

# STATE OF ALASKA

## THE LEGISLATURE

1977

Source

Legislative  
Resolve No.

CSHJR 32

101



Relating to review of interstate and intrastate telephone service and rates.

### BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS Alaska is a land of vast distances, rugged terrain, widely scattered population, and limited transportation facilities; and

WHEREAS the people of Alaska must rely in large measure upon telephone, telegraph and other telecommunications services as a substitute for transportation; and

WHEREAS the people of Alaska have been required to pay far higher rates for interstate telephone service than have citizens in other states; and

WHEREAS the advent of satellite communications has largely eliminated distance as a factor in setting long-distance telephone rates, thus making possible the lowering of charges for interstate long-distance telephone service; and

WHEREAS the Federal Communications Commission determined in 1973 that this historic discrimination against the people of Alaska should be eliminated through the integration of rates for Alaska telecommunications service into the rate patterns existing in the contiguous forty-eight states, and that the rate integration should take place with the beginning of domestic satellite service to Alaska; and

WHEREAS RCA Alascom and the American Telephone and Telegraph Company have stated their intention to the Federal Communications Commission to implement a rate integration plan; and

WHEREAS rate integration, as proposed, will eliminate the disparity in interstate telephone rates to Alaska in three

approximately equal steps, the first of which began in March, 1976; and

WHEREAS phase II of rate integration, scheduled to be implemented on July 1, 1977, will provide a 50 per cent reduction in the existing disparity between the rates paid by Alaska consumers for interstate telephone calls and those paid by consumers in the contiguous forty-eight states; and

WHEREAS this reduction in interstate telephone rates will provide significant public benefits by making service more widely affordable and by strengthening the ties of Alaskans to their fellow citizens in other states; and

WHEREAS the local long lines carrier, RCA Alascom, has recently sought to delay the introduction of phase II of rate integration and its attendant benefits to the people of Alaska by claiming, without any relevant justification, that rate integration could lead to a 300 per cent increase in Alaska intrastate telephone rates; and

WHEREAS RCA Alascom has failed to provide a rate integration proposal for phases II and III, and the data underlying that proposal, as promised to the Federal Communications Commission and the people of Alaska; and

WHEREAS RCA Alascom has provided no relevant, documented justification for any delay in the scheduled implementation of phase II of rate integration on July 1, 1977; and

WHEREAS no increase in intrastate telephone rates may be or should be implemented without the submission of complete documentation and justification to the Alaska Public Utilities Commission, and the full consideration of that body; and

WHEREAS RCA Alascom has never been subjected to a thorough regulatory audit nor have its interstate or intrastate telephone rates ever been investigated as permitted and provided for in the Alaska statutes and the Federal Communications Act of 1934;

BE IT RESOLVED that the Alaska State Legislature urges

(1) the Federal Communications Commission to disapprove any request for a delay in the implementation of phase II of rate integration as planned on July 1, 1977;

(2) the Federal Communications Commission to order for the period of phase II an interim division of revenues between RCA Alascom and American Telephone and Telegraph for their provision of interstate telephone service in amounts which will insure the economic viability of all participating carriers and remove the necessity for intrastate rate increases attributable to rate integration;

(3) the Federal Communications Commission to institute under its powers granted by the Communications Act of 1934 an investigation, audit and rate proceeding to determine the lawfulness of all RCA Alascom charges, practices, classifications and regulations for or in connection with its interstate telecommunications services;

(4) the Federal Communications Commission to establish,

concurrently with the proceedings called for in (3) of this resolution, a Joint Board, under sec. 410(c) of the Communications Act of 1934, including representation of the Alaska Public Utilities Commission, to determine appropriate procedures for separating costs and revenues for telephone carriers in Alaska;

(5) the Alaska Public Utilities Commission to institute an investigation, audit and rate proceeding to determine the lawfulness of RCA Alascom's intrastate rates, classifications, rules, regulations, practices, services and facilities under AS 42.05;

(6) the Governor through his Office of Telecommunications to participate fully in these proceedings before the Federal Communications Commission and the Alaska Public Utilities Commission so that the interests of the citizens of Alaska may be fully protected and advanced.

COPIES of this resolution shall be sent to the Honorable Richard E. Wiley, Chairman, Federal Communications Commission; the Honorable Ted Stevens and the Honorable Mike Gravel, U.S. Senators, the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress; to the members of the Alaska Public Utilities Commission; and to the Governor's Office of Telecommunications.