

## **Bob Walp**

Interviewed by Hilary Hilscher

October 2000

*Ed. Note: The day before this taping, Bob and I talked about his early interest in the developing technology of satellites, and how that led him to pitch the state of Alaska on the possibility of using satellite to communicate over Alaska's vast distances and challenging terrain.*

### **Tape 1, Side A**

Hilary: We had talked a little bit yesterday just about your getting into Alaska and how that was sort of a move around the corner from Brazil. That was a great story. And so you ended up talking to Bob Arnold [then director of the Alaska Educational Broadcasting Commission] and they needed a director for the program and that turned out to be [Chuck Buck.]

Bob: That's right. They were going to grease me into that job.

Hilary: Exactly.

Bob: The governor, as I said, thought it [exploring the potential of satellite technology] was such a great idea he just put Chuck Buck in the job and that was that.

Hilary: So talk about your connection. How did you continue with Alaska at that time?

Bob: Well, I sold it [the idea of applying satellite technology to Alaska] to NASA and then sold it to the Educational Broadcasting Commission. I guess that was really through the Joint Council on Educational Telecommunications and we helped support the development of the program plans for the ATS-6 (Applied Technology Satellite) Health and Education Telecommunication experiment, I guess it was called.

Hilary: Yeah.

Bob: Back... and this was well in the early 70s, and it was, coincidentally, you know, just after RCA had purchased the ACS from the military and created Alascom. The Federal Communication Commission requested RCA to submit a plan. This was the "Red Book." Remember the "Red Book"?

Hilary: Uh-huh.

Bob: Okay, (the Red Book was) detailing its program for covering Alaska and getting into the Bush villages. And I don't remember... there was this sort of tacit assumption that any community of over 25 – Molly Hootch – would have to have telecommunication services.

Hilary: That's where that came from...it was the connection to the Molly Hootch case.

Bob: And I don't know exactly where that... I sort of think, Bob Arnold...

Hilary: I'll ask him.

Bob: ...sort of decided that would be the criteria, you know. What else do you have to go by?

Hilary: Yeah.

Bob: And such. It was very interesting, of course, how policies just get established by fiat, by whim, you know... and things like this.

Hilary: I love that story about it (having been) switched to India from Brazil.

Bob: Yeah, yeah.

Hilary: That's amazing.

Bob: Well how I switched from Brazil to Alaska is really what happened.

Hilary: Exactly.

Bob: Because of India... but that was sort of a tangential thing.

Hilary: Yeah, yeah

Bob: So the state... The FCC then referred the plan to the state.

Hilary: Right.

Bob: As a courtesy, I guess, they just sent it to the Governor's Office and Governor Egan then, I guess, sent it to Chuck Buck or something. I'm not sure of this at all. This may have been before OT (Office of Telecommunications) was established – and probably was. Anyway, the governor asked for consultants and this was where Stanford came into the act and where I came into the act and Walter Hinchman. Let's see... OTP (Office of Technology Planning, Washington, D.C.) at that point.

Hilary: He was with OTP and I've asked George Shaginaw to track him down for me and I hope to see him in October.

Bob: Is he back in Colorado now?

Hilary: Back in?

Bob: Colorado.

Hilary: Oh, is he? Walt?

Bob: Walt is. I think so, but I don't know.

Hilary: Oh, great, okay.

Bob: I haven't heard from him. George may, I may, be able to find him.

Hilary: Oh, if you have an address, yeah, maybe we can check in on that, okay.

Bob: So we started reviewing the thing and my first and sort of jointly... Walter wasn't very active after I got involved and Stanford was somewhat active, but I had been obsessed with the use of small earth stations, well (since) ATS-6. I don't know whether to say "F" or "6". It was (ATS-)F in those days.

Hilary: Right.

Bob: Our plan was just doing what we set up the demonstration to do: A small earth station in every community. And Alascom's plan -- or RCA's plan as we called them then -- was to put bigger stations in every regional community and use VHF radio... essentially what has now become cellular, but it was "taxicab" radio in those days -- out to the communities, as they tried in the Bethel area and so... Incidentally, a former business partner of mine consulted on that system. Chan Rypinski was their consultant -- we conceived of what have become wireless mobile telephones for mobile service back in about, oh, 1959-60. And the little company we had we sold to another company, and he went on and joined the other company and continued and got the patent on what became the IMTS, Improved Mobile Telephone Service, which was the first mobile service. It was bought by AT&T, by the Bell System, and this was the first beginning of demand assignment. This was the whole contribution that Chan and I made... was to actually put demand assignment on the map, but Chan gets 98% of the credit but I just happened to be an accomplice.

Hilary: Well, you had talked about this way back.

Bob: Well, that's why I got hooked on them -- because of utilizing a limited number of channels for many users, you know... because their statistical use is actually very small.

Hilary: They didn't all need them at once.

Bob: And then I promoted that for satellites use, and that's how that began. That's, of course, one of the reasons I was so obsessed with it because, of course... finally we're doing it.

Hilary: Yeah.

Bob: So anyway, I was adamant and Stanford was too and I don't know who really... I became the focal point for all this and Stanford became more of a consultant and so forth, and back and forth...

Hilary: Ed (Parker) and Bruce (Lusignan) were consulting to you then.

Bob: Well, not to me, to the state.

Hilary: To the state, okay.

Bob: That was sort of loose. And we had Glenn Stanley and Bob Merritt, of course, in there and George alongside. Later on, when I became director of OT and George was deputy, Glenn and Bob would come around monthly and sit down with us and see what was going on and so forth and George would actually... because they would then write up their report to (State Rep.) Fred Brown and such, and this would drive George up the wall because there they were just draining our brains and making it sound as if they were, you know, really very significant players. They were very helpful, they really were, (this) couple "Tweedle Dum, and Tweedle Dee". I remember them at your house at the reception, oh eons ago.

Well, we got into a dispute. I, of course, wanted small earth stations and demand assignment and RCA said that was totally impossible and not practical and everything. And satellites weren't built for that and so forth. And we showed we could make economical sense out of it. And this struggling finally culminated in the hearings down in the basement of the Captain Cook. I remember Mike Porcaro, doing his first service then as he was taping the hearings for Marv (Weatherly) and that's when Marv... Okay, yeah, Marv had become director of OT. Let's go back on this, I don't know if you want all this stuff.

Hilary: Oh, this is great.

Bob: When I was consulting to Bob Arnold, he lost his chief engineer Frank somebody... had a pipe organ in his house.

Hilary: Bute.

Bob: Frank Bute, yeah. Is he still alive, do you know?

Hilary: I think so. I don't know, but I think so.

Bob: Interesting guy and (Bob) was shopping for a chief engineer and asked me to interview. And the pickings were pretty slim and finally by the process of elimination (was) stuck with some old gentleman who seemed to be okay. And then Augie calls up and says, "Hey, I've got this guy who used to be my engineer (who) just got back from Vietnam and he would be ideal for this job." And it was Marv. I met him and we just hit it off like that.

Hilary: I love it.

Bob: So I told Bob to hire Marv. It was just amazing, this entwined mesh thing.

Hilary: Oh, it's wonderful.

Bob: I'd love to have this story be told some or other but I think it gets into too much –

Hilary: I think it will (be too detailed) for this, but it's just such fascinating... the connections are really the ones, yeah.

Bob: So Marv became chief engineer and then became director of OT when Chuck Buck stepped down.

Hilary: Right and that's when I left Stevens' office and came to Juneau, yeah.

Bob: And then, well, then that was right at the beginning of Marv's tenure and we had the hearings and what is really significant is that we were at an impasse. RCA said, "Nothing doing." And we said, "You just got to do this"... and so forth. So president of RCA – Steve Heller?

Hilary: Uh-huh.

Bob: Steve Heller took Marv and me to lunch on the second day of the hearings at the Petroleum Club at the top of the Westward Hotel. And, oh, good old days... And somewhere along the line Marv – and this is almost a quote, I'm sure you must remember this – said, well, I'll say it: "God damn it, Steve if RCA doesn't put in the small earth stations, the state will." And Steve says, "Be my guest."

And so then Marv and I are walking back after we had a cordial conclusion to the lunch, and Marv and I walked back to 308 G Street, the sun was shining and so on. So I said, "Why not?" And Marv said, "What would this cost?" And so I did a back-of-an-envelope (inaudible) estimation and concluded that it would cost about \$5 million to get the 100 earth stations put together. And so Marv talked (I) guess to (legislators) Katie Hurley and

Johnny Sackett and Frank Ferguson and I don't know who else. And I remember meetings down in Juneau with them and so forth – and should we get the money out of the legislature? I don't remember Jay Hammond, he probably wasn't even consulted at that point.

Hilary: No.

Bob: By that time it was in (the budget). As an aside, I didn't see Bill Egan very often but I was in the Westmark Hotel one day and he was there and he, of course, recognized me and he asked, just said, "What has ever happened to Walt Hinchman?"

Hilary: No!

Bob: Oh, yeah, he had a reputation.

Hilary: Oh, absolutely, yeah. He had the most amazing (memory) for names.

Bob: Isn't that something?! Well, sorry to get off the...

Hilary: No, this is great. So the earth stations...?

Bob: Then, okay, it was familiar around the legislature and I was in Marv's office one day. I remember Glenn Stanley was there and Marv and I don't know who else, and Marv gets a call from (Rep.) Frank Ferguson in Juneau and they talk awhile, and he says, "Well here, I'll let you talk to Bob." So I talked to Frank and Frank says... Now *we* were thinking in terms of telephone service.

Hilary: Right, right.

Bob: He, Ferguson, said, "Well, would you be able to get television through these stations?" And I wasn't quite prepared for that, but I thought a little bit and I said, "Frank, I'll have to call you back shortly." So once again we sat down and did some back-of-the-envelope calculations and, boy, believe me, they were on IBM card calculations... I don't know.

Hilary: I wish you had kept these, the envelopes.

Bob: I may actually have them. I do everything on cards.

Hilary: I know, on your cards. You've done that for a long time.

Bob: Oh, yeah, yeah, that's what we'd use, yeah. That's a good question. I've got stacks of them, you know, that go way back.

Hilary: You have those. Wouldn't that be great?

Bob: That's hopeless, probably don't. But anyway I called him back. "Well, we'll be able to do it in due time..." Or before long or something... and basically I was looking at the performance of low-noise amplifiers, which were the clue to everything in those days and, my God, they were crude compared to what they are now! It is just... and everything is on a little chip now. And felt that I could assure him that. Yeah, I was thinking two years or something, and so we could. "Okay," he said, "You've got your \$5 million."

Hilary: I love it. The Bush Caucus had such power and influence in those days.

Bob: And, oh God, what if I'd said, "Gee, I don't think so." You know? Oh boy. And I tell you optimism is – even unjustified optimism! – is a real motivator and has helped many things get accomplished that otherwise wouldn't, you know.

Hilary: Absolutely, yeah.

Bob: So that was it. Then, of course, came the job of procuring the hardware and running specifications for it and at that point Glenn and Bob – Glenn Stanley and Bob Merritt – and I, mostly. Oh, we got Bill Pohlman, the old retired Air Force colonel who...

Hilary: Oh, I don't even remember him.

Bob: Yeah, he had been... I've known him from my Hughes days. He was an alcoholic, recovered by that time, I guess, who had a Ph.D. from MIT in electrical engineering and we used him as a consultant and some lobbyist also with a little bit of Washington (connection). And of course, how did we get? How did we get Jack Pettit and Dick Edge (sp?) as the state's... Oh, let's see. Oh, I guess Bob Arnold or somebody. Marv. Marv I guess.

Hilary: Marv knew.

Bob: Asked me...no, no he asked me – I just realized I'm involved in a lot of stuff here – he asked me for the names of some attorneys, Washington attorneys. Oh yeah, that's at that time, I remember. So I talked to Terry Steichen who was somewhere in the government, maybe he was OTP also. He recommended Jack and along with that came Edge and I mean they were the...

Hilary: Jack Pettit and...

Bob: Dick Edge.

Hilary: Dick Edge, that's right.

Bob: Joe Dixon Edge, actually. Jack had been general counsel for the FCC.

Hilary: Right.

Bob: Under Dean Burch, yeah. They guided us and laid the strategy and [*Walp edit for clarification follows*] very important, Governor Hammond greatly respected them. Whenever the Governor's sympathies began to drift toward RCA's position, we'd call Jack and say, "The Governor is getting off the trolley and we need backup." Then Jack would write the Governor a letter, phone him or, if the situation was serious, fly out and discuss the situation until the Governor was back on track.] Another aside, Hilary, if you don't mind.

Hilary: This is great.

Bob: Jack Pettit was young-appearing and youthful and everything.

Hilary: Kind of looked like a kid.

Bob: I know, he still does. He really does. The "Dorian Gray" situation or something. Anyway, we went in Governor Hammond's office one time and the governor was sitting behind his desk in his shirt sleeves with about a dozen or more people in there and they all filed out and Jack stays. He just wants to chat with the governor, and he is laying on the charm and says, "Governor, I'm really impressed with your big state of Alaska, its beauty and all its grandeur and scope," and all that and everything. And said, "I've been here and there and so forth but one place I haven't been is to see your hometown of Naknek."

Hilary: I love it.

Bob: And the governor looks up and says, "Well, Naknek is a wonderful place to live in but I wouldn't want to visit there."

Hilary: That's great. Oh, love it.

Bob: And that probably is a stock line of his.

Hilary: And isn't that great? Yeah, but it still works.

Bob: Oh, yeah.

Hilary: The other quote I love of Jay's is, "Why use ten words when a thousand will do?"

Bob: I haven't heard that one, that's good. Well, we designed the earth stations and I started to design it myself, I guess, with some of Bill Pohlman's help and then we went around looking at hardware. I wanted to go all digital and we were just a little too early.



Hilary: You were early for that.

Bob: DCC, Digital Communication Corporation, which later became a very big player. They're building or built or became acquired by somebody. They're building Alascom's stuff in the Bush. We got Scientific Atlanta, but anyway that's either here nor there. We went on selecting stuff and so forth, and then we held a bidder's conference. That was at (Glenn) Stanley's insistence. Well, okay, this was in January of '75 that we had the basement hearings and we got the money by March or February or something or other.

Hilary: It was quick.

Bob: Yeah, we were going to have some stations, 25, by the end of the year and we almost did, but the issues were the design of the earth stations and so forth. And we had the bidder's conference down in Seattle. And the thing about that was that we had a lot of bidders. I'd never been involved in anything like this, and Glenn's (the) mastermind because he wanted... well, he was a good bureaucrat and he wanted to be sure our rear was covered and it never fazed me. Get the job done.

Hilary: Back to the optimism: get the job done.

Bob: So... [conference minutes were taken by (Walp edit)] a retired court reporter who was essentially deaf. There was this old gentlemen with a stenotype machine and his wife would sit there and listen and yell into his ear and Bruce Lusignan was there and Bruce sort of mumbled through his beard and everything... and I can just remember, "Speak up Bruce," (said) the court reporter's wife. And it was just a three-ring circus.

Hilary: Oh, that's so funny.

Bob: We got through, got our bids with people and so forth. And then, of course, we had to apply for licenses for the stations and that is where the showdown came.

Hilary: Yeah, because RCA did the same thing.

Bob: Well, RCA was going to contest our filings and that was a crazy move. They really, oh well, anyway... Pettit said, "Well, if we have contested hearings it is going to be several years..." Because when you have evidentiary hearings (generally for broadcast stations, but that is the only precedent there was), it takes forever to weigh all the evidence and things and it costs a fortune. We'll never get the earth stations in. So we went... he, in fact, went to the RCA's attorneys or something, I don't know, and we agreed that they would file duplicate applications. I guess that was probably done anyway and we gave them all of our filing data. We had gone out and done site surveys and everything just to expedite their work. And we said, "We got to get this resolved some way or other," and we went to Commissioner Abbott Washburn; there are a lot of Washburns. There was a

Carver Washburn at Western Union, a high-level executive who was a good friend of mine.

Hilary: Was he any relation?

Bob: No, apparently not. I don't think... and Abbott is not related to Brad Washburn.

Hilary: Right, not that Washburn.

Bob: But a distinctive name... and we decided we were going to compromise whereby the state would purchase the hardware, RCA would install it and operate it as part of their system (and that was the agreement) until ownership was resolved. And I don't think it totally got resolved... I don't think...

Hilary: Is this when Ted McIntyre was...

Bob: Yeah, Ted was there, yeah, okay.

Hilary: Yeah, because I'm going to Juneau next week and I thought I would...

Bob: (Give him my) best regards, will you?

Hilary: I will. I will, yeah.

Bob: I never get to Juneau any more. If I get to Juneau, I generally see J. W. Foster who works for GCI now.

Hilary: Who is he?

Bob: Earth stations... John Foster, J. W. Foster. He was the technician at OT. I thought he must have been there when you were there.

Hilary: That name doesn't ring a bell.

Bob: Gun fanatic, yeah. Tell him if he ever gets up here (to come see me).

Hilary: I will.

Bob: Tell him I really mean it sincerely.

Hilary: Okay.

Bob: Let's see... we should be able to get through this.

Hilary: So then RCA at that point...

Bob: Well, they start putting... Then, of course, we had more struggles (than) just specifications. We realized that we didn't know the first thing about the telephone business. We knew satellite sort of, but the signaling and ringing and all this stuff...

Hilary: Now when did you move into the director of OT?

Bob: That was about July or August of '75.

Hilary: '75.

Bob: Yeah. Right at the heart of all this. I was over there all the time anyway. The governor appointed... Jay – some don't like to refer to him as "Jay" – he appointed Marv to the Public Utilities Commission, (which) left an opening there. Charlie Northrip was interested. I guess you, that's right, you weren't interested?

Hilary: No, I had gone to work on the pipeline at that time.

Bob: Oh, that's right. You were already gone. And because Charlie was sort of...

Hilary: Charlie was...?

Bob: Taking over.

Hilary: Yeah.

Bob: And I said, "Charlie, are you interested in taking over?" He said, "Only if drafted." And in that case, (I said,) "I'll throw my hat in the ring as somebody has got to do it." And I really was interested. So I threw my hat in the ring and then Charlie proceeded to try like crazy to get himself drafted.

Hilary: I remember that.

Bob: If he would have been straightforward, he would have had it. Anyway, that would have been a shame. It really would have been. There never would have been GCI – I don't know, another big traumatic event that you have trouble handling... I was getting to this. So then I moved up to Juneau, and what a miserable existence that was. We couldn't – Virginia, my wife, came up and had our Pasadena house half-sold and just couldn't find a place to stay. We decided... We had the kids and they were just in trauma because they were about to finish school...

Hilary: Well, you still had them all in school at that point?

Bob: Oh, yeah, yeah. So I thought, my God!” And they didn’t come up and we saved the house – because the house was financing GCI later on. Well, okay, so I was on board in July or August of ’75, and that’s when we were going fast and furious and we getting up and running around in the Bush and getting sites squared away. We, somewhere along here...and this was... I don’t know who and maybe you’ll remember this...George... I don’t have a very good memory, this is where Pettit and Edge – really, you should talk to them.

Hilary: Yeah. I’m going to be going back East in October, okay.

Bob: Definitely, yeah. At some point along here the RCA satellite was going to launched.

Hilary: Exactly.

Bob: And RCA said they’re not going to launch if they don’t have ownership of those earth stations. I don’t know just when that was.

Hilary: That’s right.

Bob: And we just basically called their bluff and that’s probably very interesting and you won’t be stepping on anybody’s fingers or anything if you explore that a little bit.

Hilary: Yeah, okay.

Bob: There are so many good lessons in business and in ethics and everything in here. Not quite ethics, but just the way things worked.

Hilary: Well, and I remember Ed Parker telling me that when you all were analyzing RCA’s early proposal for the satellite, that it maximized coverage of the Lower 48 and put 51% of the cost into Alaska’s rate base.

Bob: Yeah, yeah.

Hilary: So, well it was like, excuse me!

Bob: Oh, well, well... Because that was subsidized, you see, and it was monopoly business and all that stuff. Oh, well, that’s an ongoing theme, still ongoing.

Hilary: Still ongoing, yeah.

Bob: And then, of course, we’re knocking ourselves out to get subsidies but... oh, yeah, that was...

Hilary: So the fight at this point, then, was over getting the earth stations?

Bob: Well, the fight was over control of the system. The state, of course... RCA Alascom wanted it for itself...and such, and you know Fred Chiei.

Hilary: Exactly, yeah.

Bob: Might be somebody to talk to.

Hilary: I think he would be good, yeah.

Bob: He was back there in the really early days. He was the first president, wasn't he, I think?

Hilary: Yeah.

Bob: He's a great guy too.

Hilary: Oh, he is, such an old crusty curmudgeon.

Bob: It was basically over control of the system and so they didn't quite get it. But... and our argument for having local control was to get the earth station into the rate base of the local utilities so they would have enough... get more revenue to help build up local exchanges. That was one of the prime points of (the state's) philosophy. And this is where, you see, Alascom was shortsighted. They should have... if they (had) helped build up local exchanges and (created) lots of local customers, they'd have a lot more long distance traffic, you know.

Hilary: Absolutely.

Bob: And such... but you see, the trouble is that the economics of rate-based regulation just work on that so much that the incentive is not in the public interest.

Hilary: Totally the other direction.

Bob: Yeah. Right. And as an aside, that's why the Bell System was such a terrific system. I mean, it was sort of implied here in the US where we had such an outstanding telephone system because they would make more money if they invested more money – and you can't justify investing more money without improving service.

Hilary: Right.

Bob: Quality and quantity and so forth – and flexibility. And so, in other words, you can't use gold wires instead of copper wires. That would not be allowed by the regulators so you say, "We've got to add service in the communities and do this and everything and so forth, put more money in and you make more money." But still it's a bargain.

Hilary: It's a great formula.

Bob: Yeah, yeah, but it eventually fails...that is part of the problem as it did in Alaska where we're at... it did. So let's see... this... so finally we get the earth stations in. Of course it turns out that RCA spends more money installing these things: for the \$5 million we were able to buy 120 earth stations.

Hilary: Right, because they were what about \$37,000 each, yeah.

Bob: But that, of course, didn't pay for the price of installation and that's what saved our neck. Because if we had \$5 million period, we would have gotten probably 50 earth stations installed.

Hilary: Yeah, yeah.

Bob: That's probably not that bad.

Hilary: And so did you have to pay RCA for installing them? No, they covered that, didn't they?

Bob: No, no, they covered that. It was their contribution and then the idea was that they had hopefully (tentative) ownership and so forth.

Hilary: Now power was an issue too, wasn't it?

Bob: Oh, power was an issue sure and I don't recall details of that. If you're concerned about that, you might talk to Dan Boyette, who works for GCI.

Hilary: Okay.

Bob: Oh, don't forget all the great things we did on ATS-6 though. You know all about that.

Hilary: Yeah. Was that your...

Bob: Yeah.

Hilary: Richard gave me this.

Bob: I'll be damned.

**End of Tape 1, Side A**

**Tape 1, Side B**

Hilary: ...the state was still overseeing its actions.

Bob: No, not at all. The years at OT, well, we started the television part of it. The telephone part sort of went on its own. There was one thing though: one of the requirements was, of course, that we continue the party line service for the health aides.

Hilary: Right.

Bob: And that turned out to be very difficult from an engineering standpoint, from a telephone circuitry standpoint. Of course the thing that telephone service customarily was trying to eliminate is party lines. (During) ATS-1 (and) ATS-3, the health aides all listened in and they learned vicariously.

Hilary: Oh, they did. They learned a lot.

Bob: An awful lot, yeah, that was a source of entertainment, too, in the villages for the health aides listening in on everybody else's problems. That was a key factor, and I don't know what's going on these days in that respect. I guess it is getting so advanced with all the telemedicine but...

Hilary: I will send you an article – I'll email it to you – that was just published by Heather Hudson and Theda Pittman, which I think you'll be fascinated with because it updates you on every aspect of telemedicine. Heather was just up here, went to Maniilaq out at Kotzebue -- and they did this for Pacific Telecommunication.

Bob: Oh sure, the paper that she wrote.

Hilary: Yeah, the paper that she wrote.

Bob: I read that paper, didn't I? She asked me to comment on it, and I never did comment on it.

Hilary: That's what... but that would bring you up to date and it is very interesting.

Bob: Well, email it to me, okay. I'll read it for then sure. I am...

Hilary: It is only a few pages but it is very interesting.

Bob: The copy is somewhere in one of my piles of urgent stuff to read.

Hilary: To dos?

Bob: Oh, Hilary, I'm a failure at retirement. I don't know what it is. Part of the problem is, of course, coming back and forth and Virginia is not just that well.

Hilary: That's what you said.

Bob: She had meningitis and fractured vertebra and it is quite a job keeping her spirits up and keeping her moving around and so forth, but I'm still very hopeful. Here we are able to do some traveling and things like that, and it's difficult. Anyway, I'm not quite getting things done that I planned to do when I retired. That's an infinite list anyway, so I better get on.

Hilary: So the health aides...

Bob: Didn't want to waste (their connections). It took some effort and then, I guess, special engineering effort to develop circuit cards and techniques for maintaining the party-line service. And, of course, what are they doing now? Of course, it is... telemedicine is getting to be so advanced that...

Hilary: It's amazing now what they are able to do with that.

Bob: That actually fits out there.

Hilary: Uh-huh. Yeah, it's great.

Bob: Smart, that's probably done intentionally, isn't it?

Hilary: Yeah, it is.

Bob: We... I guess one of our bigger crises was getting television out to the Bush and Richard (Dowling) and Guy Beakley – is that his name at RCA? – had worked out the technique for putting two television channels on one transponder if you have large earth stations, so we could bring up two channels simultaneously from the Lower 48. And we went around spending a lot of effort, visiting sites and things like that to pave the groundwork with the networks and, of course, details I don't remember. It was very difficult. We concluded, we had the service of four networks – ABC, CBS, NBC, and PBS.

Hilary: And PBS, right.

Bob: So we would give them each one-quarter of the available transponder time for bringing signals up.

Hilary: That's right.



Bob: And that was to be done, I think, in the wee, small hours mostly. Just got a bunch of random thoughts here. I'm not too organized.

Hilary: That's all right.

Bob: George might have a better... Richard might...

Hilary: I can ask Richard and George about that time.

Bob: We then had the problem of getting the stuff out to the Bush where we could only carry one channel.

Hilary: Right.

Bob: And we had, I guess, what did we have? About four hours of programming per network per day – 16 – I don't know. And half of that... no, it wasn't even that much was it? 'Cause there were 12, there would be three hours at most, and then we had about 12 hours of transmission to the Bush, didn't we?

Hilary: Yeah.

Bob: Something like that. And then we'd decide what of all the programming that was available to pull out.

Hilary: Exactly, right.

Bob: And that's when it suddenly hit me.

Hilary: RATNet. (Rural Alaska Television Network)

Bob: Yeah. Well, the first time the Governor's Office was not going...

Hilary: Not going to make these decisions.

Bob: No, no, no. As much I would like to: No way! And, of course, we had everybody and his uncle that were coming out of the woodwork and all these religious broadcasters and so forth they'd all come... Well, anyway, we formed the Rural Alaska Television Network without any thought as to what its acronym was, and after it was too late, I think, George said it was RATNet and that, of course, turned out to probably (be) its savior. So in that case, we had representatives from each of the Native Regions who voted on the various – and reviewed – various programming and decided what would go out. And Governor Hammond was a little skeptical of the state's money, you know, for the transponders going into... bringing up commercial broadcasting, and I guess was threatening to block it – I don't know whether it would be through legislation or what.

Hilary: Appropriation probably.

Bob: Appropriation, yeah. And this would have been '76 probably, and it did turn out to be feasible to bring television into the small earth stations. That saved my neck there, but we had a meeting in the Governor's Office and at the airport, (Anchorage) International Airport.

Hilary: Governor's, yeah, that meeting room.

Bob: There were a number of broadcasters there. The radio broadcaster I remember, Patty Harpel, was just upset like crazy because she didn't want it done 'cause it was going to help support the television broadcasters. She thought the world would come to an end. (Rep.) Fred Brown was very eloquent in convincing the governor that this wouldn't set a precedent that would be impossible for the state to follow up on. The broadcasters assured us that they would pick up the tab in a couple of years and so the governor said okay. And then I assured him that the broadcasters would pick up the tab in a couple of years. None of the broadcasters, including Augie – I love his soul – but no broadcasters did. Of course, things took care of themselves so eventually as the networks took over the distribution and transmission. Fred was just terrific. He really rose to the occasion. I was not doing very well at such.

Hilary: Now, did he work for the state or for you?

Bob: Fred was a representative. No, Fred was the representative.

Hilary: The representative from Fairbanks still, yeah.

Bob: And he took it on himself to be the telecommunication specialist in the legislature and he hired (Glenn) Stanley and (Bob) Merritt...

Hilary: That was it.

Bob: To work for him.

Hilary: And then Milo Fritz was also a real advocate early on.

Bob: Yeah, (I remember) the name.

Hilary: That was early '70, so probably before you. That's right. Oh, gosh, I can just see him.

Bob: Of course, Walt Parker was early on.

Hilary: And I'm talking to Walt next week, yeah.

Bob: Walt apparently was a lot more involved then I ever remember (his) being involved, but, no, he really was on board, I guess, in the very early days,

Hilary: In the early days.

Bob: The Television Advisory Committee – before I really got...

Hilary: The Federal Field Commission, yeah.

Bob: Yeah, yeah. I sort of came in as it phased out or something like that.

Hilary: Exactly.

Bob: We overlapped, I guess, but I'm not sure I was totally aware of what was going on myself, you know. I had my own narrow focus. Well, we're rambling around a lot.

Hilary: So, then sort of...go on toward the end of your time with OT. There was...

Bob: Well, we were very busy. I wish I could remember. Oh, we got interested in the economics of the telephone industry and I moved part of the office up from Juneau to Anchorage because I was spending all my time up here and that really upset George. That sort of the beginning of the end with George and me and Dan Boyette, who now works for GCI. I informed him what I was going to and I did it sort of unilaterally. I talked to Jay Hammond and gave him the reasons and so forth. Dan Boyette and George were miffed and, boy, and Richard too, (laughter) but we moved up and set up our office and started off in the Governor's Office at the McKay Building.

Hilary: That's right.

Bob: Where the APUC was. We, I guess, kind of suggested we hire Bill Melody to come out and do a study so Bill Melody came out with some of his graduate students. He was with the University of Pennsylvania. Now he had been former chief economist for the FCC, that was how...

Hilary: That was his connection.

Bob: That's how it started, his connection, right. And let me get off on another tangent.

Hilary: Sure.

Bob: When I was at Hughes Aircraft Company, I started reading the "Yellow Peril" telecommunication reports.

Hilary: Right.

Bob: And I was just always overwhelmed at all the scrapping and controversy between the carriers for circuits. You know, somebody would want to put in an additional telephone circuit to Jamaica and there would be four carriers all contesting for it and they would have pages of hearings. Well, there was one thing that I was reading just because it was so perverse. It was a bunch of AT&T personnel in a hearing with a federal hearing officer against the FCC on something or other, and I don't remember... I'll try to make this brief. But representing the FCC was a deputy general counsel, and Professor Melody who was chief economist and it mentioned hearing room 303A or another with the AT&T personnel – probably about eighty AT&T personnel, lawyers and secretaries, aides and engineers and so forth and management – and representing the FCC was only Melody and this attorney. Then it said, somewhere along in the hearing, pages afterwards, vice president so and so of AT&T stated that AT&T's policy irrevocably was blah, blah, blah. Whereupon Dr. Melody pointed out that two days earlier in this same hearing room in another hearing another AT&T vice president so and so said blah, blah, blah – which was diametrically opposed. It says, whereupon the AT&T personnel placed their papers in their attaché cases, filed from the room, and only Melody lingered on.

Hilary: That's a great image.

Bob: That's the first time I heard of Bill Melody.

Hilary: And at that point you liked him?

Bob: Yeah, yeah, he was a valuable player.

Hilary: No, that's wonderful.

Bob: They came and he came with four of his graduate students, (one of whom was) Heather Hudson.

Hilary: That's right.

Bob: That's how she got here.

Hilary: And she had also worked with Ed Parker.

Bob: Not then.

Hilary: No, but after.

Bob: Oh, wait a minute, afterwards. Well, they lived together for a while, quite a while. I remember Ed taking great pains to explain to all of us that they were living together. So

why are you telling this? He thought we should know so we wouldn't feel the conflict of interest or something.

Hilary: Exactly, yeah.

Bob: Heather, Aileen Amarandos and two guys. Anyway, so I called the meeting with representatives of the various telephone companies 'cause we wanted to go through their books and see what the revenues were, what the customer base was, what the subsidies were and so forth. And we got stonewalled by the industry, oh, just terrible and had to get Governor Hammond to help us. And it started a controversy between OT – namely me and Melody – and all the local carriers and so forth and all the carriers in the state.

I was surely not well liked by RCA and so on. Here we were their best friends, we really were. We brought them in, dragged them kicking and screaming into the modern satellite age and they dragged their feet. And we had great aims for building up the local exchange business. Of course, we had no idea the way subsidies worked and everything. Well, they spent the summer of '78, '77 it must have been – '77 – and continued on for a while digging into the papers and so forth with what we could get. Put together a pretty good report and so forth but it really sort of... really erected a barrier between us and the industry, in a way. I think they liked us. I got an award by the Alaska Telephone Association one time at Denali Park at their annual meeting. I can't remember who gave me the award. Made a nice little talk. He said it was for putting the fear of God into them and always creating little problems or something – but for always being fair.

Hilary: That's nice, yeah. Now RCA, as I'm remembering, really wanted the Office of Telecommunications to dissolve or to be gone or somehow.

Bob: Yeah, there had been a management (decision) just about when we were about to sell the house. I was down signing the papers. George called and said the Governor's Management and Efficiency Review recommended that OT be abolished. Well, the interesting thing about this is that gentleman from Standard Oil San Francisco, who was a telecommunication expert, wrote this thing giving us a positive review. Somebody had taken the review and put a "not" in. We finally got the papers. It said, "Recommend that" – it was beautifully done – "that the Office of Telecommunication be continued in its present (structure) and be..." either "not" or dis... or something or other.

Hilary: Just inserted, written in?

Bob: As an (addition) and it took us a while to get that turned around. And so I told the realtor – I was in the realtor's office when Virginia phoned and told me about George's call. I phoned George and said, "Stop. It was a false alarm." But somebody had gotten in there, somebody... an insider job, you see. There was more later.

Hilary: Well, I'm sure that was one of the lobbyists for RCA.

Bob: Yeah, yeah, right, so I don't know. I never much worried about it, but that did make me feel a little unsecure.

Hilary: Yeah.

Bob: Well, okay, then just to try to get this OT...significant things. We in '70...election was in '78, yeah. Okay.

Hilary: And we can look up dates so that isn't critical.

Bob: Okay, okay. Earlier RCA announced it was going to sell Alascom.

Hilary: That's right.

Bob: And I, at that point, got concerned, upon the advice of Melody – and Pettit probably or Edge – about the acquisition adjustment, which is an increase in the company's value when it is sold. The buyer of Alascom will pay a premium because RCA is certainly going to make a profit. So who pays for that? Well, it goes into the rate base and the consumers pay for it. So I thought we better look into that. We needed somebody. Melody wasn't available to come out and study and it – and he was sort of persona not grata anyway. So I talked to B. Richard Edwards, who was our attorney for in-house stuff. He was an attorney to a number of telecommunication local carriers and he suggested Ron Duncan, who was one of his clients for the cable television system – and they applied for cable TV systems down here, Ron and Bob Merritt and John Gerster, a doctor here, and Chris Lathine.

Hilary: Now where was Ron at the time? In Anchorage?

Bob: Ron was in Anchorage, yeah, yeah and he was working on a little home alarm service – you know, where you have your place bugged – and he and his partner, Bill Goelz, were wiring up a condo development in Eagle River and he wasn't doing that well.

Hilary: Oh, this is wonderful.

Bob: So I hired Ron to do this work and he did the job. And this, of course, further upset RCA Alascom and RCA supported Jay Hammond very adequately in the election, his re-election campaign. Hammond was re-elected in November '78, and just about that time I learned that the budget for OT had been excised or removed from the governor's budget. I ended up down in Juneau in the governor's office with Kent Dawson and Mike Harper and the governor said, "Bob, my advisors say that the Office of Telecommunications has outlived its usefulness, its charter. It has done what it was put here (for). You have done an outstanding job, but there just seems to be no need for it to continue."

And I said, yeah, but what this, that, and the other thing. He said, "So we discussed it and, listen, this really bothers me very much." He said, "I have ultimate respect for you..." and everything. And I know he does, and I see him occasionally and hear people who have visited him at Lake Clark and stop over and visit... And he has helped me out in various benefits and things. As a matter of fact, I met him... Well, we've had lunch up here, but... and he has helped us in ways we need political clout. But one day or... You know Francine and Richard Taylor did the *Jay Hammond's Alaska* (television show) and all that stuff he did commercials for, and one day I just happened to see him in the lobby and he said, "Bob, you know, every time I do a commercial for Alascom I think of you." And he said, "It really makes me (feel) sort of bad but they pay so well."

Hilary: That's great.

Bob: He can be bought is what he is saying. Oh, he's such a sweet guy.

Hilary: Yeah, he is.

Bob: Anyway, I don't hold him one bit responsible for any of this and really I don't ever want that to be implied. I don't know how you handle this even... you probably know, but...

Hilary: You know, the truth is – with an overview book like this – fortunately I'm not going to be able to get into too many of the political issues.

Bob: Yeah, I think that would be better.

Hilary: And what I will do is in many cases where there was a "he said, they said, we said," I'm just going to present it like that.

Bob: You're right. Well, I think this is just a... I probably shouldn't even bother with you with except it is so fascinating.

Hilary: Oh, it is fascinating.

Bob: It would be great in a course in government or something.

Hilary: Wouldn't it? Absolutely. I think this would be fascinating at management school or government.

Bob: Well anyway he finally he says, "Well I've got a conflict between my top advisors; Kent and Mike are my two highest advisors and I just – when I can't resolve them myself and don't have the ability, I just have to rely on them and that's it." And so then I sat around and chatted with Kent and Mike for a while and they wanted to know when I'd quit. Now this was the budget for fiscal '80, which began in July '79.

Hilary: '79, right.

Bob: And this was November, December, probably December 1978.

Hilary: So you could see when it was coming, yeah.

Bob: And they thought I'd leave right away and I said, "Well, gee, we got to close this place up, you know, and all that and then figure out who handles it". They said, "Well, that's okay, that can be taken care of." And for some reason I said, "Well, I don't know, I have to figure out what I'm going to do," and so forth. They said, "What will you do?" I said, "You know, one thing that occurs to me is to start a competitor to Alascom because I know Bill McGowan who put MCI on the map." And I said, "I'd actually thought about this before." And thought about – remember, I was a "Ku" man, fanatic. (Ku band of the electromagnetic spectrum, reserved for satellite communications.)

Hilary: Absolutely.

Bob: And I said one time said down in Juneau with Ted McIntyre there at lunch – at Annabelle Lee's or Yancy Derringer's or whatever that restaurant was, you know – what we ought to do, because Alascom was being intransigent and everything you know, and I said, "What we ought to do is just pull the rug out from under them and just let them have it and we will put up a Ku band system and pull the rug out from under them that way," just sort of jokingly. And I thought of that and I mentioned that to him, you know. And then I got back up here and started thinking about it. So I, once again, started the back-of-the-envelope type of calculations. Somewhere along the line, I called up Ron Duncan and said, "Say, how about some economic horsepower here?" And...

Hilary: This is while you were still at OT and thinking about...

Bob: Still at OT, yeah, and I actually left OT formally somewhere around March or so. And I went halibut fishing with Harry Mitchell, who was the retired Air Force contracts manager for White Alice and he had done a lot of halibut fishing on his own with his little boat. He had a big boat built by CFAB – or paid for by CFAB – and we went out commercial halibut fishing. That's when I said, "Yeah, I'm going to do it!" while watching the porpoises dive... another story completely. So I came back and talked to B. Richard (Dick) Edwards and Ron. I called up Bill McGowan and MCI didn't have enough money to serve cities in the U.S. with a population of over a million at that time. And here is all of Alaska with less than half a million. Dick was counsel for Arctic Slope Regional Corporation, ASRC.

Hilary: Edwards, right.

Bob: So he got together with them and we put together a package and they agreed to finance us. And Virginia and I drank martinis one evening up in the Crow's Nest and speculated



on names for the company and came up with General Communication Incorporated. Came up with a lot of unprintable ones, boy, Alaska Two, of course, but – and much to my amazement, GCI was available. I mean, nobody had a copyright or trademark, and it turned out to be a good night and such. So this takes care of OT.

Hilary: Okay. Well, let me go back to that period then – before we launch off into GCI – because that’s such a great chapter, I want to be able to focus on that by itself. When you look at that span of time from when you first started to get involved with the state until you left OT, what do you look back at as your greatest success during that time? What did you feel the most satisfied about?

Bob: Well satisfied... well, I was going to say my success, I don’t feel that way ‘cause I wasn’t out... I was just there trying to help. I am satisfied that we managed to get the small earth station system in. We paved the way for television and (data) transmission as well as, of course, telephone service. And I mean, the result of this was that we brought adequate communication to the state of Alaska and that’s about it. That spawned development of local exchange companies and improved medical services, data services, and so forth. And it is (really) just that we got the state up to speed. And you know... yeah, it is very gratifying to have been part of this and, I feel, a really significant part of it. And I sort of feel, well, I don’t what have happened if I hadn’t been here. It probably would have happened (anyway) but I can’t see how it would have happened because it was close. I mean, the Frank Ferguson thing, you know, and ATS. I guess the ATS-6 demonstration and, of course, especially with what could have happened if we had gotten a successor to ATS-6 launched, as originally planned; that would have really shown people that the small earth stations worked. Half of me says, “Why do you have to show them? You got the calculations you know it is going to work. But, you know, you don’t send people to go fly in a supersonic plane from here to London the first time without trying it out.”

Hilary: Well, the flip side of that, Bob, is what was your greatest challenge during that time?

Bob: Keeping the thrust from being derailed by, I guess, Alascom. It was just constant lobbying efforts, you know, by RCA – rather saying “Alascom” – because it was much more RCA in those days. And keeping Jay Hammond on board, poor guy. There were several crises where we could call Jack Pettit back and Jay... I have a lot of respect for Jack and we were a little... We were the David against the Goliath and that, of course, helps too. That was also a factor in the early days of GCI. I think sometimes that I was set up... been put on earth to torment RCA or Alascom. No, that’s their problem, not mine, you know.

Hilary: You had mentioned this earlier and I want to carry it forward a little bit. You have been throwing out some names. Who to you are the significant players in that period of time? Who made a difference for Alaska telecommunications?

Bob: Well, I would say Glenn (Stanley.) [*Walp note: Narrative not completed when tape ended.*]

## **End of Tape 1, Side B**

## **Tape 2, Side A**

Bob: Those were very critical days right there. And the Stanford crew, maybe not a little bit, you should mention the Stanford bunch really. But Ed (Parker) mostly, between us, just would call up and find out what's going on and then call somebody else and we realized he called the cycle every few weeks and would go around about a dozen people and tell everybody what everybody said, trying to be sort of useful.

Hilary: Sort of the network.

Bob: Being the networker, yeah, but always trying to take a lot of credit for everything and that is nice. I feel I like to get some credit, some recognition for what we've done. Well, George worked hard. Marv Weatherly in his own way moved plus or minus, and certainly Governor Hammond. I mean he really provided the umbrella. He appointed me, and Bob Arnold... for helping me get this whole thing kicked off with ATS-6. I'm trying to think of somebody at RCA Alascom but they weren't positive. They got dragged along so I don't think they deserve much credit.

Hilary: What about...

Bob: Petit and Edge definitely, and Melody, well, Melody to some extent. Petit and Edge were, in a sense they were the masters, strategists really, more than anything, I think. Can you think of anybody (else)?

Hilary: Well, those are pretty much the names you mentioned. I just always like to go through that in case there is somebody we haven't talked about.

Bob: You should definitely talk to Petit.

Hilary: Yes, yeah.

Bob: Get a hold of both of them.

Hilary: Yeah. Thinking about – again focusing on – that span of time, are there any incidents, situations, images that come into your mind that were either significant or funny or poignant or something sort of around the whole situation of telecommunications, whether it was in a village or in an office?

Bob: The only thing I can think of is not very significant, but it is a cute, little instance. I was out in Hooper Bay with Dick Reiner, one of the Reiners, originally one of these telephone companies, and Don Eaton was the guy's name, and they had the exchange there and we were hanging around on a cold, blustery day.

Hilary: Which they mostly are.

Bob: Oh, yeah, that's a God-forsaken place. The chief agreed to give us some salmon and so we went down to the chief's parent's house and they had wooden houses. A front porch with about four freezers on it. (People laughed when they thought about selling refrigerators to Eskimos.) But the salmon was just all in there, kind of frozen all together. We couldn't get it out. You had to take a crowbar or a stick of dynamite or something to get it loose. So we went back to wherever the chief was – who I had never met and it was all sort of mysterious. We were standing outside and (they were) very anti-Caucasian there. They weren't very... they were pretty hostile. They are not that friendly, let's put it that way. They said, "Well, go over and buy some from the village store," which only the Natives can buy at. And so I think one of the guys – Eaton or Reiner – were in with the chief or somebody buying some salmon there at five cents a pound or something. And the pilot and I were standing outside and these kids would go by and they'd spit at us you know and so forth. Teenagers. But this one tiny little girl was about so high with jeans and a parka on but the parka is open and there is nothing but a t-shirt there. It's cold, you know, and she is sort of swinging around the pilot's leg looking up and smiling and saying, "Hi, Gussuck," (outsider) and just calling us Gussuck and stuff. But that's just a cute little thing. I can't think of any (events) other than being bit by a dog in Kotzebue wandering along the sea front between the Natives' houses and their boats – and having the water system frozen in Kotzebue.

Hilary: Well, think about that, if there is anything...

Bob: If anything comes to mind, give you a buzz.

Hilary: Yeah, anything that comes to mind, you know, that a village... how they said something to you about the system or what there was testimony about.

Bob: Well, I didn't, well...

Hilary: I love the incident with Frank calling you on the phone. That's the kind of thing that is just a great vignette for the moment.

Bob: I was trying to think. I remember some of the... I think they're probably in Volume Two of that book (on) some of the testimony from the school students about television, (questions about) television.

Hilary: In the front of that (book).

Bob: (Does television) interfere with your study? And they said, “Yes. I like violence – it was spelled: V-I-O-L-I-N-S,” or something, you know.

Hilary: And the great letters from the kids are in some of this, yeah, yeah.

Bob: I’m so sure I’ve got that somewhere. Almost... well, let me take it and copy it.

Hilary: Oh yeah, take and copy it for now.

Bob: (It will) refresh my memory.

**(Tape recorder running but no talking – nothing else on Side A)**  
**(Nothing on Side B)**