

Bill introduced to hold rural phone rates

Legislation that would provide protection against skyrocketing rural telephone rates in Alaska as the phone industry is deregulated was introduced last week by Sen. Ted Stevens.

Drafted in cooperation with Gov. Bill Sheffield and cosponsored by Sen. Frank Murkowski, the bill would assure that rates for basic telephone service do not exceed 110 percent of the national average for comparable service.

"This legislation would be a major step toward preserving the goal of universal service for all telephone users, rural and non-rural alike. Without this type of protection, telephone rates in Alaska could very well triple over the next several years," Stevens said.

Through a slight surcharge of one or two cents per month on phone users in high density phone use areas, a rate subsidy pool would be established. These funds would subsidize service in high cost areas such as Alaska, where distances are great and the population is low, according to Stevens.

"It will be one of my top priorities to assure that Alaskans and other rural phone users are not left out of the future of telecommunications, as dramatic changes in the service and rate structure of our telecommunications industry are contemplated," Stevens said.

Murkowski said, "The effect of telephone deregulation in Alaska will be to dramatically increase the cost of local and intrastate phone calls, making phone service available only to those who can afford the high price. This legislation will continue to hold down our costs and make telephone service available to the majority of Alaskans."

Governor Sheffield said that Alaska and other states with large areas have a serious problem in maintaining rural telephone service because of low population density and high operating costs.

"I raised this issue before the National Governors Association in Washington, D.C. two months ago," the governor said. "Subsequently, my administration testified on behalf of six other western states before the FCC on the need to maintain rural telephone service at an affordable level."

The Joint Rate-Making Board of the Federal Communications Commission met earlier this year and recommended another plan to protect rural rates. However, those proposals would still allow rural

rates to almost double, the Alaska officials said.

As a result of last year's lawsuit against AT&T and other industry changes, the tele-

phone industry is undergoing deregulation.