

Meeting -- Monday, April 14, 1969

Howard Hawkins, President, RCA Global Communications
L. W. Tuft, Vice President, Washington

RCA
Telecom
Folder

mtg.
11/7
4:30pm

Thursday 11/6/69

3:10

Mrs. Friedman from RCA called. She said the President, Mr. Hawkins, will be in town tomorrow and wanted to know if there was any chance for him to see Tom tomorrow afternoon on Alaska Telecommunications.

337-8500

Memo from: Leonard W. Tuft

RCA

Dr. Whitehead

10/2/69

I am pleased to enclose a copy of our basic application filed with the FCC on September 26, 1969 for RCA Alaska Communications, Inc. to provide communications services as the successor to the Alaska Communication System. This basic application is supplemented by approximately 67 applications for radio licenses, which are available at this office if desired.

Leonard W. Tuft



The Honorable Rosel H. Hyde
Chairman
Federal Communications Commission
Washington, D.C. 20554

Howard R Hawkins
President

Dear Chairman Hyde:

September 26, 1969

We submit herewith an original and nine copies of an application by RCA Alaska Communications, Inc. (RCA Alascom) for authority under Section 214 of the Communications Act of 1934, as amended, insofar as necessary to provide the communications services as successor to the Alaska Communication System (ACS). RCA Alascom is a new Alaska subsidiary of RCA Global Communications, Inc., which was organized to acquire and operate the ACS facilities and business in Alaska.

On June 25, 1969, President Nixon approved the sale of the ACS to RCA Glöbcom. This action was after evaluation of competitive proposals to provide a modern long distance communications system pursuant to the Alaska Communications Disposal Act, Public Law 90-135.

In purchasing the total ACS from the Air Force, RCA Glöbcom has undertaken very substantial obligations and commitments. These commitments include

- Installation of a \$27, 683, 000 modern long-lines system, serving Alaska's telephone companies, that is planned to bring the State's long-distance telephone service in line with the prevailing service in the "lower 48." This is in addition to the \$28, 430, 000 to be paid for the ACS facilities and business.

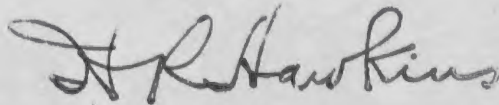
- Savings to the public of an estimated \$40 million in the first three years from reduction in telephone rates to be effected immediately upon full takeover of the system from the Air Force scheduled by July 1, 1970. These reductions will average over 29 per cent for interstate service; intrastate service rates will be reduced nearly 40 per cent to bring such Alaska rates approximately on a par with those in the "lower 48."
- Installation, in cooperation with local telephone companies, of an Expanded Direct Distance Dialing System (EDDD) serving communities throughout Alaska, is expected to make this State the first in the U.S.A. to provide this service statewide. RCA Glöbcom's contract with the government covering the sale of ACS specifies that it will install this EDDD system.
- Establishment of 24-hour phone service to 142 small isolated communities, many of which presently have no telephone service of any kind.
- Introduction of regular satellite communications for Alaska before July 1, 1970, including purchase of at least a 50 per cent ownership in the earth station at Talkeetna and furnishing sufficient funds for complete operation and maintenance of the earth station.
- The offering, or expansion, of other services not completely available now in Alaska—telex, dataphone, data and live television transmission.

Notwithstanding the foregoing, Western Union International, Inc. and Matanuska Telephone Association, which did not offer to acquire the ACS, now seek by regulatory means to take over profitable segments of the ACS business and to destroy the integrity of the long lines communications system in Alaska. They have filed competing applications and decline to permit RCA Alascom to proceed with its proposal to construct the urgently required Anchorage/Talkeetna microwave system, which is provided for in the ACS sales agreement as a vital long-haul segment of the Alaska system.

We submit that RCA Alascom has been awarded the ACS by the Government, in competitive bidding pursuant to Congressional enabling legislation. This involves heavy commitments on the basis that the ACS would not be fragmented, particularly in view of the planned rate reductions, the heavy capital expenditures and service improvements, the full purchase price to be paid the Government for ACS and other economic aspects. RCA Alascom is estimated to operate at a loss for at least two years, and it will not be an economically viable entity for a number of years. It is not in a position to survive efforts, should they be successful, to fragment the ACS system which now serves as the long lines carrier in Alaska.

The enclosed application is one of many applications filed or to be filed by RCA Alascom for consideration by the Commission. It is requested that these applications all be considered together as a single request for approval to acquire and operate the ACS.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "J. R. Hawkins". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

President
RCA Alaska Communications, Inc.

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

In the Matter of

RCA ALASKA COMMUNICATIONS, INC.

File No.

Application for Authority to acquire and
operate channels of communication under
Section 214 of the Communications Act of
1934, as amended, and Section 63.01 of
the Commission's Rules and Regulations,
insofar as necessary to provide the service
being furnished by the Alaska Communica-
tion System

APPLICATION OF RCA
ALASKA COMMUNICATIONS, INC.

RCA Alaska Communications, Inc. (RCA Alascom) hereby ap-
plies for authority, pursuant to Section 214 of the Communications Act
of 1934, as amended, and Section 63.01 of the Commission's Rules and
Regulations, to acquire and operate the channels of communication fur-
nished by the Alaska Communication System (ACS). An appropriate re-
quest for authorization is also being made to the Alaska Public Service
Commission.

RCA Alascom is a wholly-owned subsidiary of RCA Global Com-
munications, Inc. (RCA Globcom), which is engaged in the business of

furnishing international communications services by radio, cable and satellite facilities, and is a common carrier subject to Section 214 of the Communications Act.

Under the terms of the proposal by RCA Globcom to acquire the ACS facilities, and of the agreement under which the award was made to RCA Globcom, that company has set up RCA Alascom as a wholly owned subsidiary to be the successor in interest of ACS. Upon the commencement of its operation of the service now provided by the ACS, RCA Alascom will be a carrier fully subject to the provisions of Section 214 of the Communications Act.

Correspondence concerning this application should be addressed to:

Alan Y. Naftalin
Koteen & Burt
1000 Vermont Avenue, N.W.
Washington, D. C. 20005

with a copy to:

Eugene F. Murphy
Assistant Secretary
RCA Alaska Communications, Inc.
60 Broad Street
New York, New York 10004

ACS at present provides all of the long-line telephone, telegraph and related commercial communications services, both interstate and

intrastate, throughout the State of Alaska. It is now operated by the Department of the Air Force and since 1901 has been operated by one or another of the military departments of the United States. By the Alaska Communications Disposal Act, 81 Stat. 441, enacted November 14, 1967, 40 U.S.C.A. §§771 et seq., the Secretary of Defense "after approval of the President" was "authorized to and shall transfer" the Alaska Communication System. 40 U.S.C.A. §781. That transfer was made subject to the issuance of "any requisite licenses and certificates of convenience and necessity to operate interstate and intrastate commercial communications in Alaska" from the Federal Communications Commission and the Alaska Public Service Commission. 40 U.S.C.A. §783. In addition, no transfer under that Act was to be made except upon determination by the Secretary of Defense or his designee not only that the property need not be retained for national defense purposes but that the "transfer is in the public interest" and the "person to whom the transfer is made is prepared and qualified to provide, without interruption, the communications service involved in the transfer." 40 U.S.C.A. §782.

In compliance with this expressed Congressional policy in favor of transferring the commercial long-lines communications carrier from military to private ownership and operation, the United States Government

proceeded to issue a Request for Offers with respect to sale of the ACS. A number of competitive bids were submitted, and the award to RCA Globcom as the preferred bidder was recommended by the Secretary of the Air Force and approved by the President. Throughout the evaluation process the Air Force worked closely with State officials designated by the Governor of Alaska and the President had the benefit of the Governor's full assistance and advice.

A copy of the Request for Offers, dated January 1, 1969, has been furnished to the Commission's staff. It is clear from a review of that request that the competitive bidding process was designed to produce as the successful bidder that applicant which would provide the best communications system for Alaska and which would make the greatest contribution to the welfare of Alaska, rather than to sell the system to the bidder offering the highest price for the facilities to be acquired.

The prices bid for existing ACS facilities represented only one element in the evaluation process. The Government had determined and in the Request for Offers it set forth the fair and reasonable current value, or in some cases a range within which the fair and reasonable value lies, of each item available for purchase. In the relatively few cases where a range was set, the range was narrow. Any bid in excess

of the specified price was given the same treatment as a bid at the specified price, and the same was true of bids above the specified range. Thus the variation in bid prices for existing facilities must necessarily have been very narrow.

Great numerical weight was given in evaluating the competitive bidding process to offers to reduce rates and to improve and expand the system. In the case of proposed rate reductions, a value equal to the estimated saving in rates over a three-year period was attributed to each bid. Similarly, the dollar value of offers to improve and expand the system covering a period of three years were weighted into the evaluation.

In addition to the specific evaluation factors described above, the Government also recognized that other elements of the offers, "not susceptible to statement as to specific mandatory requirements, or to computation at specified dollar values, may nonetheless be significant to the overall evaluation of offers." These factors fell into two broad categories. The first was the extent to which the offeror had "demonstrated its awareness of the responsibility and the opportunities inherent in the efficient operation of commercial long-line communications service to and within the State of Alaska and its financial, technical, managerial ability and willingness to assume these responsibilities

and develop these opportunities" (page 19). The second factor was the extent to which the offeror's "proposals to improve and expand the present long-line communications service in Alaska will encourage further growth and offer benefits to the public in Alaska, particularly benefits which will accrue in an especially great degree in the period after the first three years of operation by the purchaser of the ACS."

Ibid. The Government stated that it intended to evaluate these matters in considering bids, but that these factors would not be considered as substitutes for competitive rate reductions and service improvement and expansion proposals to be accomplished in the three-year period immediately after the transfer date.

Thus it can be seen that in a very real sense when the Government made the award to RCA Globcom it was making a determination that RCA Globcom was best qualified and had made the best proposal to serve the public interest in the providing of long-line communications service in Alaska. For the convenience of the Commission and because this matter is considered to be of particular importance, pages 15-20 of the January 1, 1969, Request for Offers, containing a description of the evaluation process are attached hereto as Exhibit No. 1, together with the July 1, 1969, Notice of Acceptance and the letter of the same date from the Secretary of the Air Force transmitting the Notice.

In addition to paying \$28.4 million for the existing ACS, RCA Alascom proposes to reduce interstate and intrastate rates by nearly one-third overall. The proposed rates as reduced are set forth in this application.

During the three years following the acquisition of the ACS, RCA Alascom also proposes to make service improvements and extensions at a cost estimated to be in the order of approximately \$27.6 million. The details of some of the more immediate improvements in facilities will be reflected in other applications which have already been filed or which will be filed soon. Without regard to the timing of those applications, however, RCA Alascom is now committed to make the indicated improvements, subject only to obtaining regulatory approvals where necessary.

In general, RCA Alascom will provide a modern communications system in terms of management, operations, maintenance and hardware which will greatly improve telephone service in Alaska, with the objective of bringing it into line with the prevailing service in the lower 48 states. RCA Alascom plans to install a modern direct-distance dialing (DDD) system that will bring an entirely new service to the residents of Alaska. It will provide the people of Alaska with new types of communications services that are not now available to them, including Telex, Data Phone, data transmission, full-time telephone service to 142 small

villages, and others. It will play an integral part in the establishment of satellite communications for the Alaskan people involving exciting new concepts. It is anticipated that the system will be capable of providing all types of services, including furnishing live educational and commercial television to all parts of the state at a cost RCA Alascom believes will be well within the means of the State of Alaska.

In addition to the important matters mentioned above, RCA Alascom has undertaken further obligations to insure that it remains responsive to the needs of the state both as a common carrier and as an employer. RCA Alascom will have its principal offices in Alaska and principal operating officers will be residents of Alaska. Prominent Alaskans not connected with RCA Globcom or its parent company will be invited to serve on the RCA Alascom Board of Directors. Principal officers of RCA Globcom will also be officers and directors of RCA Alascom, which will have the full benefit of RCA Globcom's many years of experience as a communications common carrier.

RCA Alascom has committed itself to give first preference for available positions within its Alaskan communications operations to qualified incumbent employees of the Government-run ACS. RCA Alascom will offer ACS employees selected positions at salary levels equal to those established in Alaska by comparable industry. The

company will also offer ACS employees those employee benefit plans which were available to RCA employees who were at the time of the RCA offer as amended assigned to performance of RCA's obligations under Contract Number FO4606-68-C-0740 for the maintenance and operation of the White Alice Communications System. Employees acquired from the present ACS will receive credit for their number of years of service with the Government for purposes of vacation allowance, eligibility for entering the RCA Retirement Plan, and seniority.

Government civilian employees, whom RCA Alascom desires to employ, and who in turn desire to work for the company, shall transfer to the company by the Transfer Date. All other personnel will be transferred from the system at the direction of the Government.

RCA Alascom has committed itself to develop and utilize the skills of residents of the state, including Alaskan natives. In particular, the company agrees to institute a pilot training program to prepare a selected group of Alaskan natives for positions oriented to communications-electronics in support of the ACS. The pilot training program will be designed to fulfill the specific needs of the company in the ACS and will accommodate up to 50 trainees. For training purposes, this total will be split between Anchorage and one of the other toll center locations. The company will solicit the assistance of the Bureau of Indian Affairs

in recruiting prospective trainees for the program. The company further agrees to continue working with the Alaska Federation of Natives (AFN) in its program to subsidize on-the-job training of Alaskan natives.

In addition, RCA Alascom will promulgate a series of programs to train people to hold positions as clerks, typists, switchboard operators and other jobs representing a variety of semi-skilled and skilled classifications. These and other programs will be initiated with the assistance of RCA Institutes.

RCA Alascom's proposals to purchase the ACS for \$28.4 million, to make improvements of \$27.6 million over the first three years, to cut rates by almost one-third, to place enormous sums at risk, and to take all of the steps outlined above for the benefit of the State of Alaska were made on the basis that RCA Alascom was bidding to provide the commercial long-lines communications services in Alaska, and that there would be no fragmentation of the service that the long-lines carrier would provide, at least so long as it operates at a loss or at less than a reasonable profit. Any erosion of this position would undermine the economic viability of the system and would be inconsistent with the responsibilities of ownership and operation of the ACS in the manner proposed to the Defense Department and approved by the President of the United States. Even on a no-fragmentation basis, RCA Alascom expects to operate at a loss the first two years and that it will be several years before a

reasonable return on investment can be realized. It committed itself to undertake all of the foregoing obligations. It considers that the full potential should make a contribution to the system's economic viability.

Under this comprehensive program for the State of Alaska with the sharply reduced rates to be instituted next year by RCA Alascom, service for the entire State of Alaska will produce only \$25 million of long lines revenue. This includes all toll revenue paid out to local telephone companies in Alaska and all revenue paid to the military and others for the lease of long lines. The revenue to be retained after such payouts by the Alaska long lines carrier in the first year of operation will be only about \$13 million.

Despite the limited net amount of revenue available to RCA Alascom to serve the small and widely scattered population of this huge area, it is necessary, as noted above, for the new long lines carrier to spend over \$27 million to upgrade service in the next three years. The facilities provided by such large sums to serve the small population, much of it scattered over a large area, will suffer from under-utilization and will give rise to substantial potential economies of scale that will continue in Alaska far into the future. In other words, once these facilities are constructed, the costs of expanding them to meet all foreseeable future needs will be relatively small.

Moreover, unique to Alaska is the large proportion of communities that are both tiny and remote. The minimum essential service to such communities will be extremely costly per capita. Such communities could not even begin to pay the full cost of the necessary communication facilities to meet their basic requirements of health, safety and education. Rates they can pay can be provided only by a State-wide carrier.

To meet Alaska's long-lines communications requirements with greatly improved service at drastically reduced rates, RCA Alascom estimates that it will operate at a loss for at least the first two years. It will be several years before the new company can expect to earn a reasonable return on its investment, much of which is required to meet basic communications requirements on exceedingly thin routes.

It is clear that Alaska is a classic case of a situation where fragmentation in long-lines communications services is not feasible. Moreover, in the light of the available economies of scale, the injection of fragmentation in this unique area simply would not make economic sense and the users of communications and the general public would in the long run be saddled with the mistake.

RCA Alascom will not be an economically viable entity for a number of years, and it is not in a position to survive any efforts to fragment the ACS system which now serves as the only long-lines

commercial carrier in Alaska. Rather, the integrity of the long-lines communications system must be maintained if the full benefits of modern technology and management are to be realized by the public in Alaska.

Consequently, RCA Alascom asks that in conjunction with consideration of this application, the Commission also consider all of the other authorizations necessary to the fulfillment of the proposals which have been approved by the Defense Department and the President. Briefly, these applications are as follows:

(1) Applications for construction permits and licenses for all of the radio stations which are now owned by the Federal Aviation Administration or the ACS and which are to be acquired by RCA Alascom under the agreement with the Defense Department.

(2) The applications (File Nos. 553-556-C1-P-69) for construction permits for point-to-point microwave stations to provide service between Anchorage and the satellite earth station at Talkeetna, and related application under Section 214 of the Communications Act.

(3) A request for modification of the outstanding authorization (File No. 65-CSG-P-69) for a construction permit to Communications Satellite Corporation for the Talkeetna earth station, to provide for 50% or more ownership of that earth station by RCA Alascom.

(4) Other applications, which may be filed between now and the time of Commission action on the instant application, for authorization to construct radio facilities necessary to provide service to be instituted prior to the acquisition of the ACS by RCA Alascom.

A grant of all of the foregoing applications is necessary to afford assurance that the proposals outlined in this application can be effectuated.

The foregoing provides a broad outline of the programs which RCA Alascom will undertake and of the procedure the Commission is asked to follow. Set forth below is a response to the more detailed inquiries set forth in Section 63.01 of the Commission's Rules.

The services offered to the public and to the Government by ACS will be furnished by RCA Alascom upon acquisition of the ACS by it, substantially as set forth in Attachment A to the January 1, 1969, Revised Request for Offers. For the convenience of the Commission, that attachment is set forth as Exhibit No. 2 to this application.

In connection with the acquisition of the ACS facilities, RCA Alascom proposes to purchase cables, open wire and central office equipment as shown in Exhibit Nos. 3-7 hereto. These facilities will provide channels of communication which will be used in interstate communications for hire. The proposed acquisition also includes

purchase of radio transmitting stations from both ACS and the Federal Aviation Administration. The channel groups to be operated over those radio facilities are reflected in this application. Specific information as to each station will be shown in separate applications for construction permits and licenses to operate those stations which are being prepared.

The cable, wire, telegraph and channel group equipment to be purchased is as follows:

- a. Submarine Cable Ketchikan to Shagway Aerial Cable Juneau to Lena Point. Details are shown on Exhibit No. 3.
- b. Open Wire Fairbanks to Canadian Border.
Open Wire Anchorage to Tok.
Open Wire Glennallen to Valdez.
- c. Channel Group Equipment (ACS & FAA) as shown on Exhibit No. 7.
- d. Telegraph Equipment as shown on Exhibit No. 7a.

Exhibit No. 4 shows the routes of the cables proposed to be purchased and Exhibit No. 6 shows the routes of the open wire lines proposed to be purchased and the number of circuits provided by the channel groups operated over them.

In addition, RCA Alascom will lease lines of communication from the United States Department of Defense, from the Alaskan

Railroad (ARR), from the Canadian National Telegraphs, from the American Telephone & Telegraph Co., and from the General Telephone and Electronics Co. In the case of the last three named companies, the circuits involved extend from Alaska to or through Canada or to the lower 48 states in the United States. The circuits to be leased are shown on Exhibit No. 8. Exhibit No. 9 shows the routes along which circuits are proposed to be rented with the number of circuits in each section.

Exhibit Nos. 10(a)-(h) show details of the principal or representative cross-sections. A total of approximately 90,000 circuit miles are to be purchased and about 480,000 miles of circuit are to be leased. The circuits reflected in Exhibit Nos. 8-10 are based on estimated traffic needs into 1972.

The purchase price of \$28,436,224 for the facilities to be acquired is conveniently divided into five parts as follows:

1. ACS Station Equipment and Real Estate	\$15,760,616
2. ACS Cable and Open Wire Systems	5,746,631
3. FAA Equipment and Real Estate	476,600
4. ACS Planned Projects	4,652,377
5. Adjustments to Transfer Date	<u>1,800,000</u>
	\$28,436,224

The estimated purchase price of the equipment shown on Exhibit Nos. 7 and 7a is \$5 million. The balance in Items 1 and 3 shown above (about \$11.2 million) covers the price for radio equipment, approximately \$2.3 million, and for items such as switchboards, test boards and testing equipment, buildings and real estate, and all equipment located outside of the United States.

The price for the cables and open wires shown on Exhibit Nos. 3 and 5 is approximately \$3.75 million. The balance (about \$2 million) covers items such as real estate, motor vehicles, testing equipment and supplies.

The plant in Item 4 listed above, ACS Planned Projects, is not included herein. These projects are proceeding under ACS auspices. Before takeover, RCA Alascom expects to file appropriate applications with the Commission.

The plant to be acquired will be accounted for on applicant's books in accordance with the uniform system of accounting prescribed by the Commission in Part 31 of its Rules. Since the plant to be purchased is not all new, the cost to be booked will be in accordance with the amounts shown in the Request for Offers. Charges will then be made to each specific plant account.

The initial rates for circuitry to be leased from the Government are provided for in the agreement under which ACS is to be acquired and are as follows:

The Government will initially charge the following rates for the lease of its Department of Defense and FAA circuitry to the company. The full-period rate per airline mile per month is \$2.50 for each voice grade circuit and \$0.25 for each teletype circuit. For less than full-period usage, the Government will charge a message minute rate per airline mile for each voice grade circuit on the basis of average minutes of use per day each month according to the following schedule:

75 minutes or less	\$0.60
76 through 90 minutes	0.75
91 through 110 minutes	1.00
111 through 135 minutes	1.25
136 through 155 minutes	1.50
156 through 180 minutes	1.75
181 through 200 minutes	2.00
201 through 225 minutes	2.25
226 minutes or more	2.50

The message minute rate for each teletype circuit is 10% of the applicable voice grade circuit message minute rate. These full-period and message minute lease charges are subject to change after reasonable notice by the Government. The Government will not normally lease its circuitry on a message minute basis for private line use or between any points between which the company leases full-period circuitry for the

same type of service. As to any circuitry for which the company elects the message-minute method of lease charge, the company shall maintain such records as may be required by the Government to substantiate circuit utilization. Charges shall be subject to retroactive adjustment where necessary to reflect actual usage subsequently determined.

Rates for ARR circuitry will be negotiated with the Alaskan Railroad.

The proposed new rates will be substantially as set forth in Exhibit No. 11 hereto. Exhibit No. 12 contains RCA Alascom revenue and cost projections.

Finally, it is important for this application to be processed and acted upon at an early date. The parties contemplate that the transfer should take place not later than July 1, 1970. In addition, there are a number of urgent needs for expanded communications service within Alaska to which, as the authorized communications carrier, RCA Alascom should turn its attention at the earliest possible time. Since full use of the summer season is of primary importance to meeting these needs, the transfer should if at all possible take place by June 1, 1970. A minimum period of 90 days prior to that date would be necessary to accomplish an orderly transition on a reasonable basis. For these reasons, we ask that the Commission act, if at all possible, on this and all related applications by no later than March 1, 1970.

WHEREFORE, RCA Alaska Communications, Inc. respectfully submits that the present and future public convenience and necessity require the grant of this application.

Respectfully submitted,

RCA ALASKA COMMUNICATIONS, INC.

By s/ Howard R. Hawkins
President

By s/ Alan Y. Naftalin
Koteen & Burt
1000 Vermont Avenue, N.W.
Washington, D. C. 20005
Its Attorneys

September 25, 1969

8. Evaluation of Offers.

a. Each offer will be reviewed by the Government to ascertain whether it is responsive to this Request for Offers. This review will include, but not be limited to, ascertaining whether:

(1) The offeror has properly completed the Offer Form appended to the Request for Offers.

(2) The offer conditions or limits in any way the offeror's absolute guarantee to provide all services listed in Attachment "A", as it may have been amended, or the lesser services associated with one of the more limited offers expressly authorized by 7.g., above.

(3) The offer is conditioned, or limited in any way, upon the purchase of any item of real or personal property not hereby made available for purchase, or upon purchase of any property at less than the prescribed desired price or price range, or upon the use without purchase of any real or personal property which is available for purchase, or upon use or availability of any real or personal property, or of any service, not specifically made available by the terms of this Request for Offers.

(4) The offer contains the required statement of financial, technical, and managerial capabilities.

(5) The offer clearly identifies which of the items available for purchase the offeror wishes to purchase and clearly specifies the price offered.

(6) The offer includes the rates and tariffs proposed for the first year of operation, in the format specified in this Request for Offers.

(7) The offer includes a statement of the system and service improvements, modernization and expansions which the offeror proposes to accomplish in each of the first three years of operation (a negative statement is required for any year in which no improvements, modernizations or expansions are proposed).

The Government may, but is not required to, seek resolution or clarification of any deficiencies found in this part of the evaluation process.

b. Each offer found to be responsive after the review provided for above will then be evaluated by the Government to assign monetary values to the offeror's proposals to:

- (1) Purchase property offered for sale;
- (2) Reduce rates, and
- (3) Improve and expand the ACS system.

This portion of the evaluation will be accomplished as described in the following subparagraphs.

(1) OFFER TO PURCHASE PROPERTY. The total dollar amount offered to the U.S. Government by the offeror to purchase items of property from the Government will be computed. The offeror is required to enter its computation of this total in the Offer Summary in paragraph 1(a) of the Offer Form. The total so entered will be verified against the line-by-line listing of offers to purchase items of property which must appear in the body of offer; in the event of discrepancies, the total derived by adding the line-by-line offers to purchase property will be controlling, unless the offeror presents clear and convincing proof of a clerical error.

Any item for which the offeror proposes purchase at or below the desired price or price range specified in Attachment "B" will initially be evaluated at the amount offered. Any item for which the offeror proposes to pay more than the maximum desired price stated in Attachment "B" will be considered, for the purposes of this paragraph 8, as an offer to pay the maximum stated price. Any offer to purchase an item not described as being available for purchase in Attachment "B" will be completely disregarded in computing the offeror's total proposal to purchase property.

The total purchase price stated in the Offer Summary, adjusted as indicated in this subparagraph, will be considered to be the offeror's purchase price offer for purposes of competitive evaluation, provided, however, that the total dollar amount of any offer to purchase items at less than the desired price or price range will be deleted

in the final evaluation, unless the Government intends to accept that portion of the offer.

(2) OFFER TO REDUCE RATES. As specified in paragraph 7.c., above, offerors are required to specify in their offers the exact rates proposed for at least the first year of operation, using, wherever possible, the same format, rate zone, types of service, etc., as the ACS Rates and Tariffs in Attachment "C".

The services for which rates are to be specified include:

- (a) Intrastate telephone messages
- (b) Interstate telephone messages
- (c) Intrastate telegraph messages
- (d) Interstate telegraph messages
- (e) Private line telegraph service
- (f) Private line telephone service.

Included in Attachment "C" are tables, based on recent ACS operating experience, showing a typical percentage distribution of the total volume of business in each of the above six categories for the several rate zones involved and for the various types of service within the pertinent categories; e.g., station-to-station, person-to-person; day, evening, and night and weekends; telegram and night letter; etc. Attachment "D" specifies, for each category of service, the experience and projected volumes of service through calendar year 1971.

To evaluate the offeror's proposed rate reductions for each category of service, the offeror's proposed rate for each type of service in each rate zone will be multiplied by the corresponding percentage factor in the applicable distribution table in Attachment "C". Where the rates include both a base rate and an added minute or an added word rate, the two will be combined, based on the indicated average message length, into a single composite rate to which percentage factors will then be applied.

For example, if the offered station-to-station daytime rate for intrastate telephone messages in zone 12 were \$1.30

for the first 3 minutes, and 40 cents for each additional minute, the composite rate, based on an average message duration of 6.30 minutes as indicated in Attachment "D", would be \$1.30 plus 3.30 times 40 cents, or \$2.6200. All composite rate calculations will be carried to the nearest 100th of a cent. This composite rate of \$2.6200 will then be multiplied by the indicated percentage factors for day-time station-to-station calls in zone 12.

When each rate, or composite rate, in a category is multiplied by its corresponding percentage factor, and the results are added together, the total will be the average charge per message, at the proposed rates, in that category. A similar average charge per message will be calculated for that category based on the ACS rate specified in Attachment "C". That ACS average rate, minus the average rate for the same category computed from the offeror's proposed rates, will be the average proposed rate reduction per message for that category. This average proposed rate reduction per message will be multiplied by three times the projected calendar year 1971 volume of messages for the category to determine the dollar value, for evaluation purposes, of the offeror's proposed rate reduction for that category service. The Government recognizes that the actual level of revenue for the first three years of operation may well be significantly more than three times the projected 1971 volumes indicated in Attachment "D", particularly if the purchaser aggressively pursues a well conceived plan for promotional rates. The potential for increasing revenues through rate reduction has deliberately been left open to offerors as an added incentive to rate reductions.

The dollar value, for evaluation purposes, of the offeror's proposed rate reduction for each of the six service categories listed above will be computed in this manner. In the categories involving private line service, the basic unit will be the airline mileage rather than the average message duration. The sum of the dollar values thus computed for each of the six categories will be the total dollar value of the offeror's proposed rate reductions. The offeror's computations of this amount should be entered in the Offer Summary in paragraph 1(b) of the Offer Form.

(3). OFFER TO IMPROVE AND EXPAND THE SYSTEM. The basic question in evaluating offers to improve and expand the system is how much additional service to the public does the proposed change really offer. As a

starting point for evaluating the public benefit from offered improvements and expansions of service, the Government will look to the total dollar amount which the offeror has proposed to expend in the form of capital investment for such changes during the first three years of operation after the Transfer Date. Each offeror should compute this total dollar amount by adding the estimated capital costs specified in the statements required by paragraph 7.d.(1) (c), above. The total so computed should be entered by the offeror in the Offer Summary in paragraph 1 (c) of the Offer Form. The Government will verify this computation against actual data contained in the body of each offer, and in case of discrepancies, the total dollar value of proposed system and service expansion derived from the offer itself will be controlling. The purchaser, subject to the approval of the Alaska Public Service Commission, may be allowed to alter the construction program by the addition of new projects and the changing of priorities on projects submitted. Such changes shall not constitute a reduction in the amount of dollars to be invested in new facilities.

c. In addition to the specific evaluation factors described in subparagraphs b(1) through (3) above, the Government recognizes that other elements of the offers received, not susceptible to statement as specific mandatory requirements, or to computation at specified dollar values, may nonetheless be significant to the overall evaluation of offers. These factors fall into two broad categories: (1) The extent to which the offeror has demonstrated its awareness of the responsibility and the opportunities inherent in the efficient operation of commercial long-line communications service to and within the State of Alaska and its financial, technical, managerial ability and willingness to assume these responsibilities and to develop these opportunities; and (2) The extent to which the offeror's proposals to improve and expand the present long-line communications service in Alaska will encourage further growth and offer benefits to the public in Alaska, particularly benefits which will accrue in an especially great degree in the period after the first three years of operation by the purchaser of the AC3.

Accordingly, the Government intends to evaluate carefully each offeror's financial, technical and managerial

plans for operation of the commercial long-lines communications services for the State of Alaska and its plans for the continuing improvement of service beyond the initial period of operation.

As to the second broad category, benefits to the public in Alaska, the Government will evaluate both the current and the longer term benefits which the users of long-lines communications services would derive from the offeror's rate reduction proposals and proposals to improve and expand service. This will include such factors as (i) comparing the offeror's estimated capital investment for specific improvement and expansion projects with the estimates of competitors for similar projects (ii) comparing the extent and importance of the specific new or improved services to be derived from the proposed capital expenditures, (iii) comparing the offeror's proposals or comments concerning the introduction of satellite communications (see paragraph 7.f. above) with proposals and comments from other offerors, and (iv) comparing the proposals for serving greater numbers of people throughout the entire State of Alaska by extending service to additional communities not now receiving telephone or telegraph service.

The offeror's potential for efficient and effective operation, and longer range benefits to the people of Alaska will not, however, be considered as substitutes for competitive rate reductions and service improvement and expansion proposals to be accomplished in the three year period immediately after the Transfer Date.

d. The extent to which the offeror proposes to lease Government circuitry or services, see paragraph 7.e., above, will not be a factor in the competitive evaluation of offers except to the extent that failure to identify any circuitry to communities now being served may indicate inability to provide some service listed in Attachment "A".

9. Earnest Money

a. Each offer must be accompanied by an earnest money deposit in the form of a certified check, a cashier's check, or a postal money order made payable to the Reasurer of the United States in the amount of \$250,000 or 1% of the total purchase price offered, whichever is less. Alternatively, in accordance with Treasury Department Circular 154 (6 February 1935), the earnest money deposit may be in the form of certain bonds or notes of the United States, in an amount equal at

DEPARTMENT OF THE AIR FORCE
WASHINGTON, D. C. 20330



JUL 1 1969

OFFICE OF THE SECRETARY

Dear Mr. Hawkins:

On June 25, 1969, President Nixon approved the sale of the Alaska Communication System to RCA Global Communications, Inc. Accordingly, pursuant to Public Law 90-135 and subsequent delegation of authority to me, I am hereby notifying you of acceptance of your Company's offer by forwarding the attached formal Notice of Acceptance.

As indicated in the Notice, we contemplate setting forth the precise terms and conditions of this sale in a definitized contract. I have designated Mr. John Perry, Deputy for Transportation and Communications, to represent the Government in preparing and executing this contract. Will you please have the official authorized to act for your Company in this matter contact Mr. Perry to make the necessary arrangements to consummate the contract.

Very truly yours,

Richard C. Secant

Attachment
Notice of Acceptance

Mr. Howard R. Hawkins
President
RCA Global Communications, Inc.
60 Broad Street
New York, New York 10004

NOTICE OF ACCEPTANCE OF OFFER

1. Public Law 90-135 authorizes the Secretary of Defense or his designee to sell any or all of the long-lines communication facilities in or to Alaska which are under the jurisdiction of the Federal Government. This authority has been delegated to the Secretary of the Air Force. Accordingly, on 25 October 1968, the Department of the Air Force issued a Request for Offers to purchase the commercial long-lines business in Alaska known as the Alaska Communication System.

2. RCA Global Communications, Inc. (hereinafter referred to as the Company) has submitted an offer to purchase the ACS. The Request for Offers issued by the Air Force stated that the Government could delete the services and property associated with the local exchange at Healy, Alaska, from any offer or award, and the Government has elected to exercise this option. On behalf of the United States Government, the final offer of your Company to purchase and operate the ACS, with the exception of the exchange at Healy, is hereby accepted, subject to the grant of all necessary authorization from the Alaska Public Service Commission and the Federal Communications Commission. This acceptance is further made subject to agreement by the Company, in a definitized contract of sale, to the conditions considered necessary by the Government to insure compatibility with the antitrust laws. As required by Public Law 90-135, this award has been approved by the President.

3. The terms and conditions of this sale are contained in the Request for Offers, as amended, the final offer of the Company, and this Notice of Acceptance. Included in the terms of your Company's offer are commitments:

to purchase all the property the Federal Government offered for sale (except the Healy exchange) at a total estimated price of \$28,431,132; to expend \$27,683,000 within three years of the Transfer Date for system improvement and modernization, including

new service to 142 remote communities and the commencement of Direct Distance Dialing service by late 1970 for the Anchorage area, early 1971 for the Fairbanks area, and mid-1971 for the Juneau and Ketchikan areas, and including purchase of a 50% ownership interest in the COMSAT Earth Station currently planned to be constructed at Talkeetna; and to continue present service at the rate schedules proposed in your Company's final offer, providing as well a new lower rate "after midnight" service and a bush and marine rate reduction, so as to realize the total rate reductions stipulated in your final offer.

The foregoing and other terms and conditions of the sale to be extracted from the Request for Offers and your final offer will be specifically set forth in a definitized contract to be prepared by the Government and signed by the Government and the Company.

4. The transfer of the facilities, real estate, equipment, and other assets which the Company has elected to purchase, with the exception of those assets associated with the Healy Exchange, will be accomplished at a mutually agreed upon Transfer Date, after tender of payment to the United States Government. The actual purchase price of the ACS will be computed after making any appropriate adjustments required by paragraphs I.A.3 and II.B.11 of the Request for Offers, as further explained in paragraph I.B.10 of Attachment B, and will consist of the total fair and reasonable value of all Government property offered for sale, as specified in the RFO but with depreciation adjusted to the Transfer Date, including the actual value, less depreciation, of ACS project and work orders installed by the Transfer Date, and also including the value of supplies in inventory as of the Transfer Date. The payment required at the Transfer Date will be the

most recent computation of this total purchase price less the amount of the earnest money deposit of the Company. Subsequently, the actual value of the property at the time of transfer will be computed and an appropriate adjustment payment will be made by the Company if this actual value is greater than the payment tendered on the Transfer Date plus the earnest money deposit, or by the Government if the actual value is less than such sum. The terms and date of payment for any ACS project work completed after the Transfer Date will, in conformance with paragraph I.A.3 of the RFO, be established under separately negotiated agreements.

5. The transfer will not take place until the Company has received all necessary authorization from the Alaska Public Service Commission and the Federal Communications Commission, and the Company shall exercise all due diligence in applying for and obtaining such authorization. Neither this acceptance nor the definitized contract will be final and binding until all necessary certifications and licenses have been obtained. Further, if an application for certification or licensing is denied by either regulatory commission, the contract of sale shall be void ab initio. If any necessary authorization has not been granted within twelve months of the date of this acceptance, the contract shall be voidable at the sole option of the Government; provided, however, that such option will not be exercised if the application involved had been properly filed within ninety days of the date of acceptance and if the delay is required to enable proper commission action. In the event the contract is voided under the provisions of this paragraph, there will be no penalty or obligation on the part of either party; provided, however, that if the Company has purchased and installed improvement and expansion assets with the consent of the Government as provided by paragraph II.B.7 of the Request for Offers, then the Government will reimburse the Company the reasonable acquisition and installation cost for those assets, and title thereto shall thereupon vest in the Government.

6. In the event that the authority of the Company to provide exclusive long-lines service for the Anchorage and Fairbanks areas is not clearly established by the Transfer Date, such assets as are related to the provision of any such service not authorized to the Company may be deleted by mutual agreement from the sales package and the purchase price payable appropriately reduced; provided, however, that if the lack of exclusive long-lines authority involves interstate telephone service for the Anchorage and Fairbanks areas, including exclusive authority to interconnect for interstate communications purposes with the COMSAT Earth Station, the Company will have the option to void this agreement, without penalty or obligation on the part of either party; provided, however, that the Government will reimburse the Company for the reasonable acquisition and installation costs of any improvement or expansion assets installed by the Company prior to the scheduled Transfer Date pursuant to paragraph II.B.7 of the RFO, and title thereto shall thereupon vest in the Government. Any disputes concerning a question of fact arising under this clause, which are not disposed of by agreement, shall be decided in accordance with the Disputes Provision, paragraph III.1 of the RFO.

DEPARTMENT OF THE AIR FORCE
WASHINGTON, D. C. 20330



OFFICE OF THE SECRETARY

JUL 1 1969

Dear Mr. Hawkins:

On June 25, 1969, President Nixon approved the sale of the Alaska Communication System to RCA Global Communications, Inc. Accordingly, pursuant to Public Law 90-135 and subsequent delegation of authority to me, I am hereby notifying you of acceptance of your Company's offer by forwarding the attached formal Notice of Acceptance.

As indicated in the Notice, we contemplate setting forth the precise terms and conditions of this sale in a definitized contract. I have designated Mr. John Perry, Deputy for Transportation and Communications, to represent the Government in preparing and executing this contract. Will you please have the official authorized to act for your Company in this matter contact Mr. Perry to make the necessary arrangements to consummate the contract.

Very truly yours,

Robert C. Seamans

Attachment
Notice of Acceptance

Mr. Howard R. Hawkins
President
RCA Global Communications, Inc.
60 Broad Street
New York, New York 10004

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1. Public Law 90-135 authorizes the Secretary of Defense or his designee to sell any or all of the long-lines communication facilities in or to Alaska which are under the jurisdiction of the Federal Government. This authority has been delegated to the Secretary of the Air Force. Accordingly, on 25 October 1968, the Department of the Air Force issued a Request for Offers to purchase the commercial long-lines business in Alaska known as the Alaska Communication System.

2. RCA Global Communications, Inc. (hereinafter referred to as the Company) has submitted an offer to purchase the ACS. The Request for Offers issued by the Air Force stated that the Government could delete the services and property associated with the local exchange at Healy, Alaska, from any offer or award, and the Government has elected to exercise this option. On behalf of the United States Government, the final offer of your Company to purchase and operate the ACS, with the exception of the exchange at Healy, is hereby accepted, subject to the grant of all necessary authorization from the Alaska Public Service Commission and the Federal Communications Commission. This acceptance is further made subject to agreement by the Company, in a definitized contract of sale, to the conditions considered necessary by the Government to insure compatibility with the antitrust laws. As required by Public Law 90-135, this award has been approved by the President.

3. The terms and conditions of this sale are contained in the Request for Offers, as amended, the final offer of the Company, and this Notice of Acceptance. Included in the terms of your Company's offer are commitments:

to purchase all the property the Federal Government offered for sale (except the Healy exchange) at a total estimated price of \$28,431,132; to expend \$27,683,000 within three years of the Transfer Date for system improvement and modernization, including

new service to 142 remote communities and the commencement of Direct Distance Dialing service by late 1970 for the Anchorage area, early 1971 for the Fairbanks area, and mid-1971 for the Juneau and Ketchikan areas, and including purchase of a 50% ownership interest in the COMSAT Earth Station currently planned to be constructed at Talkeetna; and to continue present service at the rate schedules proposed in your Company's final offer, providing as well a new lower rate "after midnight" service and a bush and marine rate reduction, so as to realize the total rate reductions stipulated in your final offer.

The foregoing and other terms and conditions of the sale to be extracted from the Request for Offers and your final offer will be specifically set forth in a definitized contract to be prepared by the Government and signed by the Government and the Company.

4. The transfer of the facilities, real estate, equipment, and other assets which the Company has elected to purchase, with the exception of those assets associated with the Healy Exchange, will be accomplished at a mutually agreed upon Transfer Date, after tender of payment to the United States Government. The actual purchase price of the ACS will be computed after making any appropriate adjustments required by paragraphs I.A.3 and II.B.11 of the Request for Offers, as further explained in paragraph I.B.10 of Attachment B, and will consist of the total fair and reasonable value of all Government property offered for sale, as specified in the RFO but with depreciation adjusted to the Transfer Date, including the actual value, less depreciation, of ACS project and work orders installed by the Transfer Date, and also including the value of supplies in inventory as of the Transfer Date. The payment required at the Transfer Date will be the

most recent computation of this total purchase price less the amount of the earnest money deposit of the Company. Subsequently, the actual value of the property at the time of transfer will be computed and an appropriate adjustment payment will be made by the Company if this actual value is greater than the payment tendered on the Transfer Date plus the earnest money deposit, or by the Government if the actual value is less than such sum. The terms and date of payment for any ACS project work completed after the Transfer Date will, in conformance with paragraph I.A.3 of the RFO, be established under separately negotiated agreements.

5. The transfer will not take place until the Company has received all necessary authorization from the Alaska Public Service Commission and the Federal Communications Commission, and the Company shall exercise all due diligence in applying for and obtaining such authorization. Neither this acceptance nor the definitized contract will be final and binding until all necessary certifications and licenses have been obtained. Further, if an application for certification or licensing is denied by either regulatory commission, the contract of sale shall be void ab initio. If any necessary authorization has not been granted within twelve months of the date of this acceptance, the contract shall be voidable at the sole option of the Government; provided, however, that such option will not be exercised if the application involved had been properly filed within ninety days of the date of acceptance and if the delay is required to enable proper commission action. In the event the contract is voided under the provisions of this paragraph, there will be no penalty or obligation on the part of either party; provided, however, that if the Company has purchased and installed improvement and expansion assets with the consent of the Government as provided by paragraph II.B.7 of the Request for Offers, then the Government will reimburse the Company the reasonable acquisition and installation cost for those assets, and title thereto shall thereupon vest in the Government.

6. In the event that the authority of the Company to provide exclusive long-lines service for the Anchorage and Fairbanks areas is not clearly established by the Transfer Date, such assets as are related to the provision of any such service not authorized to the Company may be deleted by mutual agreement from the sales package and the purchase price payable appropriately reduced; provided, however, that if the lack of exclusive long-lines authority involves interstate telephone service for the Anchorage and Fairbanks areas, including exclusive authority to interconnect for interstate communications purposes with the COMSAT Earth Station, the Company will have the option to void this agreement, without penalty or obligation on the part of either party; provided, however, that the Government will reimburse the Company for the reasonable acquisition and installation costs of any improvement or expansion assets installed by the Company prior to the scheduled Transfer Date pursuant to paragraph II.B.7 of the RFO, and title thereto shall thereupon vest in the Government. Any disputes concerning a question of fact arising under this clause, which are not disposed of by agreement, shall be decided in accordance with the Disputes Provision, paragraph III.1 of the RFO.



ATTACHMENT
"A"



COMMUNICATIONS SERVICES
INVOLVED IN THE TRANSFER

ATTACHMENT "A"

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ATTACHMENT "A"

COMMUNICATIONS SERVICES INVOLVED IN THE TRANSFER

INTRODUCTION

1. Attachment "A" describes, in summary form, the communications services provided by the ACS. A more detailed description of the commercial services is contained in the current published ACS Rates and Tariffs, as they may be amended from time to time, which are hereby incorporated by reference. This Attachment "A" and the incorporated ACS Rates and Tariffs together describe the "communications services involved in the transfer" which the purchaser of the ACS must continue to provide, without interruption or degradation in quality, in addition to the other services proposed in the accepted offer, subject to the rules and regulations of the Alaska Public Service Commission and the Federal Communications Commission.

2. Section I of this Attachment provides a general narrative description of services generally offered to the public, throughout the State of Alaska. These include:

- a. Long Distance Toll Message Telephone Service
- b. Rural Telephone Exchange Service
- c. Farmer Line Telephone Service
- d. Semi-Public Toll Station Service
- e. Local Exchange Toll Interconnect Service
- f. Agent Station Telephone Telegraph Service
- g. Land Radio-Telephone (Bush) Service

- h. Marine Radio-Telephone Service
- i. Message Telegraph Service
- j. 500KC Coastal Telegraph Service (CW)
- k. Telegraph Money Order Service
- l. Leased Private Line Service
- m. Program Transmission Service

3. Section II provides a narrative description of the interconnection service to be provided to Government-retained systems. A listing of the major ACS terminal-end equipment serving these Government-retained systems at the Anchorage, Fairbanks, and Ketchikan Toll Centers and at Lena Point is also included.

4. Section III provides a summary of military installations served directly by the ACS. In addition it details the service relationship between the Alaska Telephone Switching System (ATSS) and the ACS. The remote military stations served by the ATSS and provided commercial long-distance communications by interconnection between the ATSS and the ACS toll centers at Anchorage and Fairbanks are listed. It should be noted that the ACS renders the total monthly billings for service provided the ATSS to the U. S. Air Force Accounting and Finance Office, Elmendorf AFB, Alaska. Each remote military station served by the ATSS collects and remits billings rendered by this accounting office which, in turn, makes final payment to the ACS. Similar arrangements may be negotiated by the buyer.

5. Section IV identifies, by geographical location, all services offered by the ACS, as explained in Section I. Included in this section are the hours of operation of particular services offered through public counters, agent stations, and semi-public locations. Seasonal schedules are divided into summer, which begins 1 May, and winter, beginning 1 October.

SECTION IGENERAL DESCRIPTION OF SERVICES OFFERED TO THE PUBLIC

The following listed services are offered to the general public of the State of Alaska in accordance with the published ACS Rates and Tariffs. Section IV of this Attachment describes these services by service area. Specific terms, conditions and rates for service are more fully explained and defined in the current published ACS Rates and Tariffs, which are hereby incorporated by reference.

1. Long Distance Toll Message Telephone Service is that of furnishing facilities for telephone communication between telephones in different local service areas. ACS operates the long distance toll circuit network and the toll centers associated therewith to provide commercial toll service within Alaska and between Alaska, the other states, Canada, and international points. Interconnection with other carriers is effected to provide inter-State service and service with the telephone exchanges located in the cities and towns of Alaska to originate and deliver toll message traffic. Toll service is provided using the operator distance dialing (ODD) procedure; that is, the operator at the ACS toll center dials the called telephone on originated traffic. Customer direct distance dialing (DDD) service is not provided since neither the ACS toll centers nor the local exchange companies are equipped with the plant equipment necessary to automatically handle the toll messages originating at the exchange customer's telephone. The ACS maintains and operates four toll centers located at Anchorage, Fairbanks, Juneau, and Ketchikan to handle the commercial toll traffic for the Government agencies and the general public in Alaska. There are 16 telephone companies operating some 55 telephone exchanges and several large military exchanges whose commercial toll traffic switches through the four toll centers. Toll calls may also originate from bush and marine stations. The normal message classifications, that is, "person" and "station", are offered at applicable day, night, and evening rates. Intra-State toll rates are developed and published by ACS with inter-State rates negotiated with the connecting carriers on a through rate basis. This service is offered through the following medium: local exchange toll interconnect service, rural telephone exchange service, farmer line telephone service, semi-public toll station service, agent station telephone service, land radio telephone service, and marine radio-telephone service.

2. Rural telephone exchange service is a local dial exchange service provided by ACS to residents, business establishments, and Government agencies in rural areas adjacent to ACS owned or operated wire line facilities where such service is not provided by other telephone exchange systems.

Farmer line telephone service is a special feature of rural service wherein ACS customers resident outside the exchange area boundaries of exchange operating companies are connected to an exchange system. The connecting exchange provides switching and billing services for which the ACS compensates the exchange company in the interconnection agreement. Connects and disconnects of farmer line subscribers are the responsibility of the ACS. Farmer line arrangements of this nature exist at Delta Junction where 24 ACS subscribers are served, at Haines with 16 subscribers, at North Pole with 23 subscribers, Talkeetna with 14 subscribers and at Tok with 79 subscribers. The activation of the Copper Valley Telephone Cooperative at Glennallen should result in approximately 39 ACS subscribers becoming farmer line subscribers.

3. Semi-Public Toll Station Service. This service is offered where there is no exchange service in certain isolated villages. ACS provides a telephone instrument to a customer that is connected directly to a circuit that terminates on an ACS toll board. In addition to his private use, the customer must allow the public the use of his telephone. All calls are handled on a toll rate basis with no commission accruing to the customer. The station is a rate center for the purpose of determining mileages and corresponding rates for billing. Both telephone and telegraph service is available. Physical delivery of telegraph messages is not provided.

4. Local Exchange Toll Interconnect Service. Toll station service is provided by interconnecting exchanges. These agreements provide for the toll service to local exchange subscribers for which the ACS compensates the operator of the local exchange on a specified commission basis. Telegraph message service is also furnished to subscribers under this agreement.

5. Agent Station Telephone and Telegraph Service. In certain isolated locations, the ACS provides an attended toll station (Agent Station). An ACS "Agent", by contract and for a commission, handles ACS toll telephone business usually in connection with ACS telegraph service and as an adjunct to the agent's own personal business. In connection with ACS telegraph service, telegraph delivery service is provided.

6. Land Radio-Telephone (Bush) Service. A "bush" station is a fixed public land radio-telephone installation licensed by the FCC and which maintains one or more scheduled daily contacts with a designated ACS bush radio station for the purpose of handling both toll messages and telegrams. There are some 300 of these stations located in isolated fishing canneries, mining settlements, logging camps, and Eskimo villages.

7. Marine Radio-Telephone Service. Marine radio-telephone service is similar to bush service in that commercial toll telephone and telegraph is extended to ships in Alaskan waters. Ship station customers in Alaska are licensed by the FCC. There are some 975 marine radio telephone stations equipped for communications with any of 11 coastal marine radio stations. These stations also serve, particularly during the summer months, considerable numbers of fishing vessels, tourist vessels and other categories of vessels registered in foreign countries, or by the FCC from other states.

a. Message telegraph service is that of furnishing communications facilities for the filing, transmission, and delivery of written messages. Telegraph messages may originate from telephone exchange subscribers or individuals using public or semi-public toll stations who file their messages by telephone with an ACS telegraph office. Also, individuals may file their messages in person at an ACS telegraph office and a marine or land radio (Bush) station. ACS provides a full range of message telegraph service at its network of stations within Alaska and by connection with Western Union at Portland, Oregon, and Canadian National Telecommunications at Vancouver, B.C., for points outside Alaska. Standard telegraph message services (full rate message, day letter, night letter, press message, ship radiogram, and international classifications) are offered at tariff rates.

b. 500 KHz Coastal Telegraph Service (CW). In addition to providing marine radio-telephone service, the ACS offers telegraph service to those ocean-going ships plying Alaskan waters that are equipped to operate on 500 KHz. This service is offered at Juneau year around and at Nome during the summer months only while there is open navigation in the Bering Sea area.

8. Telegraphic Money Order Service. ACS telegraph offices and two ACS agent stations at Seward and Palmer, accept telegraphic money orders to any point in the world where telegraphic money order service is offered. Receiving ACS offices are authorized to issue ACS money orders that are received. The tariff for this service is one percent of the principal sum plus the cost of the telegraphic message required to transmit the money order.

9. Leased Private Line Service. Leased private line service is the furnishing of communications facilities, within Alaska and between Alaska and outside points of connection. The service provides teletype or voice circuits and necessary station equipment to meet individual customer requirements in the conduct of the customer's business only.

a. Leased teletype service may be ordered on a full 24-hour basis, seven days per week or on a part time basis with a minimum of eight hours a day, five days a week. Service is available at speed of 60, 75, or 100 words a minute. Teletypewriters and special selective equipment, as the customer may require, are leased in conjunction with providing the inter-exchange telegraph circuit. The customer may be furnished a private line circuit with anywhere from two to more than twenty stations being connected on the special network.

b. A "leased voice private line circuit" is furnished on a full 24-hour basis only. The circuit may be used for conversation, for data transmission or both, provided no special channel conditioning is required. A customer may lease a voice private line circuit to obtain "foreign exchange service" which enables him to become a customer in one exchange area and enabling him to obtain a telephone connection in a distant exchange. For example, a customer resident in Anchorage can lease a voice circuit from ACS between Anchorage and Fairbanks so that he can be a subscriber of the Fairbanks exchange system.

10. Program Transmission Service. Program transmission service provides for furnishing voice grade channels to broadcast stations in Alaska for the transmission of program broadcast material between points in Alaska and between Alaska and the networks in the other states and Canada. An Alaskan broadcaster may order voice circuit facilities from the ACS specifying the program by name, the place of origin, or point of connection and the beginning time and length of program. Examples of programs originating in Alaska are dog sled races, basketball games, political or other local interest events. Programs originating from out of state generally come from the national network channels and consist mainly of news and sports events.

SECTION II

GOVERNMENT SYSTEM/CIRCUITS INTERCONNECTED WITH ACS

1. The ACS commercial communications network (being offered for sale) primarily connects with the White Alice network (being retained under Government control and operation) at four points: Anchorage Toll Center, Fairbanks Toll Center, Lena Point Repeater Station and Ketchikan Toll Center. In most instances, the interconnection is made via TD-2 microwave terminals and L-carrier equipment.

2. The microwave and carrier terminals in ACS facilities are owned and operated by ACS and are being offered for sale. However many of the channels in these terminals are dedicated to DOD and other federal agency use and, aside from the ACS terminal ends, travel in systems whose ownership and operation the Government will retain. These agencies will not be considered as customers of the commercial communications operator except for those portions of these circuits that terminate in the ACS facilities. This service will continue to be required by the Government after sale and must be continued by the buyer. These services will be negotiated with the buyer of the ACS. Currently the Alaska Communications Region has programmed to the ACS \$997,000 annually for these services.

3. The equipment concerned is as follows:

a. Anchorage connecting to WACS

(1) TD-2 Microwave system to Neklasson Lake WACS, via the R-1 North Repeater, consisting of:

- 2 each WECO TD-2 transmitters and receivers
- 1 each WECO L-1 carrier terminal equipped with supergroups 1 through 7, all groups terminated in A4 channel banks. (420 channels in all).

(2) TD-2 microwave system to Soldotna WACS, consisting of:

- 2 each WECO TD-2 transmitters and receivers
- 1 each WECO L-1 carrier terminal equipped with supergroups 1 and 3, all groups terminated in A4 channel banks (120 channels total).

(3) One L-1 carrier terminal for use as patching spare on either system above.

b. Anchorage connecting to Fire Island.

(1) 74B Microwave System to Fire Island, USAF, consisting of:

2 each Lenkurt 74B transmitters and receivers
1 each Lenkurt 45BX2 carrier terminal equipped with six group terminals (72 channels in all)-

c. Anchorage connecting to Elmendorf AFB

(1) Cables to Elmendorf AFB

1 each 400 pair cable
1 each 600 pair cable

Both cables owned and maintained by the US Air Force, terminated on the Anchorage MDF.

d. Anchorage connecting to Fort Richardson.

(1) 1 each 100 pair cable to Fort Richardson

The cable leaving the ACS Anchorage Toll Center is US Air Force owned and maintained, and is tied into a cable owned and maintained by the US Army. It terminates on the Anchorage MDF.

f. Fairbanks connecting to WACS.

(1) TD-2 WECO Microwave System to Pedro Dome WACS, consisting of:

2 each WECO TD-2 transmitters and receivers.
2 each WECO L-1 carrier terminals (one operating and one patching spare) equipped with super-groups 1 through 6. Three groups pass through to Gilmore Creek, and twenty-seven groups are terminated in A4 and A5 channel banks. (36 thru and 324 terminating channels).

(2) VHF radio system to Pedro Dome WACS consisting of:

- 1 each General Electric VO-36 transmitter and receiver
- 1 each Lenkurt 33B1 two channel carrier terminal, one channel used for a maintenance order wire and one channel spare.

f. Fairbanks connecting to Chena River (USAF).

(1) VHF radio system to Chena River, USAF, consisting of:

- 2 each Farinon PT-300 transmitters and receivers (one operating and one back-up)
- 1 each Lenkurt 45BX3 Carrier Terminal (12 channels in all)

g. Fairbanks connecting to Gilmore Creek, NASA

(1) Lenkurt Microwave System to Gilmore, NASA consisting of:

- 2 each Lenkurt 74A transmitters and receivers
- 2 each Lenkurt 74B transmitters and receivers
- 1 each Lenkurt 45BX carrier terminal equipped for four groups; one group terminated in Lenkurt 45BX3 terminal, and three groups pass through to Pedro Dome. (12 channels terminate and 36 thru).

h. Fairbanks connecting to Fort Wainwright.

(1) 2 each 303 pair cables to Fort Wainwright, owned and maintained by the US Army, terminated on the Fairbanks MDF.

i. Lena Point Connecting to WACS

(1) TD-2 Microwave System to Hoonah WACS, consisting of:

- 2 each WECO TD-2 transmitters and receivers
- 2 each WECO L-1 carrier terminals (one operating and one patching spare) equipped with super-groups 1 and 2. Supergroups 2 and one group pass through to Juneau, three groups are terminated in A4 channel banks, and one group is spare. (72 channels are thru, 36 terminate).

(2) VHF Radio System to Hoonah WACS consisting of:

- 1 each Motorola VR-150 transmitters and receiver,
used for a single channel maintenance order
wire

j. Lena Point connecting to FAA

(1) VHF Radio System to Sisters Island FAA consist-
ing of:

- 2 each REL 891 transmitters and 894 receivers
(one operating and one back-up).
- 1 each Lenkurt eight channel 33B1 carrier
terminal

(2) 26 pair cable to FAA site, owned and maintained
by FAA, terminated on the Lena Point MDF.

k. Ketchikan connecting to WACS

(1) TD-2 Microwave System to Smugglers Cove, WACS,
consisting of:

- 2 each WECO TD-2 transmitters and receivers.
- 2 each WECO L-1 carrier terminals (one operating
and one patching spare) equipped with super-
groups 1 and 2, all ten groups terminated in
A4 and A5 channel banks (120 channels terminate).

(2) VHF Radio System to Smugglers Cove WACS, consist-
ing of:

- 1 each Motorola VR-150 transmitter and receiver,
used as a single channel maintenance order
wire.

SECTION IIISERVICE TO MILITARY INSTALLATIONS

1. The ACS provides commercial, long-distance telephone and telegraph services for military installations. Some military installations are served by direct trunks between the nearest ACS toll center and the military base involved. Other installations are served indirectly through tandem trunk groups interconnecting the ACS commercial network with switching centers of the Alaska Telephone Switching System (ATSS) -- a military, direct distance dialing telephone network.

2. Installations served by direct trunk group. The following major military installations are large enough to warrant connection to the commercial communications network by means of direct trunk groups:

<u>Installation Name</u>	<u>ACS Toll Center</u>
Elmendorf AFB	Anchorage
Fort Richardson	Anchorage
Eielson AFB	Fairbanks
Fort Wainwright	Fairbanks
Fort Greely	Fairbanks
Clear, BMEWS Site	Fairbanks

3. Installations served by tandem trunking from ATSS 4A switches to ACS toll centers. The more remote, minor military stations -- principally Air Control and Warning Sites are remote locations in Alaska -- receive commercial, long-distance communications services by interconnection of the military direct distance dialing network in Alaska (ATSS) with the commercial network of the ACS. By dialing the appropriate access code, ATSS customers may be connected with either the Anchorage or Fairbanks toll center of the ACS. Ten tandem trunks interconnect the ACS Anchorage Toll Center with the 4A switching center of the ATSS at Neklasson Lake. Four tandem trunks join the Fairbanks toll center with the ATSS 4A machine at Pedro Dome.

4. The remote military stations served via the ATSS are as follows:

Adak Navy	Kotzebue AFS
Adak AFS	Murphy Dome AFS
Barrow AFS	Neklasson Lake AFS
Bear Creek AFS	Newenham AFS
Big Mountain AFS	Nikolski AFS
Boswell Bay AFS	Northeast Cape AFS
Campion AFS	Pedro Dome AFS
Cape Lisburne AFS	Pillar Mountain AFS
Cape Sarichef AFS	Port Heiden AFS
Cold Bay AFS	Port Moller AFS
Donnelly Flats AFS	Romanzof AFS
Driftwood Bay AFS	Shemya AFS
Duncan Canal AFS	Smugglers Cove AFS
Fire Island AFS	Soldotna AFS
Ft Yukon AFS	Sparrevohn AFS
Galena AFS	Tatalina AFS
Glennallen AFS	Tin City AFS
Granite Mountain AFS	Tok AFS
Hoonah AFS	Unalakleet AFS
Indian Mountain AFS	Wildwood AFS
Kalakaket Creek AFS	Yakataga AFS
King Salmon AFS	

SECTION IVSERVICES AND HOURS OF OPERATION PROVIDED BY THE ACS BY
GEOGRAPHIC LOCATIONANCHORAGE

Services Offered

1. Local exchange toll interconnect service
2. Agent station, telephone, telegraph, and money order service
3. Public counter -- telegraph, money order service
4. Leased private line service
5. Program transmission service
6. Marine and bush radio service

Hours of Operation

Season	Mon-Fri		Saturday		Sun-Holiday	
	AM	PM	AM	PM	AM	PM
Public Counter (Federal Office Building)						
Summer	7	12	8	12	11	7
Winter	7	12	8	12	8	12

NOTE: The following services are available 24 hours per day:

Bush Radio
Marine Radio
Long Distance Telephone
Phone-in Telegrams

Agent Station (Anchorage Airport)

No change	430	930	7	9	7	9
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Public Counter (Elmendorf and Fort Richardson)

Telephone and telegrams service is available as determined by the respective Base and Post Commanders.

ANGOON & CHATHAM AREA

Services Offered

1. Local exchange toll interconnect service
(Telegraph service for non-subscribers is provided via mail from Juneau)
2. Leased private line service

BARTER ISLAND

Services Offered

1. Semi-public toll station

Hours of Operation

There are no local published hours of operation to the general public. Access to the service is at the discretion of the private individual. Hours usually coincide with the hours of operation of the individual's private business.

BETHEL

Services Offered

1. Public-counter -- telephone, telegraph, money order service
2. Local exchange toll interconnect service
3. Private line service
4. Bush radio service

Hours of Operation

Season	Mon-Fri		Saturday		Sun-Holiday	
	AM	PM	AM	PM	AM	PM

Public Counter

Summer	8	5	9-10		9-10	
Winter	9	5	9-10		9-10	

NOTE: The following services are available 24 hours per day:

Long distance telephone
Phone-in telegrams

BETTLES AREA

Services Offered

1. Semi-public toll station -- telephone, telegraph
2. Leased private line service

Hours of Operation

There are no local published hours of operation to the general public. Access to the service is at the discretion of the private individual. Hours usually coincide with the hours of operation of the individual's private business.

BIG LAKE

Services Offered

1. Local exchange toll interconnect service

BIRD CREEK AREA

Services Offered

1. Semi-public toll station -- telephone, telegraph

Hours of Operation

There are no local published hours of operation to the general public. Access to the service is at the discretion of the private individual. Hours usually coincide with the hours of operation of the individual's private business.

CLEAR AREA

Services Offered

1. Semi-public toll station -- telegraph, telephone
2. Leased private line service

Hours of Operation

There are no local published hours of operation to the general public. Access to the service is at the discretion of the private individual. Hours usually coincide with the hours of operation of the individual's private business.

ANIAK AREA

Services Offered

1. Agent Station -- Telephone and Telegraph
2. Leased private line service

Hours of Operation

Season	Mon-Fri		Saturday		Sun-Holiday	
	AM	PM	AM	PM	AM	PM
Telephone and Telegraph with attended long distance booth						
No change	9	5	9	5	closed	

ANNETTE ISLAND AREA

Services Offered

1. Local exchange toll interconnect service (telegraph service for non-subscribers is provided via mail from Juneau)
2. Leased private line service.

BARROW AREA

Services Offered

1. Local exchange toll interconnect service (telegraph service for non-subscribers is provided via mail from Fairbanks)
2. Leased private line service

COLD BAY AREA

Services Offered

1. Local exchange toll interconnect service to Air Force Station
2. Public Counter -- telephone, telegraph, money order service, marine and bush radio service
3. Leased private line service

Hours of Operation

Season	Mon-Fri		Saturday		Sun-Holiday	
	AM	PM	AM	PM	AM	PM

Public Counter

Summer	8	5	8	12	9	10
Winter	8	4	9	10	9	10

CORDOVA AREA

Services Offered

1. Local exchange toll interconnect service
2. Public counter -- telephone, telegraph, money order service, marine and bush radio service
3. Leased private line service
4. Program transmission service

Hours of Operation

Season	Mon-Fri		Saturday		Sun-Holiday	
	AM	PM	AM	PM	AM	PM

Public Counter

Summer	8	5	8-11		8-11	
Winter	9	5	9-10		9-10	

NOTE: The following services are available 24 hours per day:

Long distance telephone
Phone-in telegrams

CRAIG & HYDABURG AREA

Services Offered

1. Local exchange toll interconnect services (Telegraph service for non-subscribers is provided via mail from Ketchikan)
2. Leased private line service

DELTA JUNCTION AREA

Services Offered

1. Local exchange toll interconnect service (telegraph service for non-subscribers is provided via mail from Ketchikan)
2. Leased private line service
3. Rural customer telephone service

NOTE: Telephone and telegraph counter service is available at Ft Greely as determined by the Post Commander.

DILLINGHAM AREA

Services Offered

1. Local exchange toll interconnect service
2. Leased private line service

EAGLE RIVER & CHUGIAK AREA

Services Offered

1. Local exchange toll interconnect service
2. Leased private line service
3. Leased circuits for Anchorage, Eagle River, Chugiak extended area service

FAIRBANKS AREA

Services Offered

1. Local exchange toll interconnect service
2. Agent station telegraph service
3. Public counter telegraph, money order service
4. Leased private line service
5. Program transmission service
6. Marine and bush radio service

Hours of Operation

Season	Mon-Fri		Saturday		Sun-Holiday	
	AM	PM	AM	PM	AM	PM
Public Counter (Fairbanks)						
No change	9	6	9	6		1-3
Agent Station (Fairbanks Airport)						
No change	8	8	8	8	8	8
Public Counter (Eielson AFB and Ft Wainwright)						

NOTE: Telephone and telegraph service is available as determined by the respective Base and Post Commanders.

FAREWELL-MINCHUMINA-McGRATH AREA

Services Offered

1. Local exchange toll interconnect service
2. Agent station - telephone and telegraph
3. Leased private line service
4. Semi-public toll station -- telephone and telegraph

Hours of Operation

Season	Mon-Fri		Saturday		Sun-Holiday	
	AM	PM	AM	PM	AM	PM
Agent station						
No change	7-11	9-1AM	Closed		Closed	

NOTE: Semi-Public Toll Station -- There are no local published hours of operation to the general public and access to the terminal instrument is at the discretion of the private facility. Service is available to semi-public toll stations from ACS toll centers on a 24-hour basis.

FORT YUKON

Services Offered

1. Agent Station -- telephone and telegraph

Hours of Operation

<u>Season</u>	<u>Mon-Fri</u>		<u>Saturday</u>		<u>Sun-Holiday</u>	
	<u>AM</u>	<u>PM</u>	<u>AM</u>	<u>PM</u>	<u>AM</u>	<u>PM</u>
Agent Station						
no change	830	430	830	430	Closed	

GALENA

Services Offered

1. Agent Station -- Telephone and telegraph
2. Leased private line service

Hours of Operation

<u>Season</u>	<u>Mon-Fri</u>		<u>Saturday</u>		<u>Sun-Holiday</u>	
	<u>AM</u>	<u>PM</u>	<u>AM</u>	<u>PM</u>	<u>AM</u>	<u>PM</u>
Agent Station						
no change	9	7	9	7	closed	

GIRDWOOD

Services offered

1. Local exchange toll interconnect service -- Telephone and Telegraph (Telephone and telegraph service from non-subscribers via mail from Anchorage).

GLENNALLEN AREA

Services Offered

1. Program transmission service
2. Local exchange toll interconnect service
3. Leased private line service
4. Agent station -- telephone, telegraph, money order service

Hours of Operation

Season	Mon-Fri		Saturday		Sun-Holiday	
	AM	PM	AM	PM	AM	PM

Agent Station

No change	8	5	Closed	Closed
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NOTE: The following services are available 24 hours per day:

Long distance telephone
Phone-in Telegrams

GUSTAVUS & BARTLETT COVE AREA

Services Offered

1. Semi-public toll station -- telephone and telegraph

Hours of Operation

There are no local published hours of operation to the general public and access to the terminal instrument is at the discretion of the private facility. Service is available to semi-public toll stations from ACS toll centers on a 24-hour basis.

HAINES AREA

Services Offered

1. Public counter -- telegraph, money order service, telephone
2. Leased private line service
3. Local exchange toll interconnect service
4. Rural line service

Hours of Operation

Season	Mon-Fri		Saturday		Sun-Holiday	
	AM	PM	AM	PM	AM	PM

Public Counter

Summer	9	5	9	5	Closed	
Winter	9	5	Closed		Closed	

NOTE: The following services are available 24 hours per day:

Long distance telephone
Phone-in Telegrams

HOMER & SELDOVIA

Services Offered

1. Leased private line service
2. Local exchange toll interconnect service (telegraph for non-subscribers is provided via mail from Anchorage)

HOONAH VILLAGE AREA

Services Offered

1. Leased private line service
2. Agent station - telegraph
3. Local exchange toll interconnect service

Hours of Operation

Season	Mon-Fri		Saturday		Sun-Holiday	
	AM	PM	AM	PM	AM	PM
Agent Station						
No change	9	5	9	5	9	3

NOTE: The following services are available 24 hours per day:

Long distance telephone

ILIAMNA

Services Offered

1. Leased private line service
2. Agent station -- telephone service and telegraph

Hours of Operation

Season	Mon-Fri		Saturday		Sun-Holiday	
	AM	PM	AM	PM	AM	PM
Agent Station						
No change	8	5	Closed		Closed	

INDIAN

Services Offered

1. Semi-public toll station

Hours of Operation

There are no local published hours of operation to the general public and access to the terminal instrument is at the discretion of the private facility. Service is available to semi-public toll stations from ACS toll centers on a 24-hour basis.

JUNEAU AREA

Services Offered

1. Public Counter -- telegraph, money order service
2. Bush radio and marine radio service
3. 500KC Coastal Telegraph Service (CW)
4. Leased private line service
5. Program transmission service
6. Local exchange toll interconnect service

Hours of Operation

Season	Mon-Fri		Saturday		Sun-Holiday	
	AM	PM	AM	PM	AM	PM
Public Counter						
Summer	7	8	9	5	Closed	
Winter	7	8	9	5	11	3

NOTE: The following services are available 24 hours per day:

Bush radio
 Marine radio
 500 KC CW
 Long Distance Telephone
 Phone-in Telegrams

KAKE

Services Offered

1. Local exchange toll interconnect service (Telegraph for non-subscribers via mail from Juneau)

KENAI & NINILCHIK

Services Offered

1. Local exchange toll interconnect service (Telegraph for non-subscribers via mail from Anchorage)
2. Leased private line service

KETCHIKAN AREA

Services Offered

1. Public counter -- Telegraph, money order service
2. Bush and marine radio service
3. Leased private line service
4. Local exchange toll interconnection service
5. Program transmission service

Hours of Operation

Season	Mon-Fri		Saturday		Sun-Holiday	
	AM	PM	AM	PM	AM	PM
Public Counter						
No Change	7	11	7	11	7	11

NOTE: The following services are available 24 hours per day:

Bush radio
Marine radio
Long distance telephone
Phone-in Telegrams

KING SALMON AREA

Services Offered

1. Public Counter -- telegraph, telephone, money order service, bush and marine
2. Leased private line service
3. Local exchange toll interconnection service

Hours of Operation

Season	Mon-Fri		Saturday		Sun-Holiday	
	AM	PM	AM	PM	AM	PM
Public Counter						
Summer	7	7	7	9	12	2
Winter	9	5		1-2		1-2

NOTE: The following services are available 24 hours per day:

Long Distance Telephone
Phone-in Telegrams

KODIAK AREA

Services Offered

1. Public Counter -- telegraph, money order service, bush and marine service
2. Leased private line service
3. Local exchange toll interconnection service

Hours of Operation

<u>Season</u>	<u>Mon-Fri</u>		<u>Saturday</u>		<u>Sun-Holiday</u>	
	<u>AM</u>	<u>PM</u>	<u>AM</u>	<u>PM</u>	<u>AM</u>	<u>PM</u>

Public Counter

No change	9	6	9-12	9-10
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NOTE: Intra-Alaska marine radio telegraph service only is available through the U.S. Naval Communication Service at Kodiak under Account No. 2236. See ACS Tariff 102, paragraph 4-a(3).

NOTE: The following services are available 24 hours per day:

Long distance telephone
Phone-in Telegrams

KOTZEBUE

Services Offered

1. Public Counter -- telephone, telegraph, bush service
2. Local exchange toll interconnection service
3. Leased private line service

Hours of Operation

Season	Mon-Fri		Saturday		Sun-Holiday	
	AM	PM	AM	PM	AM	PM
Public Counter						
Winter	9	430	9-10		9-10	
Summer	8	430	9-10		9-10	

NOTE: The following services are available 24 hours per day:

Long distance telephone
Phone-in telegrams

MOOSE PASS & SEWARD AREA

Services Offered

1. Local exchange toll interconnection service
2. Leased private line service
3. Agent station -- telegraph, money order service
4. Program transmission service

Hours of Operation

Season	Mon-Fri		Saturday		Sun-Holiday	
	AM	PM	AM	PM	AM	PM
Agent Station						
No change	8	5	9-12		Closed	

NOTE: The following services are available 24 hours per day:

Long Distance Telephone
Phone-in Telegrams

MOSES POINT AREA

Services Offered

1. Semi-public toll station

Hours of Operation

There are no local published hours of operation to the general public and access to the terminal instrument is at the discretion of the private facilities. Service is available to semi-public toll stations from ACS toll centers on a 24-hour basis.

NENANA & HEALY AREA *

Services Offered

1. Local exchange toll interconnection service --
(Telegraph service available to non-subscribers via mail from Fairbanks)
2. Agent station -- Telephone and telegraph

Hours of Operation

Season	Mon-Fri		Saturday		Sun-Holiday	
	AM	PM	AM	PM	AM	PM

Agent Station

No change -----CONTINUOUS-----

NOTE: The following services are available 24 hours per day:

Attended LD Booth
Long Distance Telephone
Phone-in Telegraph

NOME AREA

Services Offered

1. Public Counter -- Telephone, telegraph, money order service, bush and marine radio service

*The Healy area is to be acquired by the Matanuska Telephone Association. (Note supplied)

2. Local exchange toll interconnection service
3. Leased private line service
4. Program transmission service

Hours of Operation

Season	Mon-Fri		Saturday		Sun-Holiday	
	AM	PM	AM	PM	AM	PM
Public Counter						
Summer	8	5	9	1	9-10	
Winter	8	5	9-10		9-10	

NOTE: The following services are available 24 hours per day:

Long distance telephone
Phone-in telegrams

PALMER & SUTTON AREA

Services Offered

1. Agent Station -- telegraph
2. Leased private line service
3. Local exchange toll interconnection service

Hours of Operation

Season	Mon-Fri		Saturday		Sun-Holiday	
	AM	PM	AM	PM	AM	PM
Agent Station						
No change	8	5	Closed		Closed	

NOTE: The following services are available 24 hours per day:

Long distance telephone
Phone-in telegrams

PELICAN AREA

Services Offered

1. Local exchange toll interconnection service
2. Agent Station -- telegraph
3. Leased private line service

Hours of Operation

Season	Mon-Fri		Saturday		Sun-Holiday	
	AM	PM	AM	PM	AM	PM

Agent Station

No change	8	6	8	6	9	3
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NOTE: The following services are available 24 hours per day:

Long distance telephone
Phone-in telegrams

PETERSBURG AREA

Services Offered

1. Public Counter -- telephone, telegraph, money order service, bush and marine service
2. Leased private line service
3. Local exchange toll interconnection service

Hours of Operation

Season	Mon-Fri		Saturday		Sun-Holiday	
	AM	PM	AM	PM	AM	PM

Public Counter

Summer	9	5	9	5	Closed	
Winter	9	5	Closed		Closed	

NOTE: The following services are available 24 hours per day:

Long distance telephone
Phone-in telegrams

PORT LIONS

Services Offered

1. Local exchange toll interconnection service
(Telegraph for non-subscribers via mail from Anchorage)

SITKA AREA

Services Offered

1. Public Counter -- telegraph, money order service, bush and marine service
2. Local exchange toll interconnection service
3. Program transmission service
4. Leased private line service

Hours of Operation

Season	Mon-Fri		Saturday		Sun-Holiday	
	AM	PM	AM	PM	AM	PM
Public Counter						
Summer	9	6	Closed		Closed	
Winter	9	530	Closed		Closed	

NOTE: The following services are available 24 hours per day:

Long Distance Telephone
Phone-in Telegrams

SKAGWAY AREA

Services Offered

1. Public Counter -- telegraph, money order service
2. Local exchange toll interconnection service
3. Leased private line service

Hours of Operation

Season	Mon-Fri		Saturday		Sun-Holiday	
	AM	PM	AM	PM	AM	PM
Public Counter						
No change	9	5	Closed		Closed	

NOTE: The following services are available 24 hours per day:

Long distance telephone
Phone-in telegrams

SOLDOTNA AREA

Services Offered

1. Semi-public toll service
2. Leased private line service
3. Local exchange toll interconnection service
(Telegraph service to non-subscribers via mail from Anchorage)

Hours of Operation

There are no local published hours of operation to the general public and access to the terminal instrument is at the discretion of the private facility. Service is available to semi-public toll stations from ACS toll centers on a 24-hour basis.

UNALASKA AREA

Services Offered

1. Public counter -- Telephone, telegraph, money order service, bush and marine service

Hours of Operation

<u>Season</u>	<u>Mon-Fri</u>		<u>Saturday</u>		<u>Sun-Holiday</u>	
	<u>AM</u>	<u>PM</u>	<u>AM</u>	<u>PM</u>	<u>AM</u>	<u>PM</u>
Public Counter						
No change	8	4	9-10		9-10	

TANANA AREA

Services Offered

1. Leased private line service
2. Local exchange toll interconnection service -
(Telegraph service available to non-subscriber
via mail from Fairbanks)

TALKEETNA AREA

Services Offered

1. Local exchange toll interconnection service
(Telegraph service available to non-subscribers
via mail from Anchorage)

TOK AREA

Services Offered

1. Local exchange toll interconnection service
(Telegraph service available to non-subscribers
via mail from Fairbanks)

UNALAKLEET

Services Offered

1. Leased private line service
2. Local exchange toll interconnection service (Tele-
graph service available to non-subscribers from
Fairbanks via mail)

VALDEZ AREA

Services Offered

1. Local exchange toll interconnection service
2. Agent station -- telephone, telegraph, money order service

Hours of Operation

Season	Mon-Fri		Saturday		Sun-Holiday	
	AM	PM	AM	PM	AM	PM

Agent Station

No change	8	5	Closed	Closed
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NOTE: The following services are available 24 hours per day:

Long Distance Telephone
Phone-in Telegrams

WASILLA

Services Offered

1. Local exchange toll interconnection service

WHITTIER AREA

Services Offered

1. Local exchange toll interconnection service
(Telegraph services available to non-subscribers via mail from Anchorage)

WILLOW AREA

Services Offered

1. Local exchange toll interconnection service (Telegraph services available to non-subscribers via mail from Anchorage)

WRANGELL AREA

Services Offered

1. Public Counter -- telegraph, money order service
2. Local exchange toll interconnection service
3. Leased private line service

YAKATAGA

Services Offered

1. Semi-public toll station

Hours of Operation

There are no local published hours of operation to the general public and access to the terminal instrument is at the discretion of the private facility. Service is available to semi-public toll stations from ACS toll centers on a 24-hour basis.

YAKUTAT

Services Offered

1. Agent Station -- Telephone and telegraph

Hours of Operation

Season	Mon-Fri		Saturday		Sun-Holiday	
	AM	PM	AM	PM	AM	PM
Agent Station						
Summer	8	5	8	5	9-12	
Winter	9	5	9	4	Closed	

NOTE: The following services are available 24 hours per day:

Long distance telephone
Phone-in telegrams

CABLES PROPOSED TO BE PURCHASED

<u>SECTION</u>		<u>APPROX. DISTANCE</u>	<u>INTERMEDIATE TERMINAL</u>	<u>TYPE CABLE</u>	<u>NUMBER OF REPEATERS</u>	<u>CIRCUIT CAPACITY</u>	<u>PURCHASE PRICE</u>
<u>TERMINAL A</u>	<u>TERMINAL B</u>						
Ketchikan	Skagway	339 Miles	Lena Point	Coaxial Submarine	11	48	\$1,903,390
Juneau	Lena Point	16 Miles	-----	Aerial	--	--	9,468
Haines	Skagway	14.6 Miles	-----	Aerial	--	--	Included in Ketchikan- Skagway
							<u>\$1,912,858</u>

Office of Telecommunications Policy
Route Slip

_____ Clay T. Whitehead _____

_____ George F. Mansur _____

_____ William Plummer _____

_____ Wilfrid Dean _____

_____ Ray O'Connell _____

~~_____ Steve Doyle _____~~

_____ William Lyons _____

_____ Eva Daughtrey _____

_____ Timmie White _____

✓ _____ Judy Morton _____

REMARKS

File

Lab
Global
Comm

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

In the Matter of)

WESTERN UNION INTERNATIONAL, INC.)

Application for authority pursuant to)
Section 214 of the Communications Act)
of 1934, as amended, to acquire and)
operate communications facilities)
between the continental United States)
and Australia; between Guam and)
Australia; and points reached via them.)

File No. T-C-2342

COMMENTS OF RCA GLOBAL COMMUNICATIONS, INC.

RCA Global Communications, Inc. (RCA Glöbcom) hereby submits its comments on the application of Western Union International, Inc. (WUI) to supplement its existing Pacific facilities between Guam and Australia. RCA Glöbcom is particularly interested in that portion of the WUI application which concerns "connecting landline facilities" over the RCA Glöbcom Guam microwave system.

RCA Glöbcom is willing to provide WUI with indefeasible right of user in its circuits as authorized by the Commission in accordance with the Commission's Memorandum Opinion and Order released October 10, 1969 authorizing construction of the microwave

system. We have not yet reached agreement with WUI on the specific terms and conditions under which such IRU will be made available. We are planning to negotiate with WUI an equitable distribution of costs subject, of course, to the Commission's review of the arrangements to assure that they are equitable and in the public interest.

Respectfully submitted,

RCA GLOBAL COMMUNICATIONS, INC.

By s/Timothy S. McGuire
Senior Counsel

60 Broad Street
New York, New York 10004

September 16, 1970

RCA

Monday 1/5/70

2:40 Howard Hawkins and L. W. Tuft will plan to meet
with you at 11 a.m. on Tuesday 1/13/70.

(RCA)

Statement of Howard R. Hawkins
President, RCA Global Communications, Inc.
President, RCA Alaska Communications, Inc.
Before the House Subcommittee on Space
Science and Applications
December 18, 1969

My name is Howard R. Hawkins. I am President of RCA Global Communications, Inc. and also President of its wholly-owned subsidiary RCA Alaska Communications, Inc.

I am pleased to have been invited to meet with your Subcommittee to discuss the enormous potential benefits of space satellite research and development for international and domestic communications. Communications touches and concerns every group and individual in society and is one of the most technologically explosive areas of economic activity.

Communications satellites are among the most exciting and promising of the new communications technologies.

RCA's involvement in and commitment to satellite communications is long-standing, substantial and growing.

RCA Glöbcom, as an authorized international voice/record carrier, has participated extensively in the development of satellite communications. It will increasingly use satellites in providing global communications services. RCA Glöbcom is a joint owner of the six U.S. earth stations, and it is a major owner and operator of the new Guam earth station. Today, RCA Glöbcom provides services via satellite

communications facilities between the United States and 25 countries around the world, and it is rapidly expanding its global satellite facilities to serve Government and commercial customers.

As you know, on June 26, 1969, President Nixon announced the acceptance of RCA Glōbcom's proposal to purchase and operate the facilities and business of the Alaska Communication System. This acceptance followed many weeks of Federal and State evaluation of all of the competitive proposals and had the approval of the Air Force, the Department of Defense, the Department of Justice and the Governor of Alaska. RCA Alascom was organized as an Alaska entity to acquire the ACS and to operate as the long lines commercial communications carrier in the State of Alaska. RCA Glōbcom and RCA Alascom are proceeding expeditiously to implement the transfer of the ACS, which is scheduled for July 1, 1970.

We believe Alaska will provide the crucible for important developments and implementation of satellite communications applications. RCA enthusiastically accepts the opportunity to play a vital role in that development in providing commercial communication service for Alaska.

Robert W. Sarnoff, President of RCA Corporation, described RCA's purchase of the Alaska Communication System as "the culminating step in our long association with Alaska in the creation and operation of major communications projects for both civilian and military purposes."

Mr. Sarnoff also stated:

"As a company which has pioneered in electronic communications, we welcome this further opportunity to join our future to that of a pioneering people. All of the technological resources at our command will be available to give Alaska one of the most efficient and most modern communications network ever devised."

RCA Globcom will purchase the ACS from the Air Force for \$28.4 million. It has agreed to invest an additional \$27.6 million over three years in expanding facilities and improving services.

RCA Globcom's commitment to the people of Alaska includes rate reductions averaging over 29 per cent for interstate service, and nearly 40 per cent for intrastate service. These reductions will save users about \$40 million over the first three years of RCA operations and bring such Alaska rates on a par with those in the "lower 48." It is estimated that the economy of Alaska, through implementation of RCA Globcom's commitments, will participate in public benefits amounting to about \$125 million over the next few years.

Communications satellites are expected to play a major role in the development of an efficient and modern communications network in Alaska. The State of Alaska is of immense size, but its population density is less than one-sixth that of Nevada, according to the 1960 U.S. Census, and less than one one-hundredth of that of the entire

United States. Because of these facts, transportation and communications are frequently significantly less economical than in the "lower 48"; because of climatic and terrain conditions they are more difficult. Existing communications facilities are limited, often rudimentary, and in some remote areas non-existent. Thus, RCA and Alaska are confronted with a unique challenge and opportunity to construct the best and most efficient communications network for the State.

For all of these reasons, communications satellites promise to play a prominent role in Alaska communications services. In the RCA Glōbcom proposal to purchase the ACS, major emphasis was placed on the role of satellites in the development of interstate and intrastate telephone, data, television transmission and other services.

Since the ACS award last June, our engineers have been working to refine the parameters of satellite communications for Alaska that will narrow the options and provide us with the basis for making technical and economic decisions. These decisions are necessary to determine the course of action that will best serve communications needs for the State of Alaska.

We have undertaken a special RCA Alascom project, which we have called Project Alsat, to develop a comprehensive satellite/terrestrial Master Plan for Alaska. This is intended to provide for the optimum communications system for Alaska considering technology, cost effectiveness,

requirements and timing for the future. The study will seek to define possible uses for satellite communications in the State which are required and justifiable from an economic and service standpoint.

In addition to normal telephone and telegraph services, satellite communications can play a crucial and indispensable role in providing educational and commercial television services to all parts of the State.

The satellite system serving Alaska should consider provision for some or all the following services:

- Intercity telephone, telegraph and data circuits for both military and civilian use.
- Telephone, telegraph, and data connections to the smaller villages.
- Television transmission for entertainment and cultural broadcasts, news, sports, special events and general education for adults and children.
- Wideband data channels for rapid transportation of bulk information not possible with voice-grade facilities.
- Radio broadcasting for entertainment, news, education and disaster information.
- Aeronautical, marine and mobile-station communications.

Even though the FCC has not yet given its final approval to the purchase of the ACS, RCA Alascom has already initiated or joined in a number of projects designed to speed and advance the development of satellite communications in Alaska.

- RCA Alascom has applied for FCC authority and committed itself to assume a major role in ownership and operation of the Talkeetna earth station. RCA Globcom was first to urge that construction of the Talkeetna station be advanced so that it will be available for urgent service requirements by July 1, 1970. Comsat has agreed to this proposal, and construction is moving ahead on that schedule. RCA Alascom initially expects to operate 80 or more satellite circuits for expanded telephone service between Alaska and the "lower 48" in time to meet the summer peak season in 1970.

- Working with Federal and State Governments, RCA Alascom is cooperating in the program to implement a trial of the use of satellite earth stations utilizing NASA's ATS-1 communications satellite. This program would demonstrate the feasibility of instructional television transmission for schools in daytime and for adults at night.

- As part of this demonstration program, RCA Alascom has agreed to make available without service charge the RCA 42-foot transportable earth station now located at Guam, together with a supervisory technician for the test operation of the earth station in Alaska.

- In addition, we have undertaken the RCA Project Alsat mentioned earlier. Project Alsat is a major undertaking which, we believe, will have a substantial role in shaping the future development of satellite communications in Alaska and possibly in other areas.

- RCA Alascom also is participating in other studies and analyses of the effective and optimal use of satellites in the State of Alaska. Governor Miller of Alaska has established a Task Force to study this problem, and RCA Alascom, together with Comsat, is a full participant. RCA Alascom, through its Project Alsat and other efforts jointly with Comsat, will fully contribute to this important effort.

- An intergovernmental committee under the leadership of Dr. Clay T. Whitehead has also been established to study the orderly introduction of satellite communications into the communications network of the State of Alaska. RCA Globcom has made a presentation to the committee and is pleased to participate.

In our studies of satellite communications, it has become apparent that new techniques and system arrangements will be necessary in order to evolve the most cost-effective approach for Alaska. For example, the mere application of the present large earth station design with a 97-foot antenna, multiple carrier systems and complete redundancy will not lead to a cost-effective solution throughout Alaska. Instead, the matter can best be approached from an integrated system viewpoint which examines trunk requirements, growth, the existing and potential terrestrial telephone plant and potential sites for earth stations. We can then determine on the basis of total circuit requirements the best trade-off between satellite and earth station configuration and size.

We need to consider the service potential and economics of the use of smaller lower-cost earth stations, spread through rural areas versus larger more complicated earth stations centrally located and connected by terrestrial facilities. Consideration also should be given to the use of new multiple access and demand assignment techniques to time-share circuit facilities among the lower volume users and to the use of small unattended stations with minimum redundancy to optimize the combination of operating and maintenance costs and equipment costs.

A logical phase-in program will permit the orderly introduction of satellite earth stations in Alaska, while at the same time making maximum and cost-effective use of existing and potential terrestrial facilities to fulfill the immediate and urgent communications needs of Alaska.

I might point out that the use of a satellite system impacts not only the transmission facilities but also the toll switching and other equipment. Satellite systems provide point-to-point capabilities which in some cases would by-pass the normal toll switching centers where not only alternate trunk paths are available, but also where the toll ticketing function normally takes place. It is therefore necessary to include in the satellite study alternate means for providing the normal back-up routes and also to include alternate arrangements for providing the accounting information. Therefore, the Alaska long lines carrier is ideally situated to play a key role in planning and implementing satellite communications for the people of Alaska.

Further, I would stress that the communications needs of the State of Alaska can properly be viewed only as an integrated whole of which satellites are an essential element of growing importance. The total Alaska communications network must be planned on an integrated, unfragmented basis.

I want to stress that all of these activities and many others are going forward now, even though the regulatory steps which must precede the purchase of the Alaska Communication System by RCA Alascom have not yet been completed by the FCC and the Alaska Public Service Commission. Time is extremely short. Under its purchase agreement, RCA Alascom will take over operation of ACS on July 1, 1970-- less than seven months from now. Expedition is, therefore, essential.

At present there are attempts by entities which did not bid on the Alaska Communication System and business to fragment the System, and this question is before the regulatory bodies. Prompt regulatory decisions maintaining the integrity of the ACS and removing the uncertainties would most effectively promote the early and full implementation of a modern communications system, including satellite communications techniques, for the State of Alaska.

RCA knows from its own experience that satellite communications is efficient and economically justifiable in many applications. The number of such applications will increase. As we determine the scope and feasibility of satellite communications for Alaska, it is well of course to keep in mind the timing requirements for immediate

improvements in service as well as the economics of satellite communications. We hope that satellites will play a vital role in meeting the telephone, educational and instructional television and other communications requirements of Alaska. They can best play their full and proper role through integration into a comprehensive and fully planned communications network which makes appropriate, efficient and economical use of various modes of communications.

The Alaska Communication System is one of the most exciting challenges RCA has ever undertaken. We share with the State of Alaska a deep commitment to provide the best, most efficient and most economical communications system for all of the people of that State at the earliest possible time.

Thank you.

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

In re Applications of)	
)	
RCA ALASKA COMMUNICATIONS, INC.)	
)	
For authority to acquire and operate)	File No. P-C-7587
channels of communication under)	
Section 214 of the Communications)	
Act of 1934, as amended, and Section)	
63.01 of the Commission's Rules and)	
Regulations, insofar as necessary to)	
provide the service being furnished)	
by the Alaska Communication System)	
)	
For construction permits and licenses)	File Nos. 2005 through
for radio stations in the Common)	2063-C-1-P/L-70
Carrier service, which authorizations)	
are necessary to permit RCA Alaska)	
Communications, Inc. to provide)	
the service now being furnished by)	
the Alaska Communication System)	

OPPOSITION OF RCA ALASKA COMMUNICATIONS,
INC. TO "PETITION TO DENY AND
REQUEST FOR OTHER RELIEF"

RCA Alaska Communications, Inc. (RCA Alascom), by its attorneys, files herewith its opposition to the "Petition to Deny and Request for Other Relief," which was filed on behalf of the City of Anchorage (City) on November 26, 1969.

Introduction

RCA Alascom has filed the above-entitled applications for the purpose of obtaining Commission authorizations necessary to permit RCA Alascom to acquire and operate the facilities of the Alaska Communication System (ACS), which is the commercial long lines communications carrier in Alaska.

By the Alaska Communications Disposal Act of 1967, 40 U.S.C. §§771, et seq., the Secretary of Defense was instructed to transfer the ACS "after approval of the President," and subject to any requisite authorizations from this Commission and the Alaska Public Service Commission. Id. at §§781, 783. Under that Act, the transfer was to be made upon determination by the Secretary of Defense or his designee that the "transfer is in the public interest," and that the transferee "is prepared and qualified to provide, without interruption, the communications services involved in the transfer." Id. at §782.

To carry out this express Congressional policy the Government proceeded to issue a Request for Offers for the sale of the ACS. A number of bids were submitted.

RCA Global Communications, Inc. (RCA Globcom) was ultimately the successful bidder. RCA Alascom is a wholly owned subsidiary

of RCA Globcom and was organized as a new Alaska corporation to be the successor in interest of the ACS, in conformity with the RCA Globcom bid. The award by the United States Government to RCA Globcom was recommended by the Secretary of the Air Force and was approved by the President of the United States.

The fundamental proposals of RCA Alascom and the considerations which led the Government to make the award to RCA Alascom have been set forth at some length both in the above-entitled application under Section 214 of the Communications Act and in a number of pleadings which have been filed by RCA Alascom in connection with the related applications in the proceeding in Docket Nos. 18719-29 concerning the proposed microwave link between the earth station at Talkeetna and Anchorage, Alaska. We shall not repeat here what we have already said there, but shall make reference to those considerations only to the extent necessary to place the petition of the City of Anchorage in proper context.

The City owns and operates a local exchange telephone system in the City of Anchorage itself, under the name of the Anchorage Telephone Utility (ATU). At the present time all toll switching for the Anchorage telephone system is provided by the ACS toll center at Elmendorf Air Force Base near Anchorage. This is known as the

Anchorage toll center. This toll center is included among the facilities RCA Alascom will acquire under the contract with the Air Force. In addition, one of the principal obligations which RCA Alascom must carry out under the terms of its contract with the Government is to provide expanded direct distance dialing (EDDD) for the entire State of Alaska, including the Anchorage area.

There are three types of DDD service available: Inward DDD, outward DDD, and expanded DDD (EDDD). RCA Alascom will provide all three of these services for Alaska. We understand that the City does not propose to provide the full EDDD service RCA Alascom will provide.

Inward DDD service permits a telephone to be dialed directly from any of the telephones in the United States and Canada which are equipped with outward DDD service. Approximately 94 percent are so equipped. The ACS toll centers including the Anchorage toll center, are now equipped to provide inward DDD service and such service is in operation on substantially all calls to Alaska from the lower 48. Operators in the lower 48 are doing the dialing where the AT&T company has not completed the local arrangements. Thus the City in effect proposes to withdraw from the long lines carrier a DDD function it is now providing. When the RCA Alascom EDDD service is in full operation, the present

inward DDD service will be enhanced through expansion to accommodate DDD calls from all customers in the lower 48 states and Canada.

Outward DDD service permits a customer to dial directly station-to-station "paid" calls (i.e., other than collect, credit card, etc. calls) to telephones arranged for inward DDD service. With this DDD service, other classes of long-distance calls, including person-to-person calls, are given to the long-distance operator for handling.

Expanded DDD service extends the advantages of outward DDD service to person-to-person, collect, and credit card calls, and to calls which are to be charged to a third telephone number. It also permits direct distance dialing of toll calls from coin telephones.

Pursuant to the basic agreement under which the ACS award was made, RCA Alascom was specifically authorized by the Government on August 8, 1969, to commence procurement and work for the introduction of EDDD facilities in the ACS toll centers at Anchorage, Juneau, Fairbanks and Ketchikan. Ticketing and outward toll switching functions now performed manually will be automated so that these functions can be actuated by dialing a telephone in the home or place of business of a telephone subscriber. In the event the sale contract were to be voided, the EDDD facilities in question would be acquired by the ACS and RCA Alascom would be reimbursed for the reasonable acquisition and

installation costs of the assets so constructed. Most of the hardware for the DDD installation at Anchorage is now on the site and installation is under way. Physical installation of the Anchorage equipment is expected to be accomplished by the spring of 1970, and, following completion of all steps necessary for cutover to EDDD operation, a complete, modern EDDD system is expected to be in full operation there by late 1970. RCA Alascom fully expects that it will be the owner and operator of the long lines communications system in Alaska well before then, but if by any chance this should not be the case, then the EDDD system would be owned and operated by the ACS.

The City takes the position that any grant of authorization to RCA Alascom to acquire the facilities of the ACS should be denied in part or otherwise conditioned so as to prohibit RCA Alascom from providing DDD or utilizing toll center equipment in the Anchorage area. The City says that it wishes to operate a substantial toll center and provide DDD switching for Anchorage. It states (p. 6) that on June 10, 1969, "a \$1.4 million bid for DDD and toll center equipment by Stromberg-Carlson was approved by the City Council. As a result of the City and ATU's plans for DDD and toll center equipment in Anchorage, Stromberg-Carlson is now engaged in the planning and construction of DDD and

associated toll center equipment for ATU. This equipment should be operative in Anchorage in approximately eighteen months."

The City has not stated the extent of its non-recoverable costs at the present time, but it is clear from its own statement that its planning for DDD is at least six months behind that of RCA Alascom. Indeed, it seems likely from the fact that it says it is eighteen months away from being in a position to have its proposed equipment operating that there are few if any non-recoverable costs at the present time.

In any case, whatever expenditures the City has made with respect to DDD toll center facilities planning have been incurred with full notice at all times since well before June 10, 1969, that DDD facilities were planned for installation in the ACS Anchorage toll center and that it was anticipated that the successor to the ACS would operate such facilities as well as the other facilities in that toll center acquired from the ACS. And that has been the consistent position of RCA Alascom since the award to it was made.

Thus, for example, on April 2, 1969, a meeting organized by the Anchorage City Council was held to obtain information about the DDD proposals of the bidders for the ACS. Among those at this meeting were representatives of the four bidders for the ACS, the chief ACS evaluator, city officials of Fairbanks and Anchorage, and members

of the Anchorage City Telephone Commission (Anchorage Daily News, April 3, 1969, p. 1; Anchorage Times, April 3, 1969, p. 1). At this meeting it was emphasized that each of the ACS bidders, including RCA Globcom, had submitted plans to provide statewide DDD as part of their offer to purchase the ACS (ibid.).

In early 1969 the cities of Anchorage and Fairbanks proposed to the Defense Department that toll center operations, including DDD, at those locations be furnished by the respective municipal telephone utilities and that, rather than accepting the bids for the ACS on their then present basis, the Defense Department ask the bidders to submit modified proposals with those toll centers excluded from the proposed ACS acquisition.

On April 10, 1969, John W. Perry, Deputy for Transportation and Communications of the Department of the Air Force, sent a telegram to the Anchorage and Fairbanks Mayors and City Managers which was, in pertinent part, as follows:

"The Secretary of Defense has asked that I respond to your telegram concerning comparison of offers received to purchase the ACS with possible DDD toll center operations by cities of Anchorage and Fairbanks. As General Stoney indicated on April 2, installations and operation by Cities of Anchorage and Fairbanks of Direct Distance Dialing (DDD) toll center equipment would seriously affect ACS sale and subsequent quality and cost of long distance service for people of Alaska.

"Offerors and Federal and State Governments would have to assess a fragmented statewide long distance system which might duplicate equipment or deprive parts of the state of otherwise available service expansion and modernization. This could perpetuate unsatisfactory service between Anchorage, or Fairbanks, and other parts of Alaska. More significantly it would force the people of Anchorage, and Fairbanks, to bear the full cost of the DDD equipment instead of sharing the cost on a statewide basis, thus quite possibly making telephone bills of people in Anchorage and Fairbanks higher than they would be if ACS buyer can run a single statewide system.

"

"While statute expressly names Governor of Alaska as spokesman for state in connection with sale we understand that he will seek comments and advice of major communities in state before giving his recommendations to Air Force. We would welcome such participation by cities under Governor's sponsorship.

"Based on these considerations, I urge the City planners to delay action on their plans for the installation of telephone toll center equipment . . . "

On April 10, the Anchorage City Manager, replied as follows:

"Reurtel 10 April 1969. We appreciate construction of full toll centers -- DDD by cities of Anchorage and Fairbanks would obviate necessity for sale of ACS toll centers at these locations. Data available to me indicates city plans would be several millions of dollars cheaper than acquiring and modernizing ACS toll centers as well as improve quality of service. This would reduce investment in plant and lower rates. No reason why city toll centers cannot be coordinated with long lines modernization and expansion. It is done all over United States. There would be no fragmentation [of the] long distance system since toll centers are by industry standards part [of the] local telephone system. Full city toll centers are planned [and]

therefore no duplication is necessary. If it is true ACS would be unable to sell its toll centers at Anchorage and Fairbanks which are valued by government just under \$5 million. We would expect cost of service of toll centers at Anchorage and Fairbanks would include tributary telephone system. The cost to Anchorage and Fairbanks would be no greater and in our opinion less than acquiring ACS toll centers because of excess investment requirement. Section ten RFO clearly allows government to request modification of offer. Government could request offers to exclude motion of offer. [Sic] Government could request offers to exclude these two toll centers. We wanted benefit of detail comparison of city toll center plans with those of private companies before councils of Anchorage and Utility Board at Fairbanks make final decision on toll centers. We see no reason why government cannot include this in evaluation process without divulging private buyers plans. If the government cannot handle type of negotiation and evaluation requested by Anchorage and Fairbanks, then we fail to see reason for secrecy of offers in first place. Summary analysis at which we request. [Sic] We feel Anchorage and Fairbanks must decide on toll centers before and not after ACS award is made. We also feel city franchise requirements or local toll centers have not been considered by either government or prospective buyers. This also should be resolved before award even if cities decide not to build their own toll centers. Request immediate reconsideration of request to evaluate Anchorage and Fairbanks toll center plans. We are concerned over all feasibility will be improved by lower capital outlay by private buyer of ACS and lower rates will result.

"Robert E. Sharp City Manager"

In a letter of April 28, 1969, to the Mayor of Anchorage,

Mr. Perry answered the foregoing telegram in pertinent part as follows:

"The Air Force has learned with interest of the recent decision by the Anchorage City Council to obtain meaningful bid prices from the manufacturers of direct distance dialing equipment which might be purchased for

installation by the Anchorage Telephone Utility. We remain firmly convinced that the people of Anchorage will get cheaper and better long distance telephone service if the ACS purchaser is allowed to provide the DDD and toll center service for Anchorage

"

"Returning briefly to the question of city toll center operation versus statewide DDD toll center operation, we cannot agree with the Anchorage Telephone Utility analysis that the city plan would be several million dollars cheaper. On the contrary, the opposite conclusion may be drawn when the complete telephone circuit requirements for a workable DDD network are considered. Also, any major modification of ACS offers, which the Anchorage Telephone Utility proposal would require, would result in lost time in the evaluation process and would thus require additional time before an improved system could actually be in operation.

"The idea of separate toll centers, such as Fairbanks and Anchorage contemplate, has caused the present bidders to doubt the wisdom of entering the commercial communications field in Alaska. If the offerors were to withdraw their offers, long lines circuitry to support the Anchorage and Fairbanks DDD plan would depend on the military budget and on the military appropriations bills. The provision of appropriate trunk network could encounter long delays as has been the case in the past. Alaska will have gained nothing.

"It is imperative that the ACS buyer be announced as soon as possible if the construction of essential facilities is to begin this summer. I sincerely hope that, taking all of these factors into consideration, your comments to Governor Miller on the ACS offer analysis will support prompt sale of the ACS, and operation of the DDD toll center at Anchorage by that purchaser.

"I believe that the subjects covered in this letter also respond to the matters raised in a telegram of April 10, 1969 to me from your City Manager, Mr. Robert Sharp, and I am sending a copy of this letter to him in response to that telegram."

At the Anchorage City Council meeting held on April 15, 1969, representatives of RCA Alascom were present with other bidders, and requested the Council to postpone action on DDD. (Minutes of the regular meeting of April 8, 1969, adjourned by April 15, 1969, at 7:30 p.m. of the City Council of Anchorage, p. 315; Anchorage Times, April 16, 1969, p. 1; Anchorage Daily News, April 16, 1969.) One week later the City Council voted to seek bids on the procurement of its proposed DDD system (Minutes of the regular meeting of the City Council of Anchorage held on April 22, 1969, at 7:30 p.m., pp. 330-31). However, not until June 10, 1969, did the City Council approve the bid of Stromberg-Carlson. This was shortly before the ACS award was made, and at a time when the City clearly knew that its action was in direct conflict with all plans concerning the disposal of the ACS.

Despite the fact that any obligations the City may have incurred in this regard were with full knowledge of the risk it ran, RCA Alascom has previously offered to assist the City in seeking to minimize or eliminate any financial burden arising from what we submit were its rash actions. This offer is still outstanding, and RCA Alascom is prepared to cooperate fully with the City to that end.

Whatever the outcome of such discussions, however, it is clear, we submit, that the determination the Commission makes here

must be based entirely on the requirements of law and considerations of the public interest, and not be affected in any way by the encroaching steps the City has taken. As we show below, statutory considerations and the requirements of the public interest establish that the above-entitled applications of RCA Alascom to acquire the ACS must be granted free of any limitations on its right to operate the Anchorage toll center with automated EDDD facilities, and with full recognition of its right to do so.

The Alaska Communications Disposal Act
of 1967 Forecloses the City's Position Here

1. The acquisition here proposed arises from the Alaska Communications Disposal Act of 1967, supra. It is clear from that Act and from its legislative history that the Anchorage toll center was considered an important and integral part of the business to be transferred and that the transferee was expected and indeed required to continue the services then being provided by the ACS as those services might be improved. Moreover, the legislative history makes it clear that the provision of DDD service by the transferee was clearly one of the important reasons behind the determination by Congress to enact the Alaska Communications Disposal Act. Consequently, the statute itself clearly

contemplated that the transferee of the ACS would own and operate the toll center at Anchorage, would provide the toll switching and ticketing now furnished through that toll center by the ACS, and would automate it with DDD facilities. Consequently, the relief requested by the City is specifically foreclosed by the Disposal Act.

The foregoing is fully established by the following:

(1) The Anchorage toll center was specifically recognized as one of the important assets to be transferred to the commercial long-lines carrier under the Disposal Act. Thus, the Senate Report on S. 223, the bill which became the Alaska Communications Disposal Act (Report No. 213, 90th Congress, 1st Session), listed in Appendix A the "Department of Defense Long-Line Facilities in Alaska Available for Transfer . . ." Category I in that Appendix "is the ACS which is immediately salable." The first item in Category I was "ACS Anchorage Telephone Toll Center." In the House Report on S. 223 (Report No. 662, 90th Congress, 1st Session) the four toll centers in Alaska, including the toll center in Anchorage, figured as the primary assets to be transferred:

"There are four main toll centers in Alaska -- Anchorage, Fairbanks, Juneau, and Ketchikan. It is presently contemplated that these four centers, together with some additional equipment which would also cover the bush and marine operations, would be sold to a private company.
(Page 2)

" . . . [T]he ACS toll centers . . . are the major part of what is proposed to be sold under the bill." (Page 4)

(2) The Disposal Act clearly contemplated that the Company acquiring the ACS would provide the services from the Anchorage toll center which is now being provided by the ACS. Thus, Section 782 specifically provides that no transfer of the ACS may be made unless the Secretary of Defense or his designee determines that "the person to whom the transfer is made is prepared and qualified to provide, without interruption, the communication service involved in the transfer" Since the communication service involved in the transfer includes operation of the Anchorage toll center, it is clear that Congress intended that the transferee of the ACS would operate that toll center. As the Senate Report stated (p. 1), the "carrier acquiring such facilities would be required to provide, without interruption, the communications service involved in the transfer." (Emphasis supplied)

(3) A basic ground on which the Congress based its determination to require the sale of the ACS to a private carrier was that this would make possible a substantial improvement in the communications service available to Alaska. DDD was one of the principal improvements which Congress anticipated could be derived from the proposed sale under a bidding process in which a primary emphasis would be placed upon the carrier's proposals to improve service and reduce rates.

Thus, in the Senate Report (pp. 9-10), the "committee favors enactment of S. 223" on the basis of a number of "conditions and criteria under which the committee understands that any transfer will be accomplished . . ." Among these were that transfer "of the ACS must be carried out in such a way as to serve the interests of the Alaska citizenry by obtaining firm commitments to improved service and lower rate schedules, and by obtaining a timetable for the implementation of both, as an integral part of any bid proposal action." And the Report stated (p. 7) that public service considerations involved " . . . the early installation of modern efficient equipment including direct-distance-dialing . . ." In the House, the position was similar. Thus, the House Report stated (p. 4) that:

"While the transmission systems are as up to date as possible, the ACS toll centers have not been kept up to date, and these are the major part of what is proposed to be sold under the bill. In order to continue the present services, the new operator would be allowed to lease the present ACS channels on the Air Force transmission systems.

"From this background, it is apparent that the purchaser of the ACS is going to have to make two immediate outlays of cash -- the first the purchase price of the ACS system from the Air Force which is estimated to be about \$20 million, the second the outlays for immediate modernization of the ACS equipment sold, variously estimated at between \$10 and \$30 million. "

And in the hearings on September 26, 1967, of the House Armed Services Committee (p. 5304), Mr. Price, reporting out the bill in its present form, stated that:

"There are believed to be several advantages in turning the commercial communications business over to a private firm. First of all, since the Department of Defense decided that it should no longer be in the business of providing commercial communications in Alaska, it has not put in the new equipment which is needed to keep the system up to date. There is no commercial long-distance direct dialing. Secondly, the rates for long-distance calls are much higher than the rates for comparable distances in the lower 48." (Emphasis supplied)

Thus the Congress specifically contemplated that the purchaser of the ACS would provide direct distance dialing.

2. As shown above (pp. 7-12), the City's proposal with respect to toll center and DDD operation was specifically submitted to the Defense Department as an alternative or competing offer to provide service. This offer was not accepted by the Government, but instead an award was made to RCA Globcom which included the specific requirement for the acquisition and operation of the Anchorage toll center by RCA Alascom and the installation at that toll center of EDDD equipment. Having had its proposal denied by the Defense Department, the City has now come before this Commission with what amounts to a request that the Commission decide between the competing proposals of RCA Alascom and the City for the providing of toll service, including DDD, at Anchorage.

This approach is specifically precluded by the Alaska Communications Disposal Act. That Act specifically contemplated that neither this Commission nor the Alaska PSC should decide between competing proposals.

Thus Section 203(3) of the Alaska Communications Disposal Act, 40 U.S.C. §783(3) provides that the agreements by which the transfer of the ACS is to be made shall include a provision that:

"[T]he transfer will not be final unless and until the transferee shall receive any requisite licenses and certificates of convenience and necessity to operate interstate and intrastate commercial communications in Alaska from the appropriate governmental regulatory bodies."

Section 204 of that Act, 40 U.S.C. §784, states that:

"Transfers under this subchapter do not require the approval of the Federal Communications Commission except to the extent that the approval of the Federal Communications Commission is necessary under Section 783(3) of this title."

Thus the statute specifically precludes the Commission from acting upon this proposed acquisition except as prescribed by Section 203(3) of the Act. The House Committee stated (p. 7) that this section:

"[D]oes not obligate or authorize the FCC or the State authorities to evaluate or choose between competing offerors, but only to act on applications from the successful offerors as selected by the Secretary of Defense or his designee." (Emphasis supplied)

This is exactly the position which had previously been taken by the Commission, as is set forth in a letter of August 18, 1967 to Congressman Price from Commissioner Bartley for Chairman Hyde. A copy of that letter is set forth as Attachment A hereto.

The fact that the City does not propose to acquire any ACS facilities does not in any way remove the direct applicability of Section 203(3) of the Disposal Act. If the Commission may not entertain competing applications from parties who have offered to purchase some or all of the existing facilities, clearly it may not entertain a request by the City that it rather than RCA Alascom should operate the long lines toll center at Anchorage, simply because the City was not even willing to purchase the ACS toll center.

RCA Alascom is required, under its contract with the Government, to provide DDD facilities for all of the four principal toll centers in Alaska, including Anchorage, which under that contract must be so served by the fourth quarter of this year. The installation of such facilities is, as stated above, well on the way. Under the Alaska Communications Disposal Act of 1967, RCA Alascom is required to own and operate the Anchorage toll center and to provide DDD service through that center and the City is not entitled to have its competing claim entertained. The City seeks to have RCA Alascom prohibited from performing

this service on the grounds that the Commission should decide that the City should do so. The City's request must be rejected.

Even If It Could Be Entertained, the City's
Proposal to Operate the Anchorage
Toll Center Would Be Entirely Inconsistent
With the Public Interest

As stated above, we consider that the statutory basis for the acquisition of the ACS requires, as a matter of law, that the City's request for relief be denied, without consideration of any other factors. However, we think the Commission should also be made aware of the fact that there are several basic grounds upon which the City's proposal would have to be rejected on public interest grounds without regard to those statutory requirements.

(1) First, the ACS toll center at Anchorage does not serve solely as a toll center for messages originating or terminating within the local exchange telephone system of the City. On the contrary, that toll center serves 30 tributary local exchanges operated by various telephone companies, including the Anchorage ATU, as well as seven toll stations in the remote villages of Cooper Landing, Aniak, Cold Bay, Illiamna, Tyoneck, Unalaska, and Yakataga. It also provides toll switching for telephones in the public fixed service, including the bush service.

In all, only the ACS toll center services telephone systems scattered over a total area of approximately 235,000 square miles. And the ACS Anchorage toll center is a major toll center for both intrastate and interstate service.

To illustrate the foregoing, a study has been made of message toll telephone calls during the month of August, 1969, originating in Alaska. An average of approximately 14,000 such toll messages were completed per day. Approximately 8,600 of those messages were originated, insofar as a toll center is concerned, at the Anchorage toll center. More than one-third of those 8,600 messages originated from tributary exchanges other than the ATU exchange area. Approximately 5,800 of the 8,600 messages were intrastate messages and approximately 2,800 were interstate messages. Of those interstate messages approximately 40% originated outside the ATU exchange area.

Thus, the picture the City seeks to draw in its petition of a local exchange carrier which wishes to own and operate a toll center which exists only to provide switching for the local exchange carrier is entirely mistaken. The ACS Anchorage toll center is the only one that serves almost 40% of the land area of the State of Alaska and is an important center for both intrastate and interstate toll switching.

Thus, contrary to the position of the City, the ACS toll center is a natural, integral and essential component of the long lines system in Alaska. Moreover, this toll center is an integral part of the statewide trunking system and is a fundamental element of the whole interstate network involving the lower 48 and Canada. It plays a vital role in trunk routing arrangements and in alternate routing and service restoration programs in connection with other toll centers.

The comparison the City seeks to draw between its position and that of local exchange carriers in the lower 48 states which operate toll centers is therefore wholly inapplicable. The latter toll centers are operated by independent local exchanges which interconnect with toll centers operated by the Bell System, which is the only truly long lines interstate telephone carrier in the lower 48 states. The ACS Anchorage toll center stands in the position of the major long lines interstate toll center and not as a subsidiary toll center such as would be operated by local exchange carriers in the lower 48 states.^{1/}

^{1/} Nor would there be any purpose served through the establishment by the City of its own local toll center which would then interconnect with the long lines toll center at Anchorage. There is no functional purpose to be served by having two toll centers within a mile of each other and the capital and operating cost of duplicative facilities would obviously be very substantial.

As may be seen from the foregoing, the toll switching operations which are now provided by the ACS at Anchorage and would be provided by RCA Alascom there are of major importance to the entire long lines communications system in Alaska. As Mr. W. E. Plummer, Acting Director of the Office of Telecommunications Management, has already stated to the Commission in a letter of October 7, 1969:

"The long haul telecommunications system of any area is the nervous system supporting the national security and related governmental functions in the area. The State of Alaska is no exception and the integrity of the system must be maintained. There is need for a carrier with the capability of, and with the clear mandate and prerogative for planning a single integrated system which will continue to provide service to the extensive national security activities distributed throughout the State of Alaska."

These functions can be properly performed only if RCA Alascom performs the long distance switching and related functions which are now being performed at Anchorage.

(2) The City's proposal that it provide toll switching, including DDD, from its own facilities rather than having this function performed by RCA Alascom from the ACS toll center, is entirely unrealistic and impractical, and would burden the rate payers in Alaska with very substantial and unnecessary additional costs.

First, the City's proposal seems to involve abandonment of the ACS toll center and related equipment and plant, for which RCA Alascom is required by contract to pay the Air Force approximately \$2.9 million. This represents more than 10% of the total price to be paid for the existing ACS facilities.

The City's argument that the ACS toll center is obsolete and useless and should therefore be abandoned is entirely mistaken. It is true that certain equipment, particularly that relating to the present manual switching equipment, will be retired with the installation of the new EDDD facilities. However, all of the remainder of the plant and facilities comprising the Anchorage toll center, at a value after depreciation of approximately \$2.4 million, will be fully utilized and will be necessary to provide the toll center and related functions. Based upon information available to RCA Alascom, the City does not have such facilities now in existence, but would have to build them at today's costs. Since the price RCA Alascom is to pay for land, buildings, improvements and equipment is based upon the depreciated value of that plant, it seems clear that if the City were to attempt to duplicate these toll facilities its costs would be substantially greater. Thus the City's basic proposal would only inflate the rate base of the Anchorage toll operation.

RCA Alascom has made a study of the costs which would be involved if the present toll center were retained by RCA Alascom but the toll switching including DDD were performed by the City at its proposed new facility. Although this study could not arrive at definitive estimates, because RCA Alascom is not privy to all of the details of the City's present facilities and proposals, it is clear that any such proposal would involve substantial duplication of costs and facilities. This duplication could amount to more than \$1,000,000 in capital plant and more than \$200,000 a year in operating costs.

(3) From such information as RCA Alascom now has available as to the plans of the City, it is evident that the facilities the City is proposing to build and install would be substantially inferior to those which will be installed by RCA Alascom at the Anchorage toll center. In addition, the City has apparently designed a plant which will be substantially below requirements from the first day it goes into operation. The basic respects in which the City's proposed facilities would be inferior and inadequate are as follows:

a. RCA Globcom will provide at the Anchorage toll center a crossbar toll switching system as compared to the XY (step-by-step) system planned by the Anchorage Telephone Utility. Crossbar equipment is internationally recognized as superior to step-by-step

for toll telephone switching. It has inherent transmission advantages, provides rapid scanning of large trunk groups, and makes more efficient use of trunk facilities. It also makes possible substantially lower maintenance costs through its greater reliability. Lower network and engineering planning costs are also possible. All of the regional and sectional switching centers in the "lower 48" and 90 percent of the smaller toll switching offices are crossbar equipment.

b. The facilities to be installed at the ACS Anchorage toll center have had extensive commercial use. They are in service in nine cities in the "lower 48" states and are in the process of manufacture or installation for 13 additional cities. Those in service are performing well and meet fully the operating requirements. We are informed that the type facility planned by the Anchorage Telephone Utility is still in the pilot stage in the supplier's factory -- it has had no commercial trial as a system.

c. The RCA Alascom Anchorage toll center will have a complete fully-integrated system, including toll switching trains and intraoffice trunking. The Anchorage Telephone Utility specification does not provide for access equipment to the ticketers nor egress from the ticketers to the toll switching or intertoll trunks - these were to be "provided by the customer" (cost and availability unknown).

d. The RCA Alascom toll center facilities will handle all of the types of calls handled through the Bell System's latest EDDD facility - in some respects the RCA Alascom toll center facilities will be more advanced than Bell's. The Anchorage Telephone Utility plans to continue handling several classes of calls on a manual basis. For example, it does not plan to extend direct distance dialing service to coin telephones.

e. RCA Globcom plans to work with the telephone companies throughout Alaska to introduce the same single-digit DDD access codes that have been adopted for use in all the principal cities in the "lower 48" states. The Anchorage Telephone Utility is planning to introduce a dialing procedure involving a 3-digit access code which has proved to be unpopular in the other states and which is presently being replaced in many locations.

f. The RCA Alascom toll center will include modern administrative and service measuring facilities so that management may constantly be aware of how the system is functioning and in a position to institute promptly any needed corrective action. It is not clear what the Anchorage Telephone Utility intends with regard to modern service measurements since they did not order these facilities from their DDD equipment supplier.

g. The first installation at the ACS Anchorage toll center is being sized to more than meet the estimated requirements for the 1971 busy season. The Anchorage Telephone Utility appears to be planning an installation that will not be adequate even for the first busy season. We understand that it has ordered facilities to serve 390 toll lines, including lines to the "tributary" communities and to other toll centers in Alaska, Canada and the lower 48. These are presumably for the summer busy season of 1971. For that same summer busy season, RCA Globcom estimates that about 600 toll circuits to these points will be needed for good service. RCA Globcom's initial installation will have the capacity to serve over 660 toll lines.

The foregoing information was set forth in a memorandum which was transmitted to the Anchorage City Manager by letter of August 25, 1969, from the President of RCA Alascom. By letter of September 5, 1969, the Anchorage City Manager stated that "many" of the above statements would not have been made if RCA Alascom had known of the City's "final plans," and that he had asked his engineers to analyze these statements "to correct these errors for the record." However, the City has never come forward with any further information.

(4) Finally, we wish to emphasize what we have said in a number of other pleadings concerning the necessity to maintain the long

lines communications system in Alaska on an unfragmented basis. RCA Alascom is committed not only to acquire the ACS but to make major improvements in it, amounting to more than \$27 million in the first three years of operation, and to reduce rates almost one-third. This cannot be done if the system is to be fragmented. Here, the City of Anchorage seeks to withdraw from the system the major long lines toll center in Alaska, which originates a majority of the telephone traffic in the State. There have also been indications, some of them indicated above (see p. 8), that if Anchorage became successful, similar efforts would be made with respect to some or all of the other toll centers. This simply cannot be permitted if the benefits for the people of Alaska which formed the basis for the enactment of the Alaska Communications Disposal Act of 1967 are to be realized.

Respectfully submitted,

RCA ALASKA COMMUNICATIONS, INC.

By /s/ Alan Y. Naftalin
Alan Y. Naftalin

/s/ George Y. Wheeler
George Y. Wheeler

Koteen & Burt
1000 Vermont Avenue, N. W.
Washington, D. C. 20005
Its Attorneys

CERTIFICATE OF SERVICE

I, Juliet Chappell, a secretary in the offices of Koteen & Burt, hereby certify that true copies of the foregoing "Opposition of RCA Alaska Communications, Inc. to 'Petition to Deny and Request for Other Relief', " and Attachments A and B thereto, have been sent by first class United States mail, postage prepaid, to the following on this 6th day of January, 1970:

Charles A. Miller, Esq.
E. Edward Bruce, Esq.
Covington & Burling
888 Sixteenth Street, N. W.
Washington, D. C. 20006
Counsel for the City of Anchorage and
Anchorage Telephone Utility

/s/ Juliet Chappell
Juliet Chappell

Attachment A

COPY

Federal Communications Commission
Washington, D. C.
August 18, 1967

Hon. Melvin Price
Chairman, Subcommittee No. 3
Armed Services Committee
House of Representatives,
Washington, D. C.

Dear Mr. Chairman:

In my August 7, 1967, testimony before your Committee on H. R. 6391 (which deals with disposal of the government-owned long-lines communication facilities in the State of Alaska and is the same as S. 223 as passed by the Senate), I recommended deletion of certain sections of that Act that appeared inconsistent, confusing, and unnecessary.

We have discussed this matter with representatives of the Department of Defense and the Bureau of the Budget. Although the changes I recommend below do not follow precisely those suggested in my August 7 testimony, I believe that they will provide an adequate solution to the problems I raised at that time.

As I understand it, Section 203(3) is intended to assure that the successful offeror, or offerors, to purchase the Alaska Communications System will have the same form of operating authority as other commercial long lines carriers, and be subject to the same regulation. Section 203(3) is not intended to obligate, or authorize, the FCC or the State authorities to evaluate or choose among competing offers to purchase, but only to act on an application by the offeror, or offerors to whom the Secretary of Defense or his designee proposes to sell the ACS. If those offerors do not receive certificates of convenience and necessity, no certificates would be awarded at that time and the Secretary of Defense would select another prospective purchaser, who would apply for the necessary certificates.

Accordingly, I believe the confusing portions of H. R. 6391 can best be clarified by making the following changes:

1. Page 5, subsection 202(4) -- delete "the Federal Communications Commission" at lines 15 and 16 and insert in lieu thereof "subsection 310(a) of the Communications Act of 1934, as amended, "; add a period after the word "license" at line 17 and delete the remainder of that line and all of line 18.

Subsection 202(4) would then read as follows:

"Sec. 202. No transfer under this title may be made unless the Secretary of Defense or his designee determines that --

"(4) the long-lines communication facilities will not directly or indirectly be owned, operated, or controlled by a person who would legally be disqualified by subsection 310(a) of the Communications Act of 1934, as amended, from holding a radio station license."

2. Page 6, subsection 203(3) -- substitute the word "transfer" for "sale" at line 10, and "transferee" for "purchaser" and "any" for "the" at line 11, and at line 11 add the words "licenses and" after the word "requisite" so that subsection 203(3) will read as follows:

"Sec. 203. The agreements by which a transfer is made under this title shall include a provision that -- ***

"(3) the transfer will not be final unless and until the transferee shall receive any requisite licenses and certificates of convenience and necessity to operate interstate and intrastate commercial communications in Alaska from the appropriate governmental regulatory bodies."

3. Page 6, section 204 -- at line 18, substitute "is" for "may be" and "203(3) above" for "202(4)" so that section 204 will read as follows:

"Sec. 204. Transfers under this title do not require the approval of the Federal Communications Commission except to the extent that the approval of the Federal Communications Commission is necessary under section 203 (3) above."

4. Page 7, section 301 -- at line 6, delete "Except as provided in section 204" so that section 301 will read as follows:

"Sec. 301. This Act does not modify in any manner the provisions of the Communications Act of 1934, as amended."

I trust that the above will be helpful to you. The Bureau of the Budget has advised that there is no objection from the standpoint of the Administration's program to the presentation of this report.

Sincerely yours,

Robert T. Bartley, Commissioner
for Rosel H. Hyde, Chairman

AFFIDAVIT

STATE OF NEW YORK)

:: ss ::

COUNTY OF NEW YORK)

CHARLES M. MAPES, being duly sworn, deposes and says that he is President of Complan Associates, Inc., consultants to RCA Alaska Communications, Inc., the applicant in this proceeding; that he has read the foregoing Opposition of RCA Alaska Communications, Inc. to "Petition to Deny and Request for Other Relief" and is familiar with the contents thereof; and that the same are true and correct of his own knowledge, except for the facts of which official notice may be taken by the Federal Communications Commission, and as to those facts he believes them to be true and correct.

Charles H. Mayer

CHARLES M. MAPES

Sworn to before me this

5th day of January, 1970.

Clint E. Miller

Notary Public

TIMOTHY S. MCGUIRE
Attorney and Notary Public
State of New York No. 31-7842700
Qualified in New York County
Commission Expires March 30, 1970

RCA Global Communications

RCA Global Communications Services & Facilities

TELEX

RCA's Computer Telex Exchange (CTE) which is connected to its international circuits provides United States subscribers with the fastest, most accurate, and most versatile international telex service available. We give you fast connections because we have more telex channels between the United States and the rest of the world than anyone else.

With your RCA teleprinter, Western Union Domestic telex, or Bell System TWX machine, you can make telex calls "via RCA" to more than 100,000 teleprinter-equipped offices in 147 countries abroad. You also have the advantage of dialing directly (without operator intervention) to almost 40 countries and you can avail yourself of RCA's \$3 minimum telex rate to approximately 30 overseas points. This is why, as the pioneer in international telex, RCA offers customers both speed of service and economy.

PRIVATE LEASED CHANNELS

RCA international voice-record, private leased channel systems provide customers with flexible, total communications systems, embracing all major forms of information transmission—telegraph, voice, high-speed data, and photo transmission. Private telegraph and voice-record leased channels are put at the exclusive use of subscribers.

The subscriber has complete control of the system, thus affording him the ability to obtain total circuit utilization. RCA private leased channel service is designed according to customer needs. RCA offers a variety of leased channels, including Interpolated Voice/Data and standard and substandard two-way full duplex telegraph channels. For maximum speed, efficiency, and convenience, RCA provides its private leased channel service by means of satellite, radio, and coaxial cable to most areas of the world.

TELEGRAM

RCA's international telegram service brings you advantages that only a global communications network can provide. For example, RCA's Computer Telegraph System (CTS) electronically routes, processes, and transmits international telegrams and guides them to their proper outgoing and incoming circuits in fractions of a second. This electronic processing eliminates for RCA minutes of clerical processing and minimizes the possibility of mutilation or error.

RCA circuits terminate directly with the telegraph administrations of 76 countries. RCA has more direct overseas circuits than any other United States carrier. For maximum speed and accuracy, route your overseas telegrams "via RCA."

DATA TRANSMISSION

As electronic data processing became an accepted tool of worldwide industry, the need for new systems of international communications capable of greater speed, flexibility, and capacity became apparent. RCA recognized these requirements and introduced a customer-to-customer computer service capable of sending vast volumes of data overseas. This service, called Datel, permits subscribers to transmit data in any form (magnetic tape, punched card, or paper tape) internationally at high speeds of 1,200 bits a second or approximately 1,500 words a minute. Datel service is provided on a call-up or demand basis.

PHOTO TRANSMISSION

RCA Photo Transmission service provides subscribers with the means to send, at high speeds, material which cannot be put in telegram form. Everything that can be written, drawn, or printed, such as pictures, schematic diagrams, and foreign language symbols, can be sent overseas by photo transmission. RCA photo transmission service is available to 68 overseas points.

PRESS AND PROGRAMS

Press and Program Transmission services are used by the wire services, newspapers, broadcasters, and the television industry. Newspapers and periodicals are entitled to press rates only if published to disseminate information of public interest or to provide members of a particular industry or field with news of that industry or field.

Transmission and reception of voice and music programs between the United States and many of the world's principal cities have been provided, for years, by RCA. RCA also provides, via satellite, live commercial and closed circuit television programs between the United States and overseas points.

MARINE

The Marine Department of RCA provides message telegram service to and from ships at sea anywhere in the world. RCA handles hundreds of thousands of marine telegrams each year. Powerful and strategically located RCA marine radio stations, plus unequalled experience, make this service fast, accurate, and reliable.

NEW SERVICES

A new communications service concept called AIRCON (Automated Information and Reservations Computer Oriented Network) has been introduced to the American marketplace by RCA Globcom. AIRCON enables companies to connect their communications lines to an RCA computer that switches their messages electronically and performs concomitant traffic and record-keeping functions. AIRCON greatly improves the speed and quality of a private company's communications network. AIRCON was designed to serve the needs of a wide range of industries, particularly those with similar reservations and information switching requirements, such as hotels, airlines, railroads, travel, shipping, and others.

More recently, a private "Hot Line" Voice/Data service for businessmen between New York City and San Juan, Puerto Rico, was announced by RCA Globcom as part of a major expansion of international communications services tailored to the needs of modern industry. By merely lifting the handset on a telephone, a businessman in New York establishes immediate contact with a business associate in San Juan, eliminating the time-consuming chore of placing calls through switchboards or dialing long numerical sequences. In addition to the voice feature, information input/output devices such as computer data terminals, teleprinters, and facsimile equipment for the transmission of non-voice material can be interconnected to the system.

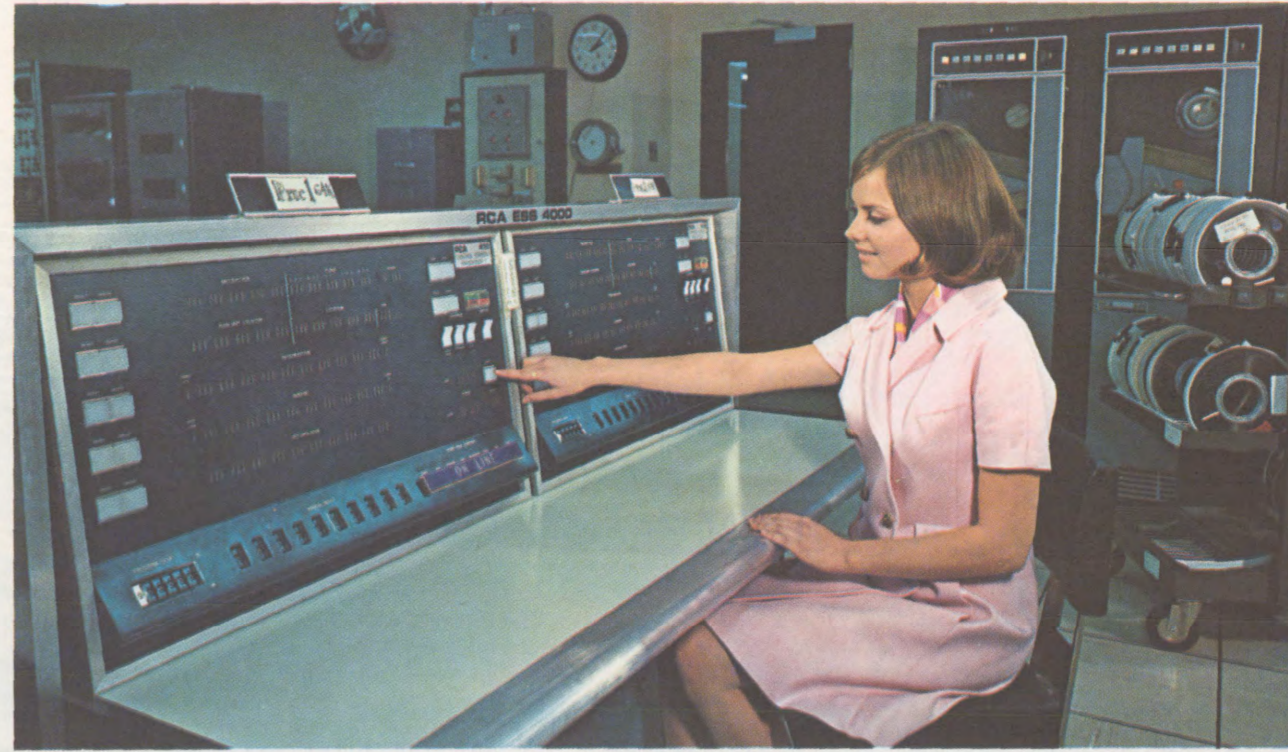
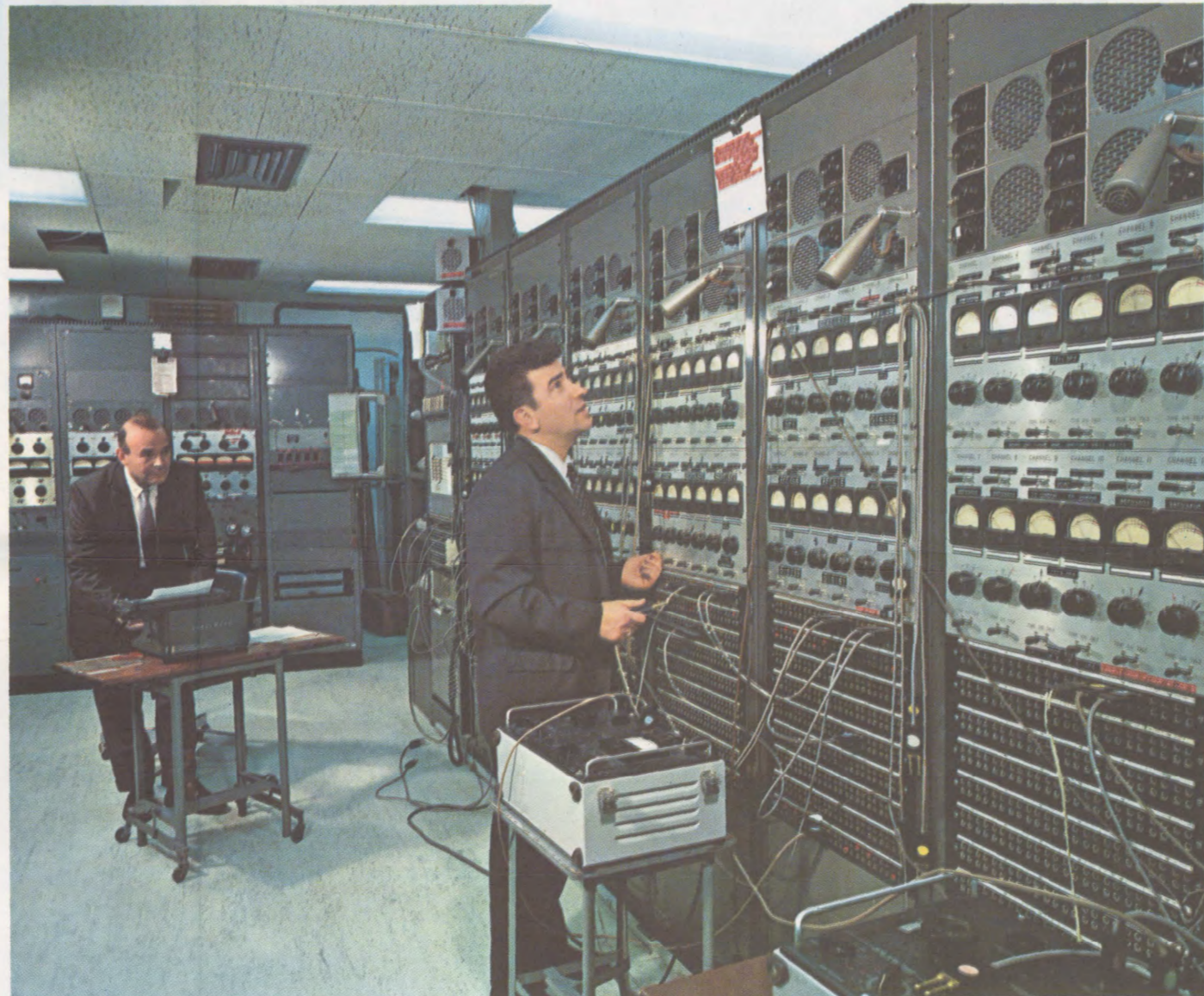
FACILITIES

RCA Global Communications, Inc. is a substantial stockholder in the Communications Satellite Corporation (COMSAT). The company utilizes a large number of channels in the Intelsat II and III series of satellites and will acquire ever greater capacity in the Intelsat IV series in the near future. RCA has an ownership interest in the satellite earth stations located at: Andover, Maine; Brewster Flat, Washington; Etam, West Virginia; Jamesburg, California; Paumotu, Hawaii; and Cayey, Puerto Rico. The company will also have a substantial ownership interest in the planned satellite earth station at Yona, Guam.

RCA Globcom has vast facilities in all of the coaxial cables serving Europe, the Far East, the Caribbean, and Latin America. RCA plans to acquire additional channels as new coaxial cable systems become operational.

In addition to these satellite and coaxial cable facilities, the company maintains and operates powerful and strategically located high-frequency radio stations for communications with more than 50 overseas points.

This blend of satellite, coaxial cable, and radio communications provides RCA Global Communications with the flexibility and versatility which is vitally needed to meet the challenge of this era and the growing communications requirements of the future.



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JAPAN, Tokyo

PANAMA, Panama

SWITZERLAND, Lausanne

UNITED KINGDOM, London

VENEZUELA, Caracas

LEBANON, Beirut

RCA Global Communications

As we enter the exciting era of the 70's, RCA Global Communications, Inc. continues to be the leading United States international voice-record communications company. RCA Globcom has achieved and maintains this leadership position as a direct result of its ability to anticipate the communications requirements of the American public, government, and industry and to develop services which will accommodate those needs.

In its formative years, RCA's growth primarily depended on a single service—international telegram transmission via radio. The ensuing years saw a gradual growth in international communications services and the transmission media. In 1948, RCA introduced private leased channel service between the United States and overseas. International telex service was developed and introduced by RCA in 1950. At the close of the 1950's, coaxial cables were laid across the Atlantic and RCA acquired circuits in these new systems to complement its global high-frequency radio network.

And in the past decade, new communications technologies brought on the information revolution. The computer produced customer demands for more flexible and sophisticated communications systems capable of handling vast volumes of information. To meet this challenge, RCA introduced, in 1962, the first international data transmission service. In 1964, the world's first Computer Telegram System was inaugurated by RCA to expedite overseas telegrams for the public.

Shortly thereafter, the historic launching of the first commercial communications satellite, Early Bird, opened the door to newer telecommunications avenues. In 1965, RCA started the first commercial transmission, via satellite, of telegrams and telex calls. More recently, intercontinental television transmission service via satellite became available through RCA.

Over the past few years, worldwide political and economic developments and new multi-national corporations have evolved at such a rapid pace that the requirement for still newer communications services became imperative. RCA responded by introducing, in 1967, AIRCON service to switch messages electronically for companies with private communications networks. More recently, the company announced two new services. These are the Executive "Hot Line" Voice/Data service and the International Interpolated Voice/Data service.

Today, RCA Globcom retains its commitment to the pioneering of new telecommunications facilities and services on a broad and complex scale. The present RCA network spans the globe with more than 1,400 satellite, radio, and coaxial cable channels capable of handling the transmission of information in almost every form. The company provides telegram service between the United States and 200 overseas points—76 direct, telex service to and from 147 countries, and photo transmission with 68 overseas terminals. RCA operates telephone service between 16 terminals in the Pacific area and, for broadcasters, provides two-way program transmissions with almost any point on the globe. RCA marine telegram service reaches ships anywhere at sea. In addition, RCA furnishes over 500 private leased channels to all parts of the world for teleprinter, voice-record, and facsimile communications. Moreover, RCA provides facilities for transmitting live commercial and closed circuit television programs between the United States and abroad.

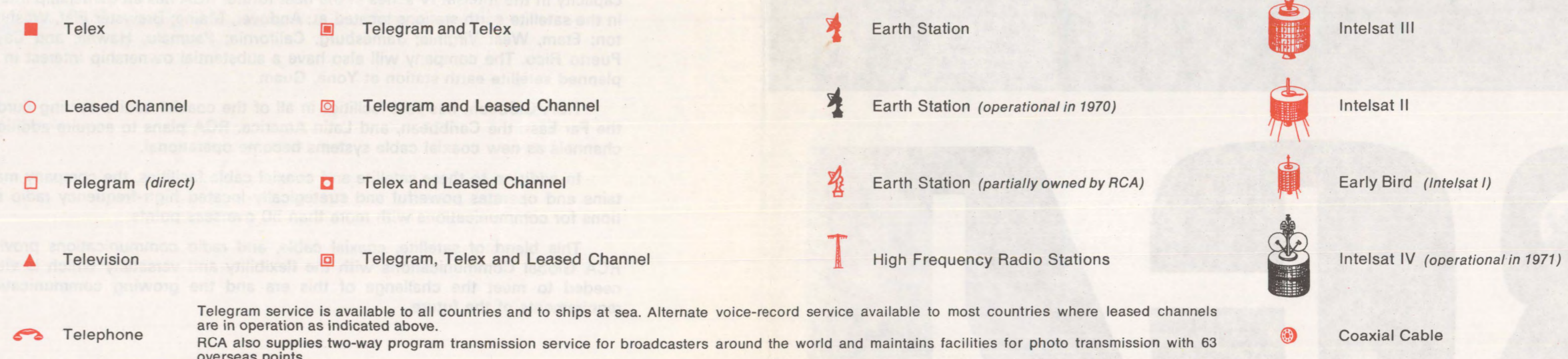
A substantial number of private telecommunications channels have been leased to NASA in support of its Mercury, Gemini, Apollo, and other corollary space efforts.

During the past year, RCA has laid the foundation for promising new services in the decade ahead. The forerunner, perhaps, is the 48KHz circuit, which is capable of accommodating almost every form of audio, visual, and record communications, and which the U.S. Department of Defense is now leasing. Another such circuit is already on order, and circuits of even greater bandwidth are expected to be in operation in the very near future.

At its Central Headquarters in New York, RCA Globcom has already installed and is operating seven computer systems which perform a variety of functions from the switching of telegrams, telex calls, and subscriber lines to the preparation of customer invoices. As the marriage of communications services and computers flourishes, RCA will continue to add to this computer complex.

RCA Globcom presently operates a large number of circuits in almost every coaxial cable and satellite system that links the United States with the rest of the world. As new transponderized cable and higher capacity satellite systems become available, the company will acquire additional facilities to complement its global communications network.

In the years ahead, RCA Global Communications, Inc. sets as its goal the search for new technological breakthroughs which will permit the company to provide its customers with excellence in service.



Remainder in "Western
Union International" file.

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

In the Matter of

RCA ALASKA COMMUNICATIONS, INC.

Application for authority to acquire and
operate channels of communication under
Section 214 of the Communications Act of
1934, as amended, and Section 63.01 of the
Commission's Rules and Regulations, insofar
as necessary to provide the service being
furnished by the Alaska Communication System

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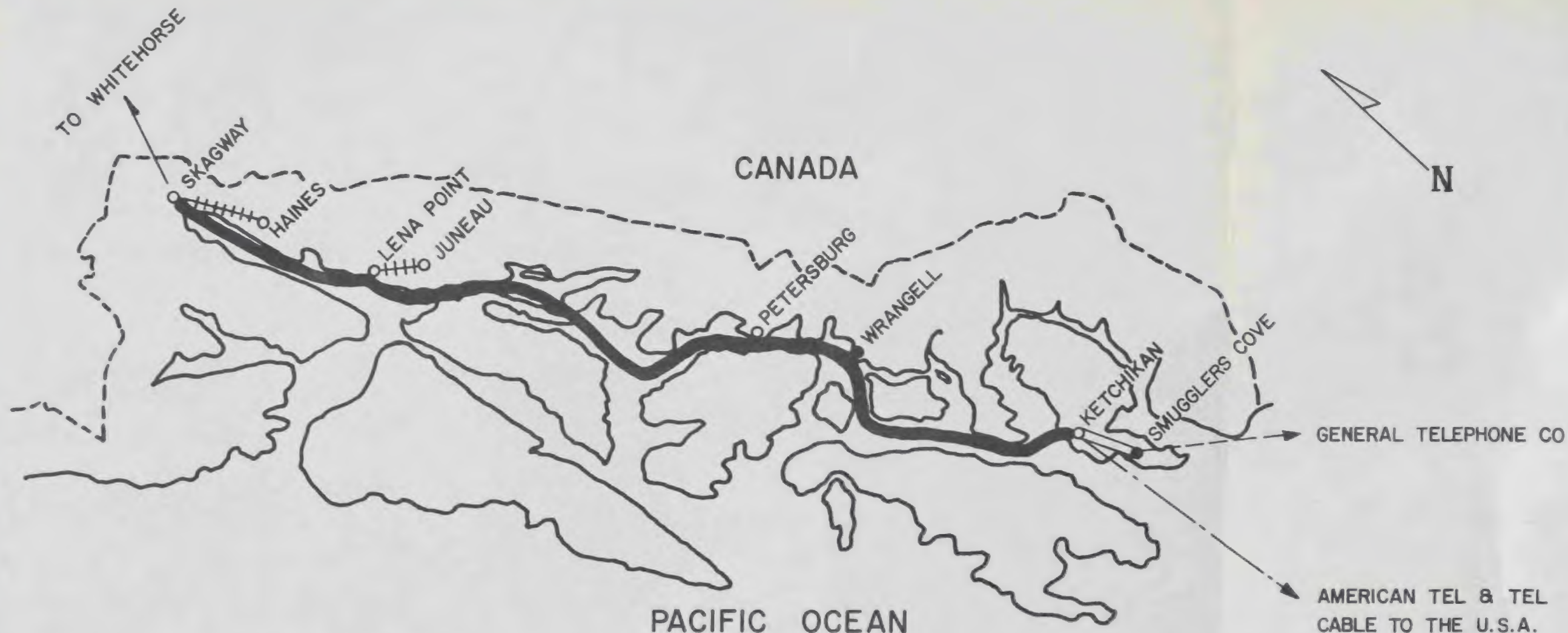
COMMENTS OF WESTERN UNION INTERNATIONAL, INC.

Western Union International, Inc. (WUI) submits
the following comments in response to the above-captioned
application by RCA Alaska Communications, Inc. (RCA):

Background

1. The instant RCA application must be considered
in the context of the following matters pending before the
Commission concerning communications in Alaska:

- (a) RCA's request for exclusive ownership and
operating rights in the microwave system connect-
ing with the satellite earth station at Talkeetna
to the exclusion of WUI and Matanuska Telephone
Association, Inc., through whose territory the
system will pass (Docket No. 18719, et al.);
- (b) RCA's request for a 50% to 100% ownership
position in the earth station at Talkeetna to



LEGEND

- UNDERSEAS COAXIAL CABLE PROPOSED TO BE PURCHASED
- ++++ AERIAL CABLE PROPOSED TO BE PURCHASED
- == RADIO RELAY

ROUTE OF CABLES TO BE PURCHASED

EXHIBIT 4

OPEN WIRE LINES PROPOSED TO BE PURCHASED

<u>SECTION</u>		<u>APPROX. DISTANCE</u>	<u>NUMBER OF CROSSARMS</u>	<u>NUMBER OF WIRES</u>	<u>CLASS OF POLES</u>	<u>PURCHASE PRICE</u>
<u>TERMINAL A</u>	<u>TERMINAL B</u>					
Fairbanks	Alaska - Canadian Border	306 Miles	Fairbanks - Eielson 2 Eielson - Tok 1 Tok - Border 2	16 8 16	4) 4) 4)	\$546,600
Anchorage	Tok Junction	326 Miles	2	16	4	\$940,000
Glenallen	Valdez	115 Miles	1	4	NA	\$347,000
				Sub-terranean Cable over Thompson Pass.	TOTAL	<u>\$1,833,600</u>



CARRIER CHANNEL GROUPS PROPOSED TO BE PURCHASED

<u>TERMINAL LOCATIONS</u>					<u>TERMINALS INCLUDED HEREIN</u>		<u>REMARKS</u>
<u>TERMINAL A</u>	<u>TERMINAL B</u>	<u>TYPE</u>	<u>NO. OF GROUPS</u>	<u>NO. OF CHANNELS</u>	<u>TERM A</u>	<u>TERM B</u>	
Anchorage	Tok	J	3	36	3	3	
Anchorage	Fairbanks	J	1	12	1	1	
Anchorage	Palmer	J	1	12	1	1	
Fairbanks	Tok	J	3	36	3	3	
Anchorage	Tok	C	2	6	2	2	
Anchorage	Glennallen	C	3	9	3	3	
Delta Junction	Fairbanks	C	3	9	3	3	
Delta Junction	Tok	C	3	9	3	3	
Tok	Whitehorse	C	1	3	1	-	
Glennallen	Tok	C	3	9	3	3	
Northway	Tok	C	2	6	2	2	
Skagway	Tok	C	1	3	1	1	
Skagway	Whitehorse	C	2	6	2	-	
Angeles Point	Ketchikan	C	1	4	-	1	
Cordova	Hinchinbrook	C	1	4	1	1	
Ketchikan	Skagway	L	1	12	1	1	
Ketchikan	Lena Point	L	3	36	3	3	
Lena Point	Skagway	L	2	24	2	2	
Juneau	Petersburg	RL	1	12	1	1	
Anchorage	Eagle River	OA	4	16	4	4	
Anchorage	Eagle River	OB	2	8	2	2	
Glennallen	Valdez	OA	2	6	2	2	
Eielson	Fairbanks	OA	1	4	1	1	
Eielson	Fairbanks	OB	3	12	3	3	
Delta Junction	Timber	OA	1	3	1	1	
Delta Junction	Sears Creek	OA	1	3	1	1	
Lake View	Tok	OA	1	3	1	1	
Skagway	Whitehorse	Lynch	2	12	2	-	
Anchorage	Willow	OB	1	4	1	1	
Anchorage	Talkeetna	OB	2	8	2	2	

<u>TERMINAL LOCATIONS</u>			<u>TERMINALS INCLUDED HEREIN</u>				
<u>TERMINAL A</u>	<u>TERMINAL B</u>	<u>TYPE</u>	<u>NO. OF GROUPS</u>	<u>NO. OF CHANNELS</u>	<u>TERM A</u>	<u>TERM B</u>	<u>REMARKS</u>
Anchorage	Talkeetna	C	1	3	1	1	
Healy	Talkeetna	C	1	3	1	1	
Fairbanks	Healy	OA	1	4	1	1	
Fairbanks	Nenana	OB	2	8	2	2	
		C	1	3	1	1	
Fairbanks	Clear	C	2	6	2	-	
Healy	Clear	1B	1	4	1	1	
Juneau	Lena Point	BN	2	24	2	2	
Lena Point	Sisters Island - Gustavus	33 B1	1	8	1	1	5 channels terminate at Gustavus and 3 at Sisters Island
Lena Point	Pelican	45 CX	1	4	1	1	
Farewell	McGrath- Minchumina	33B1	1	9	1	1	all nine channels terminate at both B terminals
Bettles	Indian Mountain	45 BX	1	8	1	-	
Blorka	Sitka	33 B1	1	8	1	1	
Hoonah	Sitka	45 BX	2	24	-	2	
Boswell Bay	Cordova	45 BX	1	12	-	1	
Boswell Bay	Cordova	33 B1	1	9	-	1	
Boswell Bay	Cordova	34 A	1	3	-	1	
Anchorage	Eagle River	J	1	12	1	1	

<u>TERMINAL LOCATIONS</u>		<u>TYPE</u>	<u>NO. OF GROUPS</u>	<u>NO. OF CHANNELS</u>	<u>TERMINALS INCLUDED HEREIN</u>		<u>REMARKS</u>
<u>TERMINAL A</u>	<u>TERMINAL B</u>				<u>TERM A</u>	<u>TERM B</u>	
Mc Grath	Tatalina	45 BX	2	16	2	-	
Dillingham	King Salmon	45 BX	1	12	1	-	
Big Mountain	Iliamna	45 BX	1	8	-	1	
Bear Creek	Tanana	45 BX	1	8	-	1	
Angoon	Hoonah	45 BX	1	12	1	-	
Bird Creek	Rainbow	45 CX	1	2	1	1	
Girdwood	Rainbow	45 CX	1	4	1	1	
Coopers Landing	Soldotna	45 CX	1	2	1	-	
Craig	Duncan Canal	45 BX	1	8	1	-	
Duncan Canal	Hydaburg	45 BX	1	4	-	1	
Haines	Skagway	45 A	1	12	1	1	
		C	1	3	1	1	
Duncan Canal	Petersburg	45 BX	1	12	-	1	
Duncan Canal	Kake	45 CX	1	4	-	1	
Driftwood Bay	Unalaska	45 CX	1	4	-	1	
Duncan Canal	Wrangell	45 BX	1	12	-	1	
Bear Creek	Tanana	45 BX	1	8	-	1	
Fairbanks	Gilmore Creek	45 BX	1	12	1	1	
Gilmore Creek	Helena	45 BX	3	36	3	-	
Anchorage	Fire Island	45 BX	6	72	6	-	
Fairbanks	Chena River	45 BX	1	12	1	-	
Boswell Bay	Valdez	45 BX	2	24	-	2	
Point Lions	Pillar Mt.	45 CX	1	4	1	-	
Port Moller	Sand Point	45 CX	1	4	-	1	

<u>TERMINAL LOCATIONS</u>					<u>TERMINALS INCLUDED HEREIN</u>		<u>REMARKS</u>
<u>TERMINAL A</u>	<u>TERMINAL B</u>	<u>TYPE</u>	<u>NO. OF GROUPS</u>	<u>NO. OF CHANNELS</u>	<u>TERM A</u>	<u>TERM B</u>	
Anchorage	Angeles Point	R	1	12	1	-	
Anchorage	Boswell Bay	R	2	24	2	-	
Anchorage	Diamond Ridge	R	3	36	3	-	
Anchorage	Fairbanks	R	3	36	3	3	
Anchorage	Grand Praire	R	1	12	1	-	
Anchorage	Juneau	R	1	12	1	-	
Anchorage	Ketchikan	R	2	24	2	2	
Anchorage	King Salmon	R	1	12	1	-	
Anchorage	Neklasson Lake	R	19	158	19	-	
Anchorage	Pedro Dome	R	2	24	2	-	
Anchorage	Pillar Mt.	R	1	12	1	-	
Anchorage	Seattle	R	1	12	1	-	
Anchorage	Soldotna	R	10	120	12	-	
Anchorage	Tok	R	3	36	3	-	
Clear	Fairbanks	R	1	12	-	1	
Delta Jct.	Fairbanks	R	2	24	-	2	
Fairbanks	Fort Youkon	R	1	12	1	-	
Fairbanks	Granite Mtn.	R	1	12	1	-	
Fairbanks	Helena	R	1	12	1	-	
Fairbanks	Murphy Dome	R	1	12	1	-	
Fairbanks	Neklasson Lake	R	2	24	2	-	
Fairbanks	Pedro Dome	R	14	168	14	-	
Fairbanks	Seattle	R	1	12	1	-	

TERMINAL LOCATIONS					TERMINALS INCLUDED HEREIN		REMARKS
TERMINAL A	TERMINAL B	TYPE	NO. OF GROUPS	NO. OF CHANNELS	TERM A	TERM B	
Duncan Canal	Ketchikan	R	1	12	-	1	
Ketchikan	Neklasson Lake	R	1	12	1	-	
Ketchikan	Seattle	R	1	12	1	-	
Ketchikan	Smugglers Cove	R	5	60	5	-	
Angeles Pt.	Juneau	R	1	12	-	1	
Duncan Canal	Juneau	R	1	12	-	1	
Hoonah	Juneau	R	3	36	-	3	
Juneau	Lena Point	R	8	96	8	8	
Juneau	Ocean Cape	R	1	12	1	-	
Hoonah	Lena Point	R	2	24	-	2	
Lena Point	Neklasson Lake	R	1	12	1	-	
Nikishka	Soldotna	R	12	60	12	-	
Nikishka	Shell "C"	LD1-2	1	3	1	1)	
Nikishka	Atlantic-Richfield	LD1-2	1	3	1	1)	Terminal B of Petroleum Co. Platform
Nikishka	W. Forelando	LD1-2	1	3	1	1)	
Nikishka	Tyonek	LD1-2	1	3	1	1)	
W. Forelands	Dolly Varden	LD1-2	1	3	1	1)	
W. Forelands	Grayling	LD1-2	1	3	1	1)	Terminals on Petroleum Co. Platform
Grayling	Trading Bay	LD1-2	1	3	1	1)	
Shell "C"	Shell "A"	LD1-2	1	3	1	1)	
Atlantic K.S.	Atlantic	LD1-2	1	3	1	1)	

CARRIER TELEGRAPH GROUPS PROPOSED TO BE PURCHASED

<u>TERMINAL LOCATIONS</u>				<u>TERMINALS INCLUDED</u>	
<u>TERM A</u>	<u>TERM B</u>	<u>TYPE</u>	<u>NO. CHANS.</u>	<u>TERM A</u>	<u>TERM B</u>
Anchorage	Adak	43-A-1	12	1	-
"	King Salmon	43-A-1	12	1	-
"	Anchorage Airport	43-A-1	20	2	-
"	Aleyska	43-A-1 2340 Lenkurt 1		1	1
"	Boswell Bay	43-A-1	11	1	-
Anchorage	Cold Bay	43-A-1	12	1	-
"	Cordova (Air- port)	43-A-1	9	2	-
"	Cordova (city)	43-A-1 23-A-1	9	1	1
"	Diamond Ridge	43-A-1	6	1	-
"	Eielson	43-A-1	8	1	-
Anchorage	Fairbanks	43-A-1	30	2	2
"	Fire Island	43-A-1	12	1	-
"	Healy	43-A-1	2	1	-
"	Indian House	43-A-1 130 C1*	1	1	1
Anchorage	Juneau	43-A-1	17	1	1
Kanakanak	King Salmon	2340 Lenkurt	1	-	1
Anchorage	Kalakaket	43-A-1	16	1	-
"	Neklasson Lake	43-A-1	30	2	-
"	Ketchikan	43-A-1	15	1	1
"	Kodiak	43-A-1	12	1	-
"	Palmer	43-A-1 23-A-1	6	1	1
Anchorage	Pedro Dome	43-A-1	32	2	-
"	Pillar Mt.	43-A-1	17	1	-
"	Sacramento	43-A-1	17	1	-
"	Seattle	43-A-1	28	2	-
"	Salt Lake City	43-A-1	17	1	-
Anchorage	Soldotna	43-A-1	32	2	-
"	Shemya	43-A-1	12	1	-
"	Talkeetna	43-A-1	4	1	1
"	Tok	43-A-1	6	1	-
"	Summit	43-A-1 130 C1*	2	1	1

TERMINAL LOCATIONS				TERMINALS INCLUDED	
TERM A	TERM B	TYPE	NO. CHANG.	TERM A	TERM B
Anchorage	Valdez	43-A-1	5	1	1
Anchorage	Wildwood	43-A-1	27	2	-
"	Whitehorse	43-A-1	12	1	-
Angoon	Hoonah	2340 Linkurt	1	1	-
Cordova (city)	Cordova (airpt)	23-A-1	3	1	-
Craig	Duncan Canal	43-A-1	3	1	-
Chena River	Fairbanks	23-A-1	4	1	1
		43-A-1			
Clear -	Ketchikan	43-A-1	1	-	1
Driftwood Bay	Unalaska	2340 Linkurt	2	-	1
Duncan Canal	Ketchikan	43-A-1	8	-	1
Dillingham	King Salmon	2340 Linkurt	2	1	-
Fairbanks	Nenana	43-A-1	6	2	-
Fairbanks	Gilmore Creek	43-A-1	3	1	-
Fairbanks	North Pole	43-A-1	3	1	-
		2340 Sub Set *			
Fairbanks	Neklasson Lake	43-A-1	9	1	-
Fairbanks	Pedro Dome	43-A-1	24	2	-
Fairbanks	Site Tare	43-A-1	1	1	-
		2340 Sub Set *			
Hoonah	Juneau	43-A-1	17	-	1
Hoonah	Ketchikan	43-A-1	12	-	1
Hoonah	Sitka	23-A-1	16	-	1
Haines	Pump Station	43-A-1	1	1	1
	at Canadian Border	130 B*			
Haines	Juneau	23-A-1	10	1	1
		43-A-1			
Haines	Skagway	23-A-1	2	1	1
		43-A-1			
Juneau	Ketchikan	43-A-1	17	1	1
Juneau	Pelican	43-A-1	3	1	1
		23-A-1			
Juneau	Petersburg	43-A-1	8	1	1
		23-A-1			
Juneau	Skagway	43-A-1	9	1	1

<u>TERMINAL LOCATIONS</u>			<u>NO. CHANS.</u>	<u>TERMINALS INCLUDED</u>	
<u>TERM A</u>	<u>TERM B</u>	<u>TYPE</u>		<u>TERM A</u>	<u>TERM B</u>
Kenai	Soldotna	2340			
		Lenkurt	1	1	-
Ketchikan	Neklasson	43-A-1	17	1	-
	Lake				
Ketchikan	Prince Rupert	43-A-1	6	1	-
Ketchikan	Smugglers Cove	43-A-1	7	1	-
Ketchikan	Sitka	43-A-1	1	1	1
		2340 Lenkurt			
Ketchikan	Wrangel	43-A-1	12	1	1
		23-A-1			
Ketchikan	Wildwood	43-A-1	3	1	-
Pedro Dome	Prudhoe Bay	23-A-1	7	-	1
Skagway	Whitehorse	43-A-1	6	1	-
Solid Rock	Soldotna	130 C1*	1	1	-
Beaver Creek	Tok	43-A-1	1	-	1
Lakeview	Tok	43-A-1	1	1	1
Northway	Tok	43-A-1	4	-	1
Tok	Whitehorse	43-A-1	5	1	-
Glennallen	Neklasson Lake	43-A-1	12	-	-
Glennallen	Pedro Dome	43-A-1	9	1	-
Delta Junction	Pedro Dome	43-A-1	16	1	-
Delta Junction	Sears Creek	43-A-1	1	1	1
Delta Junction	Timber	43-A-1	1	1	1
Fairbanks	North Pole	43-A-1	1	1	-
Nikishki	Soldotna	43-A-1	2	2	-

CIRCUITS FOR WHICH AUTHORITY IS

REQUESTED TO LEASE

U. S. DEPARTMENT OF DEFENSE

ANCHORAGE & FAIRBANKS NORTH & EAST

<u>SECTION</u>	<u>NO. CIRCUITS TO LEASE</u>
Anchorage - Neklasson Lake (Joint Circuit)	270
Neklasson Lake - Glenallen	225
Glenallen - Pedro Dome	145
Pedro Dome - Fairbanks (Joint Circuit)	211
Pedro Dome - Clear	84
Clear - Delta Junction	84
Delta Junction - Tok	88
Tok - Canadian Border (To Whitehorse)	167

PEDRO DOME NORTH & WEST

<u>SECTION</u>	<u>NO. CIRCUITS TO LEASE</u>
Pedro Dome - Bear Creek	55
Bear Creek - Kalakaket	45
Kalakaket - North River	43
North River - Granite Mtn.	37
Granite Mtn. - Kotzebue	15
Kotzebue - Lisburne	7
Lisburne - Wainwright	5
Wainwright - Point Barrow	6
Point Barrow - Oliktok	6
Pedro Dome - Ft. Yukon	37
Ft. Yukon - Barter Island	36

MISCELLANEOUS SECTION NORTH & WEST OF FAIRBANK

<u>SECTION</u>	<u>NO. CIRCUITS TO LEASE</u>
Bear Creek - Tanana (Joint Circuit)	5
Bear Creek - Indian Mt.	3
Indian Mt. - Beetles (Joint Circuit)	1
North River - Unalakleet	6
Granite Mtn. - Moses Pt.	1
Granite Mtn. - Nome	23
Nome - Northeast Cape	6
Northeast Cape - Teller	4
Lisburne - Point Hope	1
Oliktok - Franklin Bluff	1
Kalakaket - Galena	1
Delta Junction - Ft. Greely	6
Fairbanks - North Pole (Joint Circuit)	7

FROM ALASKAN RAILROAD

<u>SECTION</u>	<u>NO. CIRCUITS TO LEASE</u>
Nenana - Clear (Joint Circuit)	20
Clear - Healy (Joint Circuit)	11
Anchorage - Wasilla	8

FROM U. S. DEPARTMENT OF DEFENSE

ANCHORAGE - JUNEAU - KETCHIKAN - SKAGWAY

<u>SECTION</u>	<u>NO. CIRCUITS TO LEASE</u>
Neklasson Lake - Boswell Bay	68
Boswell Bay - Yakataga	53
Yakataga - Ocean Cape	51
Ocean Cape - Yakuta	7
Ocean Cape - Hoonah	58
Hoonah - Lena Point (Joint Circuit)	91

<u>SECTION</u>	<u>NO. CIRCUITS TO LEASE</u>
Hoonah - Duncan Canal	59
Duncan Canal - Kake (Joint Circuit)	6
Duncan Canal - Petersburg (Joint Circuit)	12
Duncan Canal - Craig (Joint Circuit)	9
Craig - Hydaburg (Joint Circuit)	3
Duncan Canal - Smugglers Cove	95
Smugglers Cove - Annette	10
Smugglers Cove - Ketchikan (Joint Circuit)	37
Duncan Canal - Wrangel (Joint Circuit)	16
Skagway - Canadian Border (To Whitehorse)	26

MISCELLANEOUS IN SOUTHEAST ALASKA

<u>SECTION</u>	<u>NO. CIRCUITS TO LEASE</u>
Hoonah - Sitka (Joint Circuit)	28
Hoonah - Tenakee	2
Hoonah - Angoon (Joint Circuit)	6
Juneau - Snettisham	4

ANCHORAGE SOUTH & WEST

<u>SECTION</u>	<u>NO. CIRCUITS TO LEASE</u>
Anchorage - Soldotna (Joint Circuit)	252
Soldotna - Cooper Landing (Joint Circuit)	2
Soldotna - Tyonek	2
Soldotna - Kenai	27
Soldotna - North Kenai	55
Soldotna - Ninilchik	7
Soldotna - Diamond Ridge	131
Diamond Ridge - Pillar Mtn.	51
Pillar Mtn. - Kodiak	45
Pillar Mtn. - Port Lions	6
Diamond Ridge - Homer	27
Diamond Ridge - Big Mtn.	53

ANCHORAGE SOUTH & WEST (CON'T)

<u>SECTION</u>	<u>NO. CIRCUITS TO LEASE</u>
Big Mtn. - King Salmon	37
King Salmon - Port Heiden	13
Port Heiden - Port Moller	13
Port Moller - Sand Point (Joint Circuit)	3
Port Moller - Cold Bay	8
Cold Bay - Driftwood Bay	2
Driftwood Bay - Unalaska (Joint Circuit)	2

ANCHORAGE TO SEWARD

<u>SECTION</u>	<u>NO. CIRCUITS TO LEASE</u>
Anchorage - Rainbow (Joint Circuit)	33
Rainbow - Portage (Joint Circuit)	30
Portage - Whittier	6
Portage - Girdwood (Joint Circuit)	6
Portage - Seward	18

MISCELLANEOUS WEST OF ANCHORAGE

<u>SECTION</u>	<u>NO. CIRCUITS TO LEASE</u>
Bit Mtn. - Ilimna (Joint Circuit)	1
Big Mtn. - Sparrevohn	17
Sparrevohn - Tatalina	5
Tatalina - Kalakaket	1
Tatalina - McGrath (Joint Circuit)	6
Sparrevohn - Aniak	14
King Salmon - Dillingham (Joint Circuit)	18
Palmer - Wasilla	3
Wasilla - Big Lake	3
Aniak - Bethel	18
Bethel - Romanzof	2
Bethel - Newenham	2

FROM AMERICAN TEL. & TEL. CO.

<u>SECTION</u>	<u>NO. CIRCUITS TO LEASE</u>
Ketchikan - Seattle	24

FROM GENERAL TEL. & ELECTRONICS CO.

<u>SECTION</u>	<u>NO. CIRCUITS TO LEASE</u>
Smugglers Cove - Canadian Lower 48 Border	36

FROM CNT. & U.S. DEPARTMENT OF DEFENSE

<u>SECTION</u>	<u>NO. CIRCUITS TO LEASE</u>
Alaska - Canadian Border - Whitehorse	167
Whitehorse - Edmonton	126
Edmonton - Canadian - U.S. Border	120

Note: Authority to rent 120 circuits from Comsat between Alaska and the lower 48 states is being requested in a separate application.

CIRCUIT DATA

ANCHORAGE - NEKLASSON CROSS-SECTION

<u>CIRCUIT GROUP</u>	<u>IN SERVICE DEC. 1968</u>	<u>AS REQUESTED HEREIN</u>	<u>REQUIREMENTS 1976</u>
Anchorage - Cordova	6	15	23
Anchorage - Edmonton	4	6	8
Anchorage - Fairbanks	14	64	95
Anchorage - Glennallen	6	16	24
Anchorage - Juneau	15	28	40
Anchorage - Ketchikan	16	19	25
Anchorage - Neklasson Lake	10	13	19
Anchorage - Lower 48	45	75 (155)	115 (250)
Anchorage - Whitehorse	2	3	5
Anchorage - Yakataga	1	2	3
Anchorage - Valdez	- (6)	13	19
Fairbanks - Lower 48	- (15)	40 (85)	85 (150)
Total in Cross-section	119	294	461
Number owned	---	24	---
Number Proposed to be Leased	---	270	---

() Figures in parenthesis show total in group; balance in other sections.

CIRCUIT DATA

NEKLASSON LAKE - BOXWELL BAY CROSS - SECTION

<u>CIRCUIT GROUP</u>	<u>IN SERVICE DEC. 1968</u>	<u>AS REQUESTED HEREIN</u>	<u>REQUIREMENTS 1976</u>
Anchorage - Cordova	6	15	23
Anchorage - Juneau	- (15)	10 (28)	- (40)
Anchorage - Ketchikan	16	19	25
Anchorage - Yakataga	1	2	3
Fairbanks - Ketchikan	3	14	20
Neklasson Lake - Ketchikan	3	8	8
<hr/>			
Total in Cross - section	39	68	79
Number Proposed to be leased	-	68	-

() Figures in parenthesis show total in group; balance in other sections.

CIRCUIT DATAFAIRBANKS - PEDRO DOME CROSS - SECTION

<u>CIRCUIT GROUP</u>	<u>IN SERVICE DEC. 1968</u>	<u>AS REQUESTED HEREIN</u>	<u>REQUIREMENTS 1976</u>
Anchorage - Fairbanks	14 (26)	52 (64)	95
Barter Island - Fairbanks	1	1	1
Bettles - Fairbanks	1	1	1
Fairbanks - Galena	1	1	1
Fairbanks - Farewell	1	1	1
Fairbanks - Ft. Yukon	1	1	1
Fairbanks - Ketchikan	8	14	20
Fairbanks - Kotzebue	4	9	12
Fairbanks - Moses Pt.	1	1	1
Fairbanks - North Slope	-	10	15
Fairbanks - Nome	7	17	25
Fairbanks - Pt. Barrow	4	9	12
Fairbanks - Pt. Hope	1	1	1
Fairbanks - Lower 48	-- (15)	65 (85)	130 (150)
Fairbanks - Tanana	1	5	7
Fairbanks - Franklin Bluff	1	1	1
Fairbanks - Teller	--	4	6
Fairbanks - Unalakleet	2	6	8
Fairbanks - Pedro Dome	4	4	6
Fairbanks - Juneau	6	16	30
Fairbanks - Indian Mtn. (Bush)	-	2	2
Fairbanks - Kalakaket (Bush)	-	2	2
<hr/>			
Total in Cross - section	58	223	378
Number Owned	---	12	---
Number Proposed to be Leased	---		---

211

() Figures in parenthesis show total in group; balance in other sections

CIRCUIT DATA

TOK - WHITEHORSE CROSS - SECTION

<u>CIRCUIT GROUP</u>	<u>IN SERVICE DEC. 1968</u>	<u>AS REQUESTED HEREIN</u>	<u>REQUIREMENTS 1976</u>
Anchorage - Edmonton	4	6	8
Anchorage - Juneau	15	28	40
Anchorage - Lower 48	45	75 (155)	115 (250)
Anchorage - Whitehorse	2	3	5
Fairbanks - Lower 48	15	45 (85)	85 (150)
Fairbanks - Juneau	<u>6</u>	<u>16</u>	<u>30</u>
Total In Cross - section	87	173	283
Number Owned	--	6	--
Number Proposed to be Leased		167	

() Figures in parenthesis show total in group; balance in other sections.

CIRCUIT DATA

DIAMOND RIDGE - BIG MOUNTAIN SECTION

<u>CIRCUIT GROUP</u>	<u>IN SERVICE DEC. 1968</u>	<u>AS REQUESTED HEREIN</u>	<u>REQUIREMENTS 1976</u>
Anchorage - Aniak	1	1	1
Anchorage - Bethel	4	9	13
Anchorage - Cold Bay	3	4	5
Anchorage - Dillingham	2	18	25
Anchorage - Iliamna	1	1	1
Anchorage - King Salmon	5	8	12
Anchorage - Mc Grath	1	5	7
Anchorage - Unalaska	2	2	3
Anchorage - Sand Point	-	3	4
Anchorage - Bethel (Bush)	-	2	2
Total in Cross - section	19	53	73
Number Proposed to be Leased	-	53	-

CIRCUIT DATA

LENA POINT - PETERSBURG

DUNCAN CANAL - SMUGGLERS COVE CROSS-SECTION

<u>CIRCUIT GROUP</u>	<u>IN SERVICE DEC. 1968</u>	<u>AS REQUESTED HEREIN</u>	<u>REQUIREMENTS 1976</u>
Anchorage - Ketchikan	16	19	25
Craig - Ketchikan	4	6	8
Fairbanks - Ketchikan	8	14	20
Hydaburg - Ketchikan	2	3	4
Juneau - Ketchikan	15	24	30
Juneau - Petersburg	8	6 (22)	6 (32)
Juneau - Lower 48	-- (17)	29 (35)	60
Ketchikan - Neklasson Lake	8	8	8
Ketchikan - Wrangle	7	16	23
<hr/>			
Total in Cross-section	68	125	184
Owned	--	30	--
Number Proposed to be Leased	--	95	--

() Figures in parenthesis show total in group; balance in other sections.

CIRCUIT DATAANCHORAGE - SOLDATNA CROSS-SECTION

<u>CIRCUIT GROUP</u>	<u>IN SERVICE DEC. 1968</u>	<u>AS REQUESTED HEREIN</u>	<u>REQUIREMENTS 1976</u>
Anchorage - Aniak	1	1	1
Anchorage - Bethel	4	9	13
Anchorage - Cold Bay	3	4	5
Anchorage - Cooper Ldg.	1	2	3
Anchorage - Dillingham	2	18	25
Anchorage - Homer	5	27	41
Anchorage - Iliamna	1	1	1
Anchorage - Kenai	15	27	40
Anchorage - King Salmon	5	8	12
Anchorage - McGrath	1	5	7
Anchorage - N. Kenai	10	55	83
Anchorage - Ninilchik	1	7	11
Anchorage - Kodiak	10	45	66
Anchorage - Port Lions	2	6	8
Anchorage - Sand Point	-	3	4
Anchorage - Soldatna	10	28	40
Anchorage - Tyonek	-	2	3
Anchorage - Unalaska	2	2	3
Anchorage - Bethel (Bush)	-	2	2
Total in Cross-section	73	252	368
Number Proposed to be Leased	-	252	-

CURCUIT DATA

KALAKAKET - NORTH RIVER CROSS-SECTION

<u>CIRCUIT GROUP</u>	<u>IN SERVICE DEC, 1968</u>	<u>AS REQUESTED HEREIN</u>	<u>REQUIREMENTS 1976</u>
Fairbanks - Franklin Bluff	1	1	1
Fairbanks - Kotzebue	4	9	12
Fairbanks - Nome	4	17	25
Fairbanks - Pt. Barrow	4	4 (9)	- (12)
Fairbanks - Pt. Hope	1	1	1
Fairbanks - Teller	- (0)	4	6
Fairbanks - Unalakleet	2	6	8
Fairbanks - Moses Point	1	1	1
Total in Cross-section	17	43	54
Number Proposed to be Leased	-	43	-

() Figures in parenthesis show total in group; balance on other routes

EXHIBIT 11

INTERSTATE PUBLIC COMMERCIAL TELEGRAPH RATE SCHEDULE

(Excluding Western Union Charges)

<u>Alaska Area</u>	<u>Rate Zone</u>		<u>DAY TELEGRAM</u>		<u>OVERNIGHT TELEGRAM</u>	
			<u>15 Wds. Or Less</u>	<u>Ea Addl Word</u>	<u>50 Wds. Or Less</u>	<u>Ea Addl 5 Or Less</u>
1	9	Pres	\$1.50	\$.075	\$1.25	\$.085
		Prop	1.50	.075	1.25	.085
2	10	Pres	2.20	.105	1.75	.120
		Prop	1.50	.075	1.25	.085
3	11	Pres	2.60	.105	2.05	.120
		Prop	1.50	.075	1.25	.085

The above rates are for this Company only; Alaskan connecting line charges, if applicable, are additional.

Private Line Telephone Service Rate Schedule

<u>Interexchange Channels</u>		<u>Rate Per Mile Per Month</u>	
<u>Half-duplex service 7 days per week</u>		<u>Pres.</u>	<u>Prop.</u>
First 250 miles		\$3.50	\$3.50
Next 250 miles		3.15	3.15
Over 500 miles		2.80	2.80
<u>Duplex service</u>			
The half-duplex rate		Plus 25% Plus 25%	

EXHIBIT 11

REVISED TARIFF SCHEDULES: INTERSTATE MESSAGE TOLL TELEPHONE RATES

Rate Index		STATION-TO-STATION						PERSON-TO-PERSON			
		DAY		EVENING		NIGHT SAT & SUN		DAY		EVE, NIGHT SAT & SUN	
		First	Each	First	Each	First	Each	First	Each	First	Each
		3 Mins	Addl Min	3 Mins	Addl Min	3 Mins	Addl Min	3 Mins	Addl Min	3 Mins	Addl Min
1	Pres	\$3.50	\$1.15	\$2.75	\$.90	\$2.00	\$.65	\$6.00	\$1.15	\$5.00	\$.90
	Prop	2.70	.90	2.10	.70	1.35	.45	5.20	.90	4.60	.70
2	Pres	4.50	1.50	3.75	1.25	2.50	.80	7.50	1.50	6.25	1.25
	Prop	3.40	1.10	2.60	.85	1.70	.55	5.90	1.10	5.10	.85
3	Pres	5.50	1.80	4.50	1.50	3.00	1.00	9.00	1.80	7.50	1.50
	Prop	4.10	1.35	3.10	1.00	2.05	.65	6.60	1.35	5.60	1.00
4	Pres	7.00	2.30	6.00	2.00	3.50	1.15	10.50	2.30	8.25	2.00
	Prop	4.75	1.55	3.60	1.20	2.35	.75	7.25	1.55	6.10	1.20
5 #	Pres	7.00	2.30	6.00	2.00	4.75	1.55	10.50	2.30	8.25	2.00
	Prop	7.00	2.30	6.00	2.00	4.75	1.55	10.50	2.30	8.25	2.00

Applies to Hawaii only.

		MIDNIGHT**	
		First	Each
		3	Addl
		Mins	Min
1	*Pres	\$2.00	\$.65
	Prop	1.00	.30
2	*Pres	2.50	.80
	Prop	1.25	.40
3	*Pres	3.00	1.00
	Prop	1.50	.50
4	*Pres	3.50	1.15
	Prop	1.75	.55

* Night Rate - no midnight rate presently offered.

** Applicable midnight to 7:00 a.m. Pacific standard time; i.e., 10:00 p.m. to 5:00 a.m. at local time in Alaskan rate zones 2 and 3 which include Anchorage, Fairbanks and points to the West.

EXHIBIT 11

Effective Date
1 October 1968

ALASKA COMMUNICATION SYSTEM

REGULATIONS and TARIFFS

INTERSTATE MESSAGE TOLL TELEPHONE SERVICE

3. RATES (Continued)

c. Rate indexes for each State and Alaska Area:

State	Alaska Area			State	Alaska Area			State	Alaska Area		
	1	2	3		1	2	3		1	2	3
	(Rate Index)				(Rate Index)				(Rate Index)		
Alabama	3	4	4	Maine	3	4	4	Ohio	3	3	4
Arizona	2	3	4	Maryland	3	4	4	Oklahoma	3	3	4
Arkansas	3	3	4	Massachusetts	3	4	4	Oregon	1	2	3
California	2	3	4	Michigan	3	3	4	Pennsylvania	3	4	4
Colorado	2	3	4	Minnesota	2	3	4	Rhode Island	3	4	4
Connecticut	3	4	4	Mississippi	3	4	4	So. Carolina	3	4	4
Delaware	3	4	4	Missouri	3	3	4	South Dakota	2	3	4
Dist. of Col.	3	4	4	Montana	2	3	4	Tennessee	3	4	4
Florida	3	4	4	Nebraska	2	3	4	Texas	3	3	4
Georgia	3	4	4	Nevada	2	3	4	Utah	2	3	4
Hawaii	5	5	5	New Hampshire	3	4	4	Vermont	3	4	4
Idaho	1	2	3	New Jersey	3	4	4	Virginia	3	4	4 (T)
Illinois	3	3	4	New Mexico	2	3	4	Washington	1	2	3
Indiana	3	3	4	New York	3	4	4	West Virginia	3	4	4 (T)
Iowa	2	3	4	No. Carolina	3	4	4	Wisconsin	3	3	4
Kansas	3	3	4	North Dakota	2	3	4	Wyoming	2	3	4
Kentucky	3	4	4								
Louisiana	3	3	4								

EXHIBIT 11

Effective Date
1 November 1960

ALASKA COMMUNICATION SYSTEM REGULATIONS and TARIFFS TELEPHONE and TELEGRAPH TOLL MILEAGE

GENERAL.

a. Toll Mileages and Rate Zones or Areas contained herein are for use in determining tolls on telegraph and telephone message traffic only. Under no condition will these mileages be used for the determination of charges for private line interexchange channels.

b. Toll mileage distance over 40 miles is computed between centers of square areas (blocks and sections) in which rate centers are located, as indicated on a scaled map of Alaska published by U. S. Geological Survey, and retained in Hqs 1929 Communications Group (ACS). Distances of less than 40 miles are scaled between locations of rate centers as indicated on maps issued by U.S. Coast & Geodetic Survey. Scale 1:1,500,000. Measured distances of any fraction of a mile are considered as the next whole mile.

c. A Rate Center is defined as a geographical location from which mileage measurements are made for the application of interexchange mileage rates.

d. Interstate telegraph and telephone Alaska rate zones and areas are defined as follows:

(C)	Telephone Rate Area	Rate Center Location	Telegraph Rate Zone
	1	East of 140 degrees W. Long.	9
	2	Between 140 and 160 degrees W. Longitude lying south of 66 degrees N. Latitude.	10
	3	All portions of Alaska lying either west of 160 degrees W. Longitude <u>or</u> north of 66 degrees N. Latitude.	11
(C)			

REVENUES, EXPENSES, TAXES, AND RETURN

FISCAL YEARS

	<u>1971</u>	<u>1972</u> ("000" omitted)	<u>1973</u>	<u>1974</u>	<u>1975</u>
Revenues (In-line)					
Telephone toll					
Intrastate	\$ 2 883	\$ 3 114	\$ 3 363	\$ 3 615	\$ 3 886
Interstate	18 219	21 972	25 992	30 306	34 760
Telegraph toll	692	692	692	692	692
Private Lines	1 888	2 171	2 475	2 797	3 133
Telex	105	210	315	337	360
Other	1 250	1 280	1 308	1 325	1 340
Total	<u>\$25 037</u>	<u>\$29 439</u>	<u>\$34 145</u>	<u>\$ 39 072</u>	<u>\$ 44 171</u>
Expenses					
Repair & Maintenance	\$ 3 358	\$ 4 173	\$ 4 439	\$ 4 419	\$ 4 333
Depreciation	2 147	2 765	3 052	3 116	3 135
Traffic	3 900	3 100	3 656	4 332	5 079
Other line costs	11 667	14 094	15 126	16 911	18 575
Other commercial	960	1 008	1 058	1 110	1 167
Administration	3 350	2 737	2 915	3 060	3 215
Total	<u>\$25 382</u>	<u>\$27 877</u>	<u>\$30 246</u>	<u>\$ 32 948</u>	<u>\$ 35 504</u>
Net Operating Revenue	\$ (345)	\$ 1 562	\$ 3 899	\$ 6 124	\$ 8 667
State & Local taxes	577	971	1 302	1 540	1 782
Federal Inc. tax	(973)	(389)	516	1 471	2 592
Operating Income	\$ 51	\$ 980	\$ 2 081	\$ 3 113	\$ 4 293
Average Gross Plant	\$39 043	\$50 274	\$55 491	\$ 56 660	\$ 57 007
Depreciation Reserve	4 189	5 619	7 395	9 615	12 165
Average Net Plant	34 854	44 655	48 096	47 045	44 842
Working Capital	4 598	5 418	6 294	7 219	8 175
Rate Base (Net Investment)	39 452	50 073	54 390	54 264	53 017
Rate of Return	.1	2.0	3.8	5.7	8.1

()Negative amount

EXHIBIT 12

RCA

September 26, 1969

MEMORANDUM FOR GENERAL O'CONNELL

RCA Global Communications has expressed to me their concern about competing applications filed with the FCC for microwave communication links between the Talkeetna Earth Station and Anchorage. They point out that in the ACS sale agreement they made commitments for system improvements, service extensions, and cost reductions that were based on an entire system plan. Should the FCC approve a number of competing applications for various communication links in Alaska, it would seem difficult or unfair to hold RCA to their prior commitments. If you think it would be advisable, could you work with the Air Force to prepare a letter to the FCC stating the terms of sale for the ACS, the nature of RCA's commitments, and a statement to the effect that these facts should be considered in future FCC hearings. I do not think we want to take the position that the RCA plan is inviolate or that RCA has a monopoly position in Alaska communications, but should simply indicate that RCA's commitments were based on certain assumptions that may not hold depending on FCC decisions.

Governor Scranton needs to make sure that Department of Defense views regarding the INTELSAT negotiations are adequately represented. He is proceeding on the assumption that your office is providing DOD representation in the INTELSAT delegation. Could you, by memorandum or phone call, reassure the Governor that this is the case and tell him what continuing arrangements will be made after October 1st.

Clay T. Whitehead
Staff Assistant

cc: Mr. Flanigan
Mr. Whitehead ✓
Central Files

CTWhitehead:ed

RCA

July 8, 1969

Dear Mr. Sarnoff:

The President has asked that I reply to your letter of June 26th regarding the approval of the sale to RCA Global Communications of the Alaska Communications System.

The RCA proposals for extending new services and expanding coverage will certainly benefit the State of Alaska. The early availability of efficient, high-quality communications is an important matter for the people of Alaska, and I am sure that RCA will work earnestly toward that end.

Sincerely,

Peter M. Flanigan
Assistant to the President

Mr. Robert W. Sarnoff
President and Chief Executive Officer
RCA Global Communications
30 Rockefeller Plaza
New York, New York 10020

cc: Mr. Flanigan
Mr. Hofgren
Mr. Trent
Mr. Whitehead
Central Files

CTWhitehead:ed

The President
The White House
Washington, D.C. 20006

Robert W. Sarnoff
President and
Executive Officer

My dear Mr. President:

June 26, 1969

I would like to express my warm appreciation for your approval of the sale to RCA Global Communications of the Alaska Communication System.

All of us at RCA are proud at being granted the opportunity to assume the vital and challenging task of providing the principal commercial communications service for the State of Alaska. We have long been associated with major civilian and military communications projects throughout the state, and the experience has given us an insight into its special needs as well as a deep respect for its pioneering spirit.

It will be our objective to serve the people of Alaska with the most efficient, most modern, and most economical communications facilities anywhere in the world. To you and to them, I pledge the full mobilization of RCA's skills and resources to this end.

Cordially,



Robert W. Sarnoff

RCA Global Communications, Inc
60 Broad Street | New York, NY 10004 | Telephone (212) 363-4200
Howard R Hawkins President

RCA

RCA Global Communications Inc.
725 K Street NW | Washington, DC 20006 | Telephone (202) 337-8500
W Tuft Vice President, Washington, DC

RCA

RCA
Global
Communications

Thursday 5/29/69

3:40 I have scheduled the meeting for Leonard Tuft, VP
of RCA Global Communications, and Frank Adams
for next Monday (6/2) at 11:30 a.m.



RCA

Customers interested in are not Xmen
Rostow

Already merges in effort of Xmen ports

Correct
seeking to spread charter

747 analogy

with station complaint

Permissive rather than mandatory merger

No release

FCC

good job under constraints

rapid technical change / time pressure

lots of red tape but no policy

Govt as much as regulator