

## Enthusiastic Crowd Supports EAS at PSC Hearing



**PSC Commissioner Jay Stovall listens to Vernon Whiteman, a Project Telephone Company director**

A crowd of more than 60 people gathered in Billings January 31<sup>st</sup> for a Public Service Commission hearing on the proposed expansion of the Billings EAS region. EAS stands for "extended area service" - the elimination of toll calling (long distance) within an affected area so that all calls in the EAS region are local calls.

The hearing, chaired by PSC Commissioner Jay Stovall, began with an explanation from MITS' Mike Strand of the two-year process of negotiations and legal proceedings that had brought all of the parties to this final hearing. Mike indicated that the following exchanges would be added to the existing Billings EAS region: Absarokee, Belfry, Crow Agency, Fort Smith, Huntley, Lodge Grass, Pompeys Pillar, Worden, Wyola, Broadview, Molt, Rapelje, and Reedpoint.

Customers in the affected communities will be given two pricing options: flat rate EAS or measured rate EAS. Under the flat rate plan, residential customers will pay a flat rate of around \$26 per

month for unlimited calling within the EAS area and business customers will pay a flat rate of around \$44 per month. Under the measured rate plan, customers will pay a lower monthly rate but will also pay a per minute fee of 5 to 7 cents for calls within the EAS region.

Following the introductory remarks, members of the audience were given an opportunity to comment. All of the participants spoke in favor of the proposed expansion of the EAS region. Two areas of frustration involved the time the process was taking and the fact that two Wyoming exchanges served by Project Telephone Company were not included in the EAS proposal. Representatives of the Montana PSC indicated that the process would be concluded as quickly as possible. Mike Strand explained that the Wyoming exchanges were not included because of his concerns that the jurisdictional issues involved would have made a long process even longer.



**Rick Stevens, Verlin Reichelt, John Magyar and Mike Strand recap EAS issues**

Since the hearing, the Montana and Wyoming PSC staff have discussed the issue, including the possibility of proc-

essing a petition for the two Wyoming exchanges on a fast track providing customers in those exchanges indicate an interest in being a part of the EAS region. Project Telephone Company is currently in the process of sending surveys out to those customers. If a majority are in favor of the proposal, Project will file a petition during the first week in March to include the exchanges. The PSC is expected to rule within the next few weeks.

**LATE BREAKING NEWS: On Feb 14th the PSC voted to issue an order approving the EAS petition while reserving the ability to address the Clark and South Wyola exchanges at a later date within the same docket.**

### - MITS - Board of Directors

**Tom Bangs - President**  
Central Montana Communications

**Roy Neufeld - Vice President**  
Project Telephone Company

**Ben Boreson - Secretary/Treasurer**  
Valley Telecommunications

**Rick Pokorny - Director**  
Triangle Telephone Cooperative  
Association

**Vernon Stoner - Director**  
Nemont Telephone Cooperative

### MITS BITS

According to statistics recently released by the Universal Service Administrative Co. (USAC), 18.11% of Year 4 E-Rate funding has been committed to schools and libraries in rural areas. Applicants from urban areas will receive 57.48% of the total funding. 24.41% has been allocated to entities filing on behalf of others and statistical information has not been collected concerning their urban/rural status. With the exception of applicants in Great Falls, Billings and Missoula, all Montana schools and libraries are considered rural.

## Sue Begger Joins MAIN as Acct. Mgr.

Sue Begger has joined MAIN (Montana's Advanced Information Network) as Account Manager. MAIN provides telecom network solutions to customers across Montana. Sue will be focusing on sales, account management and support to new and existing customers. Sue has recently worked in the computer and network training industry and has spent several years in television advertising sales and account management. Sue can be reached at 406-252-4617.

# Over \$1.4 Million Will Flow to MITS' Communities



Hard work pays off. The Universal Service Administrative Co. (USAC) recently announced commitments of over \$1,304,520 to schools and libraries and \$114,588 for health care providers in the MITS' companies service area for the current funding year. While serving less than 8% of the total access lines in Montana, MITS members have garnered more than one third of Montana's Universal Service discounts for educational and health care facilities in their communities. Since the funding programs began four years ago, Montana schools and libraries have received over \$13,168,347 in telecom funding. Of that, \$4,721,439 has been directed to service areas of MITS members. \$548,854 has been committed to Montana health care providers, with \$279,712 flowing to MITS health facilities in the service area of MITS members.

The Federal Telecom Act of 1996 initially set the stage with its directive to connect schools, libraries and rural health care providers to the global telecommunications network. Directors and managers of MITS telephone company members demonstrated leadership with their early recognition of the significance of the

new Universal Service funding programs for their communities. The rubber hit the road (literally) with the aggressive and proactive work of E-Rate/Rural Health Care Coordinator, Jack Sterling, as he worked with applicants and company staff to maximize funding in the areas served by Triangle, Central, Nemont, Project and Valley. Jack is quick to emphasize that the program success in the MITS area is a team effort: "It would not be possible without the support of the people who put together the bids for these schools, libraries and medical facilities and the employees who see that these credits get applied to the customers' bills. There is a possibility that funding for internal connections such as wiring will be committed to applicants having at least an 85% discount level." Funding for internal connections is presently limited to applicants with an eligibility discount level of 87% and higher.

**Jack Sterling**

Program information including funding commitments by state and individual applicants is found at [www.sl.universalservice.org/funding](http://www.sl.universalservice.org/funding).

## MITS Discusses Technology with Council of Co-ops

The Montana Council of Cooperatives held its annual meeting in Havre on January 28 and 29. On hand were representatives from Montana's telephone and electric cooperatives, as well as representatives from the state's credit unions and the various agricultural cooperatives.

MITS' Mike Strand gave the first presentation, describing developments in the telecommunications industry from a cooperative perspective. Mike focused on technology issues. He showed the group a map of the fiber optic facilities that have been installed across the state and described how the increased use of networks for data and Internet traffic, as opposed to voice traffic, has changed the nature of the challenges facing the industry.

Increasingly, customers need greater bandwidth (capacity of a network to carry information) and security, as well as the ability to transmit on a 24-hour basis. The industry's initial response was the creation of dedicated private networks in which communications paths were reserved for a customer's use 24 hours a day, regardless of whether the customer was using the path at any given time.

Because of the costs of maintaining such networks, the industry has developed an alternative for those that just want high bandwidth access to the Internet. Digital Subscriber Line or DSL utilizes the portion of the bandwidth on the existing copper line(s) into a home or business that is not being utilized for voice traffic to provide a dedicated, high bandwidth path to the

Internet.

For those customers needing a lower-cost solution for private networks to locations beyond the Internet, the cooperatives have begun offering virtual private networks. Utilizing the ATM equipment installed over the past seven years across the state, the cooperatives are able to break information into packets, encrypt or encode those packets so they are secure from prying eyes, and ship those packets across the network on any communications path that is available at the time. The customer gets the same bandwidth and security as he or she would get with a dedicated private network, but the cost is lower because the telephone cooperative can use the communications path for other traffic when the customer is not using it.

## FCC Reorganizes *What's in a name?*

The Federal Communications Commission on January 17, 2002, formally approved the reorganization of the Commission. The FCC established a Media Bureau by consolidating the Mass Media and Cable Bureaus. The Enforcement Bureau was renamed the Consumer and Governmental Affairs Bureau. The International Bureau was realigned along functional lines. Perhaps the most controversial decision was to

rename the Common Carrier Bureau the "Wireline Competition Bureau".

According to information on the FCC's Web site, the Common Carrier Bureau is responsible for rules and policies concerning telephone companies that provide interstate, and under certain circumstances, intrastate telecommunications services through the use of wire-based transmission facilities. The Common Carrier Bureau has directed the movement of the FCC towards furthering its goal of market competition.

One result has been competitive phone companies seeking new revenues through the Universal Service High Cost Fund, with no corresponding incentives for providing high quality service in rural areas. While the 1996 Telecom Act of established two priorities—development of competition and the preservation of universal service—unfortunately the former appears to have taken precedence over the latter. Perhaps the Common Carrier Bureau's name change to the Wireline Competition Bureau is a not-too-subtle indication of the FCC's change in telecom priorities.

# FCC Seeks Comments on E-Rate Program

Now completing the fourth year of E-Rate funding, the FCC is requesting comments on certain program elements. On Jan 28, 2002, it issued a Notice of Proposed Rulemaking seeking comments on the Schools and Libraries Universal Service Support Mechanism. The FCC states the review was initiated "to ensure the continued efficient and effective implementation of Congress's goals as established in the statute and to explore a variety of suggestions for improvement offered by schools and libraries, service providers, state and local governments and other interested parties."

FCC is seeking comments on whether Wide Areas Networks should be eligible for funding; whether wireless service should be funded if not used for educational purposes; whether voice mail should be funded; whether educational content should be funded if combined with Internet access; how funding should be allocated when applicants combine requests for eligible and non-eligible services; whether funding should be linked to compliance with the Americans with Disabilities Act; and whether rules for consortia applicants should be relaxed.

Comments are due 45 days after publication in the Federal Register. Reply Comments are due 75 days after publication. Detailed

## MIT'S Companies Sponsor Scholarships

MIT'S companies are proud to announce they again are offering \$500 scholarships for area subscribers or their dependents. Two MIT'S scholarships will be awarded (one in Triangle-CMC area and another in Nemont-Valley-Project area). Additionally, Triangle and Central Montana Communications will each award a scholarship within their service areas (application deadline April 15, 2002), while Nemont,

Valley and Project telephone companies will each award two scholarships (deadline April 1, 2002).

Youth served by Triangle and CMC may also win a trip of a lifetime to Washington D.C. by writing an essay. Winners of the Youth Tour will travel to our nation's capitol in June and learn lots about the telecommunications industry and the leg-

islative process. Essays are due March 15, 2002.

Complete details available from the sponsoring companies. Triangle and CMC subscribers may contact Christy Keto at 406-394-2000 (christy.keto@ttc-mcm.net). Nemont, Valley and Project subscribers may contact Doris Adams at 406-783-5654 (tips@nemontel.net).



## MAIN, Inc. Completes Fiber Ring

Montana Advanced Information Network (MAIN, Inc.) doesn't just talk about the possibili-

ties of technology as an economic development tool. Its fiber network continues to expand, providing more opportunities for Montana businesses. MAIN recently completed their fiber-optic eastern Montana ring with the addition of two new routes connecting Fort Benton to Billings and Culbertson to Glendive. This self-healing, SONET (synchronous optical network) ring has a circumference of over 1,100 miles and offers customers diversity and error-free reliability, ensuring the highest degree of uninterrupted service. MAIN is also implementing a virtual ring to provide an added level of redundancy for T1 traffic on the fiber ring. Additionally, MAIN's west linear route between Missoula and Fort Benton has been upgraded with new, state-of-the-art Alcatel high-density SONET multi-service equipment, which will increase capacity and flexibility to

support network growth and additional services.

Formed in 1995 by ten of Montana's independent telephone companies, MAIN's 100% digital fiber-optic network spans from the North Dakota border to western Montana. The network connects thousands of customer lines statewide and has the equivalent capacity of 32,256 channels or 48 DS-3s, utilized for the transmission of telecommunications services, such as voice, data and video. MAIN's entire network spans over 1,500 miles and interconnects with regional and national carriers to provide connections within Montana and beyond.

Based in Billings, MAIN, Inc. is focused on the needs of Montana's businesses. MAIN's points of presence (POP) include rural locations, as well as the more populated major cities. In addition to the large cities in Montana, such as Billings and Great Falls, POP locations also exist in Havre, Glasgow, Glendive, Forsyth and Moore, to name a few. MAIN's state-of-the-art network reaches customers

throughout the entire state, providing urban and rural communities with the same high-speed data and telecommunications services that customers in metropolitan areas enjoy at competitive rates. Through partnerships with the telephone companies and other telecommunications and data service providers, these communities can be provided with high-speed Internet access and video conferencing, as well as other data and voice services.

As MAIN continues to invest in and expand its network throughout the State, enabling technologies will be implemented to support the integration of voice, video and data services. MAIN is focused on providing network solutions to Montana businesses through next generation technologies, network reliability and exceptional service and support.

### MIT'S BITS

MIT'S staff attended the first non-Legislative "Business Days at the Capitol" sponsored by the Montana Chamber of Commerce January 23 and 24.



2021 11th Avenue, Suite 12  
 P.O. Box 5237  
 Helena, MT 59601  
 Phone: 406-443-1940  
 Fax: 406-443-2880  
 E-Mail: mits@ixi.net  
 Web Site: www.mitstel.com



Mike Sheard                      Mike Strand  
 Bonnie Lorang

## Montana Telecommunications

February 2002



### Cutting Edge - Americans Use of the Internet, Broadband Services and Computers at All-Time High



According to a new report based on 2001 Census data, the number of Americans using computers and the Internet is skyrocketing. The National Telecommunications and Information Association's (NTIA) recently released report entitled *A Nation Online: How Americans Are Expanding Their Use of the Internet* indicates that more than 1/2 of the nation is now on-line and the number of Americans using the Internet is growing at a rate of 2 million new users per month.

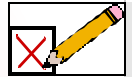
According to the report, as of September 2001, 174 million people or 65.5 percent of the U.S. population were computer users. One hundred forty-three million people or 53.9 percent of the population use the Internet. Since 1997, computer use has grown at an annualized rate of 5.3 percent. Internet use has grown at a whopping rate of 20 percent per year since 1998.

Other findings detailed in the report include:

- ✓ Children and teenagers use computers and the Internet more than any other age group;
- ✓ Internet use is increasing for all people regardless of income, education, age, race, ethnicity, or gender, although people with mental or physical disabilities are less likely than those without such disabilities to use computers or the Internet;
- ✓ While 80 percent of Americans who use the Internet use dial-up access, residential use of broadband access has doubled between August 2000 and September 2001; and
- ✓ Americans are using the Internet for a variety of purposes including e-mail (45% of Americans), making online purchases (39%), and researching health information (35%).

The report can be found on-line at: [www.ntia.doc.gov/ntiahome/dn/nationonline\\_020502.pdf](http://www.ntia.doc.gov/ntiahome/dn/nationonline_020502.pdf).

#### Mark Your Calendar



- v Feb 10-14: NTCA Annual Meeting and Expo
- v Feb 20: Dept of Revenue Hearing, Helena
- v March 5: MITS Annual Montana PSC Informational Meeting
- v April 8-10: NTCA 2002 Legislative Conference Washington, D.C.
- v April 28-30: NTCA Public Relations/Marketing Seminar

#### MTS BITS

On Feb 7, the FCC released its 3rd Report on the Availability of High-Speed and Advanced Telecommunications Capability as required by Congress. It is available on the FCC's Web site at [www.fcc.gov](http://www.fcc.gov). Reference Docket No. CC 98-146 and Third Report FCC 02-33.