8)	\$ 25,000
Accounting Clerk (Range 10)	27,100
Subtotal	<u>\$ 52,100</u>

Contractual

Telephone Costs (Fixed Zenith lines and toll charges)	\$2,261,508
Remodel Juneau Centrex Booth to accomodate two directory operators	8,000
Advertising & Publication	80,000
Space, Services	3,500
Subtotal	<u>\$2,353,008</u>

Commodities

\$ 2,000

Equipment

Automatic Call Director (for Directory Operator Service)	\$ 10,000
Directory Data System	35,000
Office Equipment	3,000
Subtotal	<u>\$ 48,000</u>

GRAND TOTAL \$2,455,110
(FY 85 request)

See also CSHB 97
HB 81

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

Page 1 of 4

I. REQUEST

Bill/Resolution No.: CS SB 27
 Title: Toll-Free Telephone Calls
 Sponsor: Fischer
 Requestor: Senate State Affairs
 Date of Request: _____

II. FISCAL DETAIL

Agency Affected: ADMINISTRATION
 Program Category Affected: Gen. Govt.
 BRU, Program of Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		52.1	54.7	57.4	60.3	96.1
200 TRAVEL						
300 CONTRACTUAL		1778.3	1000.0	1050.0	1102.5	500.0
400 COMMODITIES		2.0	2.1	2.2	2.3	3.7
500 EQUIPMENT		48.0	20.0	10.0	10.0	24.3
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING		1880.4	1076.8	1119.6	1175.1	624.1
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		1880.4	1076.8	1119.6	1175.1	624.1
FEDERAL FUNDS						
OTHER (Specify Source)						
TOTAL						

POSITIONS:

FULL-TIME		2	2	2	2	3
PART-TIME						
TEMPORARY						
TOTAL						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

This is the second of two fiscal notes prepared for CSSB27. This note is based on a toll-free system wherein toll-free service to Juneau offices is provided through a switch board attachment.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Sioux Plummer, Director *SEP* Phone: 465-2041
 Division: Telecommunications Services Date: 12/2/83

Approved by Commissioner: Lisa Rudd *JR* Date: 12/2/83
 Department: Administration

Original Submission: 3/25/83

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

9/14/83

ANALYSIS
Fiscal Note for
CSSB27

Toll-Free Telephone Calls

It is not possible to determine precisely the fiscal impact of this bill. This difficulty stems from the fact that the major costs of the program will be directly proportional to the amount of demand for the service (toll charges), and there is insufficient data on which predictions of demand can be made.

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If calling activity actually does reach the levels predicted on the basis of the above assumptions, it will be an indication that an alternate system, such as one based on leased lines and special switching equipment or on services provided by other (than Alascom) common, or resale, carriers should be considered.

Without capital investment or long range commitments, the most immediately implementable toll-free access systems would be to have agencies accept collect calls.

From the standpoint of simplifying and enhancing citizen access, certain additional services would be desirable. These include wide advertising and promotion of the toll-free numbers to State agencies and a toll-free directory operator service.

Whether or not State Agencies will be able to absorb the cost of toll charges associated with free citizen access will depend on the level of calling that develops. For example, an agency in Juneau that receives 10 calls per day from South Central Alaska or beyond, would have additional phone billing of \$627.00 per month.

To ensure that funds will be available to pay the cost of toll-free services to various State agencies, the Department of Administration could appropriately manage a toll-free project. Therefore, the fiscal notes shows funds for an accounting clerk to handle the additional work the project would bring to the Division of Administrative Services.

Because of the projected increase in calls to the present Juneau Centrex directory operator, should a toll-free directory service be established, an additional directory operator position is also shown.

The costs of immediately available (tariffed) service based on the previously stated assumptions are estimated as follows:

1. Zenith Line to Directory Operator (fixed cost @ \$211. per month plus 50 calls per day)	36,192./year
2. Toll Charges to 227 Agencies	1,650,552./year
<u>TOTAL</u> Tariffed long-line service costs <u>ONLY</u>	\$1,686,744./year

To have a reasonable assurance of providing an adequate level of toll free access and ancillary services would require 2.46 million dollars for the first year. This will provide for payment of collect calls to State agencies for one year and the associated administrative costs to the Department.

If the level of calling is such that reverse billing arrangements are not cost-effective, the Department of Administration will have obtained the data necessary to specify or design alternate systems and will still have funding to implement alternate systems prior to the end of FY 85.

SUMMARY

Toll-free access to State government can be provided to selected State agencies and the State's directory operator located in the capital. Costs below pertain specifically to such a suggestion, per the language in SB27.

Personnel

Directory Operator (Range 8)	\$ 25,000
Accounting Clerk (Range 10)	27,100
Subtotal	\$ 52,100

Contractual

Telephone Costs	\$1,686,744
Remodel Juneau Centrex Booth to accomodate two directory operators	8,000
Advertising & Publication	80,000
Space, Services	3,500
Subtotal	\$1,778,249

Commodities

\$ 2,000

Equipment

Automatic Call Director (for Directory Operator Service)	\$ 10,000
Directory Data System	35,000
Office Equipment	3,000
Subtotal	\$ 48,000

GRAND TOTAL (FY 85 request)	\$1,880,349
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STATE OF ALASKA
FISCAL NOTE

Revision Date _____, 1983

I. REQUEST

Bill/Resolution No.: CSSB27
 Title: Toll-free Telephone Calls
 Sponsor: Fischer
 Requestor: Senate State Affairs

II. FISCAL DETAIL

Agency Affected: Administration
 Program Category Affected: Gen. Govt.
 BRU, Program of Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES		52.1	54.7	57.4	60.3	96.1
200 TRAVEL						
300 CONTRACTUAL		1,778.3	1,000.0	1,050.0	1,102.5	500.0
400 COMMODITIES		2.0	2.1	2.2	2.3	3.7
500 EQUIPMENT		48.0	20.0	10.0	10.0	24.3
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING						
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		1,880.4	1,076.8	1,119.6	1,175.1	624.1
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Sioux Plummer, Director Phone: 465-2041
 Division: Telecommunications Services Date: 3/25/83
 Approved by Commissioner: Lisa Rudd Date: 3/25/83
 Department: Administration

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

3/8/83

ANALYSIS
Fiscal Note for
CSSB27

Toll-Free Telephone Calls

It is not possible to determine precisely the fiscal impact of this bill. This difficulty stems from the fact that the major costs of the program will be directly proportional to the amount of demand for the service (toll charges), and there is insufficient data on which predictions of demand can be made.

227 offices, located in Anchorage, Fairbanks and Juneau, have been identified as probably having significant need for citizen access. If the average toll calling rate is assumed to be 10 calls per day per office, toll charges would amount to approximately 1.6 million per year.

If calling activity actually does reach the levels predicted on the basis of the above assumptions, it will be an indication that an alternate system, such as one based on leased lines and special switching equipment or on services provided by other (than Alascom) common, or resale, carriers should be considered.

Without capital investment or long range commitments, the most immediately implementable toll-free access systems would be to have agencies accept collect calls.

From the standpoint of simplifying and enhancing citizen access, certain additional services would be desirable. These include wide advertising and promotion of the toll-free numbers to State agencies and a toll-free directory operator service.

Whether or not State Agencies will be able to absorb the cost of toll charges associated with free citizen access will depend on the level of calling that develops. For example, an agency in Juneau that receives 10 calls per day from South Central Alaska or beyond, would have additional phone billing of \$627.00 per month.

To ensure that funds will be available to pay the cost of toll-free services to various State agencies, the Department of Administration could appropriately manage a toll-free project. Therefore, the fiscal notes shows funds for an accounting clerk to handle the additional work the project would bring to the Division of Administrative Services.

Because of the projected increase in calls to the present Juneau Centrex directory operator, should a toll-free directory service be established, an additional directory operator position is also shown.

The costs of immediately available (tariffed) service based on the previously stated assumptions are estimated as follows:

- | | |
|--|-----------------|
| 1. Zenith Line to Directory Operator
(fixed cost @ \$211. per month
plus 50 calls per day) | 36,192./year |
| 2. Toll Charges to 227 Agencies | 1,650,552./year |

<u>TOTAL</u>	\$1,686,744./year
Tariffed long-line service costs <u>ONLY</u>	

To have a reasonable assurance of providing an adequate level of toll free access and ancillary services would require 2.46 million dollars for the first year. This will provide for payment of collect calls to State agencies for one year and the associated administrative costs to the Department.

If the level of calling is such that reverse billing arrangements are not cost-effective, the Department of Administration will have obtained the data necessary to specify or design alternate systems and will still have funding to implement alternate systems prior to the end of FY84.

SUMMARY

Toll-free access to State government can be provided to selected State agencies and the State's directory operator located in the capital. Costs below pertain specifically to such a suggestion, per the language in SB27.

Personnel

Directory Operator (Range 8)	\$ 25,000
Accounting Clerk (Range 10)	27,100
Subtotal	\$ 52,100

Contractual

Telephone Costs	\$1,686,744
Remodel Juneau Centrex Booth to accomodate two directory operators	8,000
Advertising & Publication	80,000
Space, Services	3,500
Subtotal	\$1,778,249

Commodities

\$ 2,000

Equipment

Automatic Call Director (for Directory Operator Service)	\$ 10,000
Directory Data System	35,000
Office Equipment	3,000
Subtotal	\$ 48,000

GRAND TOTAL (FY84 Request)	\$1,880,349
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STATE OF ALASKA
FISCAL NOTE

Revision Date _____, 1983

I. REQUEST

Bill/Resolution No.: CSSB27
 Title: Toll-Free Telephone Calls
 Sponsor: V. Fischer, Moss, Sturzelewski
 Requestor: Senate State Affairs

II. FISCAL DETAIL

Agency Affected: ADMINISTRATION
 Program Category Affected: Gen. Govt.
 BRU, Program of Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES		52.1	54.7	57.4	60.3	96.1
200 TRAVEL						
300 CONTRACTUAL		2353.0	1000.0	1050.0	1102.5	500.0
400 COMMODITIES		2.0	2.1	2.2	2.3	3.7
500 EQUIPMENT		48.0	20.0	10.0	10.0	24.3
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING						
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		2455.1	1076.8	1119.6	1175.1	624.1
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME		2	2	2	2	3
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Sioux Plummer, Director *SP*
 Division: Telecommunications Services

Phone: 465-2041
 Date: 3-22-83

Approved by Commissioner: Lisa Rudd *LR*
 Department: Administration

Date: 3-22-83

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

ANALYSIS
Fiscal Note for
CSSB27

Toll-Free Telephone Calls

It is not possible to determine precisely the fiscal impact of this bill. This difficulty stems from the fact that the major costs of the program will be directly proportional to the amount of demand for the service (toll charges), and there is insufficient data on which predictions of demand can be made.

227 offices, located in Anchorage, Fairbanks and Juneau, have been identified as probably having significant need for citizen access. If the average toll calling rate is assumed to be 10 calls per day per office, toll charges would amount to approximately 1.6 million per year.

If calling activity actually does reach the levels predicted on the basis of the above assumptions, it will be an indication that an alternate system, such as one based on leased lines and special switching equipment or on services provided by other (than Alascom) common, or resale carriers.

Without capital investment or long range commitments, the most immediately implementable toll-free access systems would be to have agencies accept collect calls, or implement Zenith service. With Zenith service, the long distance operator puts calls directly through to the agency and automatically bills the agency; this service entails a monthly fixed cost (\$211.00) in addition to the toll charges.

From the standpoint of simplifying and enhancing citizen access, certain additional services would be desirable. These include wide advertising and promotion of the toll-free numbers to State agencies and a toll-free directory operator service.

Whether or not State Agencies will be able to absorb the cost of toll charges associated with free citizen access will depend on the level of calling that develops. For example, an agency in Juneau that receives 10 calls per day from South Central Alaska or beyond, would have additional phone billing of \$627.00 per month.

To ensure that funds will be available to pay the cost of toll-free services to various State agencies, the Department of Administration could appropriately manage a toll-free project. Therefore, the fiscal notes shows funds for an accounting clerk to handle the additional work the project would bring to the Division of Administrative Services.

Because of the perceived increase in calls to the present Juneau Centrex directory operator, should a toll-free directory service be established, an additional directory operator position is also shown.

The costs of immediately available (tariffed) service based on the previously stated assumptions are estimated as follows:

1. Zenith Lines to 227 Agencies (fixed cost @ \$211. per month)	\$ 574,764./year (Optional)
2. Zenith Line to Directory Operator (fixed cost @ \$211. per month plus 50 calls per day)	36,192./year
3. Toll Charges to 227 Agencies	1,650,552./year
<u>TOTAL</u> Tariffed long-line service costs <u>ONLY</u>	\$2,261,508./year

To have a reasonable assurance of providing an adequate level of toll free access, and ancillary services, would require 2.46 million dollars for the first year. This will provide for payment of collect calls to State agencies for one year and the associated administrative costs to the Department.

If the level of calling is such that reverse billing arrangements are not cost-effective, the Department of Administration will have obtained the data necessary to specify or design alternate systems and will still have funding to implement alternate systems prior to the end of FY84.

SUMMARY

Toll-free access to State government can be provided to selected State agencies and the State's directory operator located in the capital. Costs below pertain specifically to such a suggestion, per the language in SB27.

Personnel

Directory Operator (Range 8)	\$ 25,000
Accounting Clerk (Range 10)	27,100
Subtotal	\$ 52,100

Contractual

Telephone Costs (Fixed Zenith lines and toll charges)	\$2,261,508
Remodel Juneau Centrex Booth to accomodate two directory operators	8,000
Advertising & Publication	80,000
Space, Services	3,500
Subtotal	\$2,353,008

Commodities

\$ 2,000

Equipment

Automatic Call Director (for Directory Operatory Service)	\$ 10,000
Directory Data System	35,000
Office Equipment	3,000
Subtotal	\$ 48,000

GRAND TOTAL (FY84 Request)	\$2,455,110
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March 31, 1983

The Honorable Mitch Abood
Chairman House State Affairs Committee
Alaska State Legislature
Pouch Y
Juneau, Alaska 99811

Dear Representative Abood:

In response to your request I have forwarded TELELINK's proposal on toll free dialling to Ms. Sioux Plummer at the Division of Telecommunications Services. I have also provided you with a copy for your committee's review.

TELELINK's proposal allows the State to start with a limited number of toll free lines and incrementally increase the number if telephone traffic warrants. I believe the advantage of having single number access to all state agencies, coupled with the fact that an Alaska corporation like TELELINK can provide this service in lieu of increased state government has its merits.

If you should have any questions or require our assistance in this matter, please don't hesitate to call.

Sincerely,



Stuart P. Browne
President

cc: Ms. Sioux Plummer, Division of Telecommunications Services

A Proposal for a Model Toll-Free Dial Access Service

TELELINK Communications, Inc., an Alaska based company providing advanced telecommunications services, proposes to install and operate a toll-free dial access service through which Alaska citizens could call government agencies in a unique and cost effective manner.

TELELINK proposes to establish a group of INWATS lines which would connect to an automatic call distribution system (similar to those used by airlines) that is operator attended on a ten hour per day, five day a week basis for answering and forwarding calls to State agency offices. TELELINK's proposed service would also provide an information directory service, 3-way call conferencing to enable a citizen caller to talk to two state locations simultaneously, and will electronically capture call detail information such as:

- . Number of calls to a particular agency
- . Average length of calls (call holding time)
- . Time of day
- . Number of calls not answered after 3 rings

This call detail would be provided by TELELINK to the Division of Telecommunications for traffic analysis and modelling.

TELELINK proposes to operate a toll-free dialling service, on a trial 1 year basis in the following manner.

TELELINK will install a group of 6 Inbound 800 WATS lines. A single lead number such as 800-426-1234 would be the prime number that would be listed and advertised for public access. A citizen wishing to call a State agency would call the 800 WATS line number which would be answered by one of several TELELINK operators in a manner such as - "Alaska Telecenter, may I help you?" The calling party would give the Telecenter operator the agency telephone number if known. The operator would then speed dial the call to the appropriate agency and connect the two parties. If a calling party does not have the agency number or is unsure of which agency to contact, the Telecenter operator will access a computerized information base from a keyboard console. The information base will have telephone directory numbers, agency names and other information such as commissions, chairperson telephone numbers, etc. Once the Telecenter has assisted the calling party in identifying the number to call, the operator speed dials the call to the agency completing the call. In the case of a called party being unavailable or if the agency called is unable to assist the calling party, the calling party can recall the Telecenter operator by touching 0 (if they have a touch-tone telephone) allowing the operator to redial another agency or take a message for later delivery.

TELELINK's service approach provides Alaskan citizens calling State government with these benefits;

- . Single number access
- . Personable operator answering
- . Information and directory assistance in locating the appropriate agency

- . The opportunity to call more than one agency through a single transaction, and call conferencing to enable two agencies or two state extensions to assist a caller through a simple 3-way conference.

TELELINK proposes to provide the service to the State on a one-year trial basis. Since the system will provide sophisticated call detail reports, the State will have ample information to plan for a permanent system. A proposal to use collect calling or Zenith lines as an interim results in high toll costs and inadequate call detail information. It also does not satisfy the need for single number access to all State agencies.

The cost for TELELINK to provide the proposed toll free dialling service would be as follows;

Monthly Service Fee - \$18,456

(Includes Inbound and Outbound WATS lines, operator answering, information service and call detail reporting)

Cost Per Call - \$1.00 Per Minute

For the first 40 hours after 40 hours the call rate drops to \$.89 per minute.

Cost Assumptions

6 INWATS lines, each capable of handling six ten minute calls per hour during a ten hour a day operation.

60 calls/day/line
6 lines
360 calls day
x 20 days per month
7,200 calls per month
x 12
86,400 calls per year = 864,000 call minutes annually
x 1.00 per call minute
\$864,000.00 annual toll charge
Monthly Service Fee - \$ 18,456.00
x 12 months
Annual Service Fee \$ 221,472.00
Annual Call Volume \$ 864,000.00
(Projected) \$1,085,472.00

TELELINK can initiate the service as described within 90 days. Since the State would contract with TELELINK for only a one year trial basis, TELELINK would require the first and last months service fees at the time of contract initiation.



LETTER OF INTENT

It is the intent of the State Affairs Committee that immediate implementation of CS for SB 27, "An Act relating to toll-free telephone calls to state agencies," would be in the best interest of the State. However, the committee recognizes that additional information will be required to determine what type of permanent toll free telephone service will best serve the public. Therefore, the committee requests that the Governor implement CS for SB 27 by directing state agencies to accept collect telephone calls from the public as a pilot project for one year from the date of the passage of this legislation.

As part of the pilot project the committee requests that the Governor:

- 1) direct the Commissioner of Administration to designate a sufficient number of agency toll free telephone numbers to allow adequate access to all agencies which serve the public;
- 2) develop a policy for refusing or terminating nuisance, harassing, abusive or frivolous collect calls;
- 3) develop a policy to deter unnecessary inter-agency collect calls;
- 4) direct agencies to keep uniform records on collect call utilization and costs;
- 5) direct the Commissioner of Administration to study all feasible alternatives and make recommendations for implementing a permanent system of toll free calls and;
- 6) submit a report on the pilot program, including the above recommendations, to the legislature by February 1, 1984.

It is the intent of the committee that the pilot program be implemented at the least possible cost to the State and therefore requests that the Governor direct State agencies to pay for collect calls during the remainder of FY83 from funds saved by decreased travel of State employees.

SEN. VIC FISCHER, CHAIR

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: SB 27 SB 42
 Title: Relating to toll-free telephone calls
 Sponsor: Senator Vic Fischer
 Requestor: Senate State Affairs

II. FISCAL DETAIL

Agency Affected: Dept. of Administration
 Program Category Affected:
 BRU, Program of Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING	1,006	2,303				
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	1,006	2,303				
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Sioux Plummer, Director *SLP* Phone: 465-2041
 Division: Telecommunications Services Date: March 15, 1983
 Approved by Commissioner: *William Anderson* Date: March 15, 1983
 Department: Administration

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

3/8/83

This fiscal detail is based on the following assumptions:

- 1) That toll-free telephone service will be available to all State agencies to which significant amounts of public access is required.
- 2) That such access is provided through Zenith numbers (automatic charge reversal) assigned to each identified agency.
- 3) That the agencies under consideration are located in Anchorage, Fairbanks, or Juneau.
- 4) The number of agencies, identified by the Department of Administration, Division of Telecommunications Services, as probably having significant public access requirements, and their locations are:

<u>Location</u>	<u>Number of Agencies</u>
Anchorage	89
Fairbanks	56
Juneau	82
TOTAL	<u>227</u>

- 5) The average calls received would be 10 per day per office, at 5 minutes per call.
- 6) The average call cost will be \$2.75 (\$.55/minute)
- 7) That no additional positions, or telephone services will be required by agencies as a result of implementation of this system.

Based on these assumptions:

Basic Zenith charge	\$211/mo x 227	\$ 47,897
Toll charges	\$605/mo x 227	<u>137,335</u>
MONTHLY TOTAL		185,232
YEARLY TOTAL		2,222,780
Publication and Advertising		<u>80,000</u>
TOTAL		<u>\$2,302,780</u>

ATTACHMENT 1
to Fiscal Note on SB27 and SB42

The method of obtaining toll-free access to State agencies addressed in this fiscal note has the advantage of fairly rapid implementation without capital investment or the need for new positions, but it may not be the most efficient or cost-effective method over a longer period.

Alternative solutions are currently being investigated by the Telecommunications Divisions of the Department of Administration, but since these alternatives involve engineering study and more complex cost analyses, fiscal impact statements for these possibilities have not yet been developed.

Longer range plans for state government telecommunications service, provide for toll-free access to all state agencies through an integrated telephone system. Funding for a state telephone system for Anchorage, Phase 1 of the state plan, has been requested by the Department of Administration in its' FY84 Capital Budget.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF ADMINISTRATION

POUCH C
JUNEAU, ALASKA 99811
PHONE: (907) 465-2041

DIVISION OF TELECOMMUNICATIONS SERVICES

COST SUMMARY

ZENITHS

Zenith Monthly Service Charges

82 Juneau Zeniths	\$ 207,624/year
89 Anchorage Zeniths	225,348/year
56 Fairbanks Zeniths	141,792/year

Subtotal \$ 574,764/year

Toll Estimate - Juneau \$ 595,320/year

Toll Estimate - Anchorage \$ 646,140/year

Toll Estimate - Fairbanks \$ 406,560/year

TOTAL \$2,222,784/year

COLLECT CALLS

Toll Estimate - Juneau \$ 595,320/year

Toll Estimate - Anchorage \$ 646,140/year

Toll Estimate - Fairbanks \$ 406,560/year

TOTAL \$1,648,020/year

CENTRAL OPERATORS

One Zenith Monthly Service Charge \$ 2,532

Local Telephone Company Monthly Line Charge 294

Remodeling 8,000

Personnel 59,350

Toll Estimate 920,040/year

Equipment Purchase (One Time Charge) 10,000

TOTAL ANNUAL \$ 990,216

TOTAL ONE-TIME CHARGE \$ 10,000

ZENITH NUMBERS FOR ALL AGENCIES WITH EXTENSIVE PUBLIC CONTACT

ADVANTAGES

1. No additional personnel or equipment required.
2. Can be implemented quickly.
3. No long term committment required. Service can be stopped without liability.
4. If implemented as an interim solution, data gathered regarding frequency of use and costs can be used to plan the best, permanent solution.
5. Easier access for caller than Collect Call option.

DISADVANTAGES

1. Most expensive of three options due to Monthly Service Charge for each Zenith number in addition to toll charges.
2. Less control at agency and no chance to screen calls. More potential for abuse.
3. Increase in agency budget required.

CENTRAL OPERATOR ANSWERING ONE STATE ZENITH NUMBER

ADVANTAGES

1. Cheaper than Zenith option.
2. Easiest access for public as only one number involved.
3. Less "wrong numbers" will be reached by caller as operator will transfer to correct agency.
4. Other information services will be provided in addition to channeling calls to appropriate agencies.

DISADVANTAGES

1. More expensive than Collect Call option.
2. Additional personnel and equipment required.
3. Only Juneau has existing technical capability to implement this type of service.
4. Could not be implemented as quickly as other options due to hiring, training and remodeling requirements.

COLLECT CALLS ACCEPTED BY ALL STATE AGENCIES

ADVANTAGES

- 1.. Least expensive of three options presented. Costs directly related to usage. No additional fixed costs such as Monthly Service Charge.
2. No additional personnel or equipment required.
3. Can be implemented quickly.
4. Agencies can have more control to prevent abuse. Special numbers will be assigned and agency designee will have authority to accept or reject inappropriate calls.
5. No long term committment required. Service can be stopped without liability:
7. If implemented as an interim solution, data gathered regarding frequency of use and costs can be used to plan the best, permanent solution.
8. Increased public awareness that toll calls are not free and are being paid by the State.

DISADVANTAGES

1. Increase in agency budgets required to cover toll charges.
2. Less convenient for caller than Zenith option.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF ADMINISTRATION

POUCH C
JUNEAU, ALASKA 99811
PHONE: (907) 465-2041

DIVISION OF TELECOMMUNICATIONS SERVICES

February 18, 1983

Honorable Vic Fischer
Alaska State Legislature
Pouch V
Juneau, AK 99811

ATTN: David Dye

Dear Senator Fischer:

In response to your request for examples of how other states handle citizen telephone access to State Government agencies, we contacted telecommunications managers in Oregon and Idaho for information.

Oregon, which has a dedicated inter-city government telephone network, has a central attendant (operator) who is contacted through a single intrastate WATS number. On receiving the call, the attendant transfers the call to the appropriate agency or, if the appropriate agency is in the caller's area, gives the caller the agency phone number.

It's interesting to note that when an incoming WATS call is transferred to an agency, the agency takes the caller's number and request, and returns the call later. The purpose of this procedure is to clear the incoming WATS lines as quickly as possible so that additional calls can reach the attendant. Thus two calls, one in and one out, are generally required to complete one transaction.

At the present time there are two conditions that preclude implementing an identical system in Alaska: 1) The State does not have its own intercity telephone network; 2) intra-state WATS service is not offered by Alascom.

Idaho does not have a state-wide toll-free access system, although certain agencies do maintain special toll-free numbers for citizen access. Funding proposals are currently before the Idaho legislature to allow the Department of General Services to establish an intercity network.

In correspondence we have had with other states on general telecommunications matters, the trend seems to be toward state-wide government telephone systems. While establishment of such systems is generally driven by the desire for improved inter-government communications and

February 17, 1983

economic considerations, another benefit is simplification of public access where citizens can make local or single-number calls and be routed internally to the appropriate agency.

Our contact in Oregon stated that their inter-city costs run about \$80,000 per month. However, this figure, and figures from other states, are not very helpful to us because they are using lower-priced services, not available in Alaska, and smaller networks from the stand-point of distances spanned.

Sincerely,



Ted McIntire
Senior Planner

TM/bb

cc: Lisa Rudd, Commissioner
Department of Administration

Stoux Plummer, Director
Division of Telecommunications Services
Department of Administration

Introduced: 1/18/83
Referred: State Affairs and Finance

BY V. FISCHER, MOSS
STURGULEWSKI, FERGUSON
JOSEPHSON & HALFORD

1 IN THE SENATE

2

SENATE BILL NO. 27

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to toll-free telephone calls to
state agencies."

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

9 * Section 1. AS 44.21 is amended by adding a new section to read:

10 Sec. 44.21.070. TOLL-FREE TELEPHONE CALLS TO STATE AGENCIES.

11 (a) The Department of Administration shall ^{establish} provide toll-free tele-
12 phone service for calls ^{originating within Alaska} to a state agency by residents of the state.

13 (b) In this section "state agency" means a department, office,
14 board, commission, or agency of the executive, legislative, or judi-
15 cial branch of state government ~~including the University of Alaska.~~

as necessary to provide access

*Statement of purpose: to improve communication
and ~~increase~~ and decrease state travel expenses
intent*

1. collect calls

2. DOT develop criteria to determine
which agencies, etc to accept calls

3. to be funded from decrease in
travel

4. report to leg

-1-5. nuisance calls

SB 27

1/31/83

From:

David Dye
State Affairs Aide

To:

Committee Members Staff

Re: SB 27

OMB has not sent
a fiscal note for
this bill as requested.
Hope to have one by
tomorrow at 3:00 PM.

David:

2-1-83

There are many other alternatives and much cost data yet to be shared, and which I believe the Committee would be interested in. It will be completed next week.

As far as toll free demo goes, I will be happy to work with you and discuss this further.

Joey
465 2041

Date Received _____

Bill Number SB 27 Title Toll Free Telephone calls

Fiscal Note - Date Requested _____ Of Whom DOA

Position Paper - Date Requested _____ Of Whom _____

Contact People

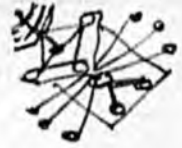
Rebecca Burch - DOA
Alex Hills - DOA, Telecommunications

People Who Expressed Interest

Trust Assoc. Kim Hutcheson
Alascom. George Shaganaw 264-7796 (Jerry Curlee)
General Communications Bob Welp 272-1577
Gordon Parker AK. Tel. Assoc. 276-3293
Public Utilities Comm. Comm. Marvin Weatherly 263-2132

Follow-up

Alex Hills
Alascom Lobbyist
Other carrier

Gordon Parker 
AK. Tel. Assoc.
276-3293

APUC
263-2102
WEATHERLY

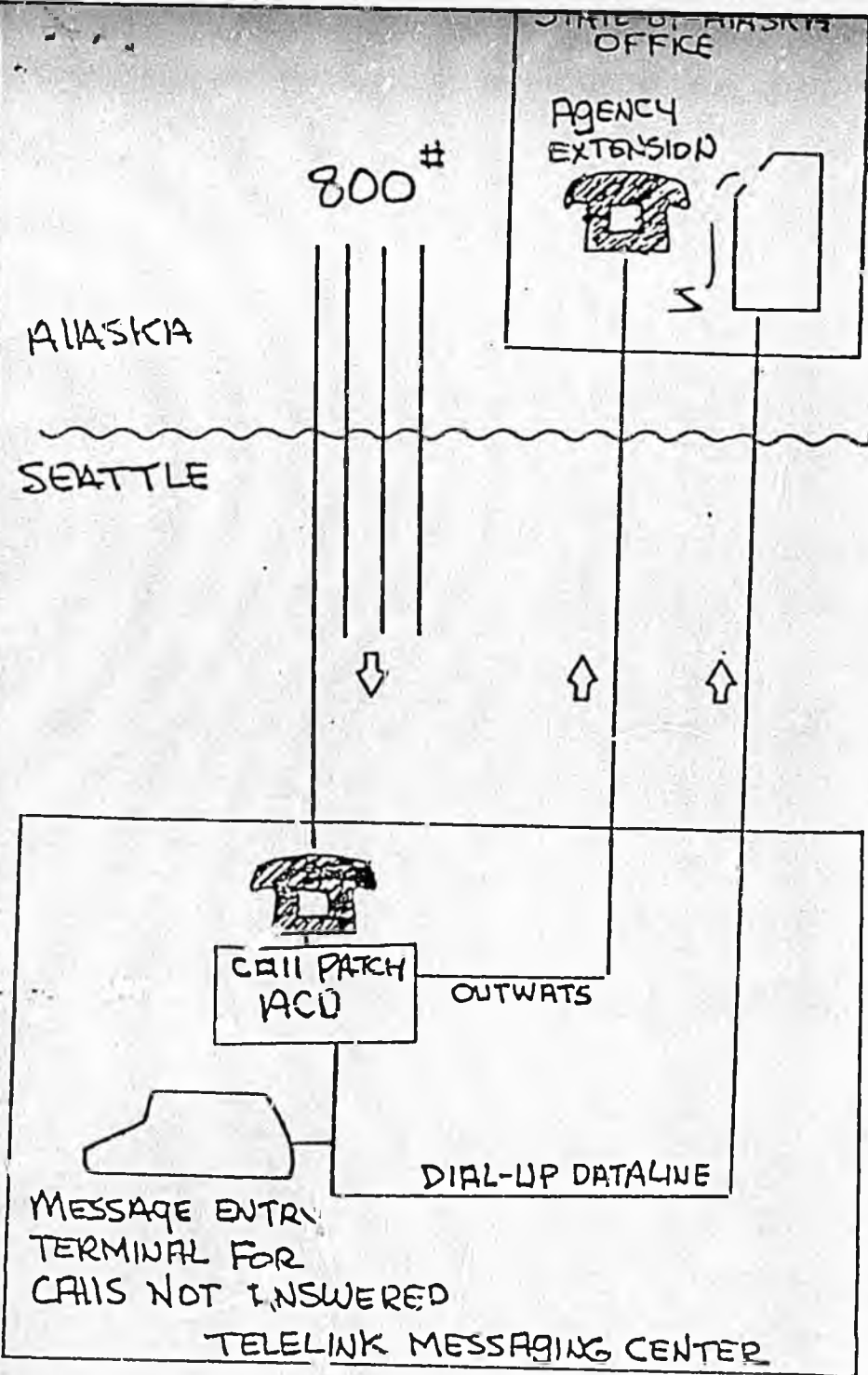
Pub Util Comm. (COM)
Marvin Weatherly
263-2132

George Shaganaw
264-7796
General Communications
Bob Welp 272-1577

DAVID

GORDON Zerbetz
264-7384

RE: ALASCOM
TOLL FREE CALLS
will be here for HEARING



CENTRALIZED
LINE PRINTER
IN EACH AGENCY OFFICE

CALL SEQUENCE

- CITIZEN CALLS 800 IN-WATS
- TELELINK OPERATOR ANSWERS "STATE OF ALASKA TELECENTER" WHICH DEPARTMENT PLEASE?
- OPERATOR CHECKS DIRECTORY FOR DEPARTMENT DIVISION, INDIVIDUAL EXTENSION NUMBER
- VIA A TELEPHONE CALL PATCHER THE NUMBER IS AUTODIALED AND COMES BACK TO ALASKA THROUGH AN OUTWATS LINE

MESSAGE COST DETAIL

	TELELINK	ALASCOM ZNTH
• IN-BOUND CALL MINUTE	.79	4.40 (3mo only)
• MESSAGE TRANSACTION	.50	N/A
• OUT-BOUND CALL MINUTE	.64	N/A
1ST MINUTE	\$ 1.93	4.40 + ZENITH CHARGE
EA ADD	.70	.85
TOTAL HOURLY RATE	\$ 43.23	\$ 52.85

IF NO ANSWER OR THE CALLED PARTY IS UNAVAILABLE TELELINK OPERATOR TAKE CALLERS MESSAGE-INPUTS IT TO THE COMPUTER WHERE IT IS LOGGED AND FORWARDED VIA DATA LINE TO THE CENTRALIZED PRINTER IN THE AGENCY OFFICE

SAVINGS OF \$9.62/m.
PLUS A REAL SERVICE IS PERFORMED"

OTHER COSTS

- one time installation and set-up 7500
- Monthly line charges
8 x 150 (WATS) 1200
- ONE TIME installation on local data line
@ 60.00 x NO. of MESSAGE TERMINALS = 227 = 13,620
- Monthly Local data line charges
@ 25.00 x NO. of MESSAGE TERMINALS = 227 = 5675/MO
- Monthly LEASE of data terminals for MESSAGE RETRIEVAL/ENTRY
87.50 x NO of MESSAGE TERMINALS = 227 = 19,862/MO
- Call minutes monthly = \$17,292
400/hours (PROJECTED)

TELECOMMUNICATIONS SERVICES

4. MESSAGE TELEPHONE SERVICE (Cont'd)

4.1 Regulations (Cont'd)

4.1.4 Payment Arrangements (Cont'd)

(E) Collect Calls

Collect calls may be made to any point, except as otherwise specified in individual station listings in the Directory of Stations in Section 2. Charges for conference calls may be reversed provided the total charges are accepted at one designated station.

(M)

(M)

(F) Reversed Charge Billing Arrangements

(1) Description

Reversed charge billing arrangements, through the use of "Zenith" telephone numbers, permit customers in one community to call specified business concerns in another community without payment of toll charges and without specified reversal of charges. The toll charges are billed to the business concern in the called community.

(2) Sending Exchange

The "sending exchange" is the exchange or specified village from which the calls originate and where the listing appears in the local telephone directory (unless an unpublished number is desired), or is publically noticed otherwise.

(3) Receiving Exchange

The "receiving exchange" is the exchange where the business firm ordering the reversed charge billing arrangement is located and to which the Zenith number calls are completed.

(4) Assignment of Zenith Numbers

The customer who orders a reversed charge billing arrangement is assigned a special call number with a Zenith prefix. This number is posted at the long distance center serving the sending exchange, and associated with it is the regular telephone number and the receiving exchange to which the call is to be completed. When the business firm has reversed charge arrangements in more than one exchange, the same special Zenith number is assigned to all such exchanges.

TELECOMMUNICATIONS SERVICES

MESSAGE TELEPHONE SERVICE (Cont'd)

1. Regulations (Cont'd)

1.1. Payment Arrangements (Cont'd)

(5) Availability

- (a) Reversed charge billing arrangements are available to:
- (i) Customers having single-party business service;
 - (ii) Customers having business private branch exchange service;
 - (iii) Customers having order receiving equipment service located in the receiving exchange.

(G) Deposits

The Company may, in order to safeguard its interests, require an applicant or customer to make deposit to be held by the Company as a guarantee of the payment of charges. Such deposit will be the equivalent of up to two months estimated charges for the service provided. At such time as the service is terminated, the amount of the deposit is credited to the customer's account and any credit balance which may remain is refunded. At the option of the Company such deposit may be refunded or credited to the customer at any time prior to the termination of service. In no event will the Company retain a customer's deposit longer than two years, providing that in the interim the Company has not been forced to disconnect that customer's service for reasons of delinquency in payment of charges, and that the customer has not been delinquent in payment more than once in any 12 consecutive months.

(H) Restriction of Service for Cause

- (1) When service to a community or village that is served by a single telephone, with responsibility for payment of charges vested in an official body or quasi-official body, becomes delinquent in the payment of charges, the Company may limit calls from the community or village to those charged to credit cards, placed collect or billed to a third number.
- (2) The notification periods specified in (D)(1) preceding for Non-Payment-Denial and Restoral of Service are also applicable to a community or village with a single telephone.
- (3) Calls of a valid emergency nature such as medical assistance, distress or rescue will be handled without such restrictions.

(N)

(N)

Service Rates

Toll Free Calls

1. collect calls
specified phone #s
2. zenith #s to agencies (SB27)
3. Information operator(s)
 - a. no transfer to agencies
 - b. transfer to agencies
 - c. combine w/ zenith to agencies
4. Other various technical solutions
 - a. mini trinodal network
 - b. WATS, ^(other common country) OCC, private line, combos
 - c. local tel Co arrangements

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF ADMINISTRATION

POUCH C
JUNEAU, ALASKA 99811
PHONE: (907) 465-2041

DIVISION OF TELECOMMUNICATIONS SERVICES

FISCAL ANALYSIS SB 27, SB 42

February 1, 1983

"An act relating to toll-free telephone calls to state agencies"

(a) The Department of Administration shall provide toll-free telephone service for calls to a state agency by residents of the state.

(b) In this section "state agency" means a department, office, board, commission, or agency of the executive, legislative, or judicial branch of state government including the University of Alaska.

ANALYSIS:

This fiscal detail is based on the following assumptions:

- 1) That toll-free telephone service will be available to all State agencies to which significant amounts of public access is required.
- 2) That such access is provided through Zenith numbers (automatic charge reversal) assigned to each identified agency.
- 3) That the agencies under consideration are located in Anchorage, Fairbanks, or Juneau.
- 4) The number of agencies, identified by the Department of Administration, Division of Telecommunications Services, as probably having significant public access requirements, and their locations are:

<u>Location</u>	<u>Number of Agencies</u>
Anchorage	89
Fairbanks	56
Juneau	82
TOTAL	227

- 5) The average calls received would be 10 per day per office, at 5 minutes per call.
- 6) The average call cost will be \$2.75 (\$.55/minute)
- 7) That no additional positions, or telephone services will be required by agencies as a result of implementation of this system.

Based on these assumptions:

Basic Zenith charge	\$21_/mo x 227	\$ 47,897
Toll charges	\$605/mo x 227	137,335
MONTHLY TOTAL		<u>185,232</u>
YEARLY TOTAL		2,222,780
Publication and Advertising		80,000
TOTAL		<u>\$2,302,780</u>

COMMENT:

The method of obtaining toll-free access to State agencies addressed in this fiscal note has the advantage of fairly rapid implementation without capital investment or the need for new positions, but it may not be the most efficient or cost-effective method over a longer period.

Alternative solutions are currently being investigated by the Telecommunications Divisions of the Department of Administration, but since these alternatives involve engineering study and more complex cost analyses, fiscal impact statements for these possibilities have not yet been developed.

Longer range plans for state government telecommunications service, provide for toll-free access to all state agencies through an integrated telephone system. Funding for a State telephone system for Anchorage, Phase 1 of the State plan, has been requested by the Department of Administration in its' FY84 Capital Budget.

Co 03 3/2:

Government Supports:

Toll free Directory
Operator Service only

(Not an information operator)

\$45,000.00 - Equipment

Automated Call Answer
Directory Data System
Office Equipment

\$25,000.⁰⁰ - Directory Operator Change

8,000. - Remodel Centrex Booth/Service

36,000. - Zenith Line and
toll charges (50 calls per day - 1

\$117,192

All other options
still too costly
at this time

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF ADMINISTRATION

POUCH C
JUNEAU, ALASKA 99811
PHONE: (907) 465-2041

DIVISION OF TELECOMMUNICATIONS SERVICES

February 8, 1983

Honorable Vic Fischer
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Fischer:

Here is the summary of State telephone expenditures requested by John Hartle at our meeting last Friday.

State of Alaska Communications Expenditures

	<u>FY 81</u>	<u>FY 82</u>
Long Distance	\$ 5,348,820	\$ 6,764,200
Regular, including Centrex and Local Service	<u>3,440,961</u>	<u>4,108,700</u>
TOTAL TELEPHONE	\$ 8,789,781	\$10,872,900
TOTAL COMMUNICATIONS CATEGORY	\$15,359,155	\$22,793,587

This information derived from print-out "Expenditure Summary Report for Statewide Expenditures" Fiscal Years '81 and '82. The "Total Communications Category" includes such items as telegraph and teletype, radio, postage and data communications.

I hope this provides the information you are looking for, if you have any questions please give us a call.

Sincerely,

Sioux Plummer
Director

SP/bb

cc: Representative Barbara Lacher
Alaska State Legislature

Suzanne

F.U.I.

*please return
to SB 27
working file*

4 February 1983



**General
Communication
Incorporated**

Mr. David Dye
Administrative Assistant
Senate State Affairs Committee
Pouch Y
Juneau, AK 99811

Dear David:

I enjoyed my meeting with you and your associates earlier this week. I am sorry we will not be represented at the hearing on S. B. 27 on 10 February. Please contact us if we can help you in any way.

I mentioned my concerns over anti competitive effects of mechanisms to hold down costs of rural telecommunication services. This, and other related topics, was covered in testimony we made before Senator Stevens last year. I am enclosing a copy hoping that you might have a moment to review it. Appendix I specifically addresses the subsidy situation.

I should be in Juneau within a few weeks and will try to see you then.

Sincerely,

A handwritten signature in cursive script that reads "Bob".

Robert M. Walp
President

RMW:plm

Statement of

GENERAL COMMUNICATION INCORPORATED

by ROBERT M. WALP, PRESIDENT

ON

TELECOMMUNICATIONS IN ALASKA:

A SPECIAL CONCERN

Presented to

SUBCOMMITTEE ON COMMUNICATIONS

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

U. S. SENATE

30 August 1982

SUMMARY

The telecommunication industry is in a state of transition. The Bell System is being broken up in order to stimulate competition and new carriers are entering the United States market. The system of separations and settlements which has evolved during this century to help equalize prices will be replaced by a system of local exchange access charges now being constructed. In the present environment there is little incentive for the FCC to develop a mechanism to guarantee universal service at reasonable rates. There is danger that remote and rural areas of the country, especially Alaska, will suffer unless given policy guidance by new legislation.

Without specific legislation, Alaska will suffer because:

1. there will be no subsidy for high cost interexchange service,
2. expansion of local exchange service could be inhibited due to the absence of a specific cap on local exchange rates,
3. full introduction of new telecommunication services in Alaska could be delayed,
4. the existing disparity between intrastate and interstate rates will continue, and
5. the existing mandate for universal service will continue to be ignored.

Legislation is needed to:

1. guarantee universal service at rates not over 110 percent of the national average,
2. provide a competitively neutral system of access charges, surcharges, and service payments to implement universal basic service,
3. extend FCC jurisdiction to all interexchange services so that the access and surcharge mechanism designed to foster universal service is not limited to interstate services,
4. put Alaska on an equal footing with the other 49 states by providing for full and open competitive entry,
5. require domestic satellite systems to give adequate coverage of Alaska, and
6. give the FCC authority to deregulate carriers lacking the ability to control their market prices.

S. 898, passed by the Senate in October 1981, contains sections which adequately cover Alaska's needs. Legislation based upon these principles is needed to assure proper development of telecommunication services in Alaska.

General Communication Incorporated is a common carrier recently authorized by the Federal Communications Commission to provide telecommunication services in the Alaska market. GCI is the first firm of its type to offer long lines voice and data communications as a competitive alternative to the existing monopoly carrier in Alaska. GCI is presently constructing its system and will initiate service before the end of 1982. GCI's program to offer alternative telecommunication services in Alaska is an extension of the developing national policy of competitive telecommunications.

As this committee is well aware, telecommunications in Alaska is burdened by the higher costs of exchange and interexchange services in the state. While part of this Alaska cost differential is attributable to the provision of service to small remote communities in rural areas, the major portion of the difference results from generally high costs of doing business in Alaska. This includes substantially higher salaries which must be paid to attract Alaskan workers, higher transportation costs to and from the state because of its distance and isolation from the 48 contiguous states, and the greater average length of haul for telecommunication traffic to, from, and within Alaska. These latter costs, of course, affect all Alaska telecommunication facilities and are the reason why the costs for both urban

and rural telecommunications in Alaska exceed the average costs for comparable services in the rest of the United States.

In spite of substantial support from the system of interstate separations and settlements, current rates for telecommunication services to and from Alaska exceed 120 percent of the rates for equivalent service elsewhere in the United States. Intrastate rates which receive no support from the settlements pool are close to 80 percent greater than interstate rates. Local exchange rates, where such service exists, are also substantially higher than the national norm.

The changing structure of the telecommunications industry in the United States has created a need for replacement of the system of separations and settlements which has played an important part in implementing the universal service mandate of the original Communications Act. The recent consent decree in the AT&T antitrust suit mandates these changes for a substantial portion of the industry.

The requirement to change the existing system to deal with the altered structure of the industry does not in any way mean that the goal of universal service must be abandoned. New mechanisms can be created which will foster both