Montana Independent Telecommunications Systems

Providing Professional Services to the Telecommunications Industry since 1994

MONTANA TELECOMMUNICATIO

September, 2001

- MITS -
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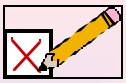
CONGRATULATIONS Triangle Telephone, Central Montana Communications & Hill Co. Electric Coop on their new building in Havre.

Mark Your Calendar!



- **Oct 6** – 51st Annual Nemont Cooperative Membership Meeting – Plentywood Civic Center
- **Oct 14-19** – New Mexico State University Center for Public Utilities Regulatory Basics Training – Albuquerque, NM
- **Oct 25-26** – National Summit on Broadband Deployment: 2001 A Digital Odyssey - Arlington, Virginia
- **Dec 3-4** – Technology Symposium/MITS Annual Meeting – Helena, Montana

MITS Greets New State "Business Czar"

MITS executives recently shared lunch and ideas with David Gibson, Montana's new Chief Economic Development Officer.

David Gibson

Mr. Gibson, who began his work with the state August 6, oversees a seven-person office created by the 2001 Legislature at the request of Governor Judy Martz. A native of Kalispell, Gibson will be leading a staff of technology, labor, energy, public works and permitting advisers focusing on ways to improve Montana's economy.

Working towards the ambitious goal of crafting a draft business plan for the state by December 1, Gibson is aggressively moving forward to connect with Montanans in an effort to understand the critical issues facing the state and to develop a strategic plan for economic development.
MITS' Mike Strand, Mike Sheard and Bonnie Lorang met with Gibson August 24 to share information detailing the significant commitments rural telecommunications carriers have made to economic development in their communities. "I was impressed by Dave's energy and intelligence, " said Mike Strand. "I am optimistic that he will prove to be highly productive in his new position."
MITS staff showcased a Montana map highlighting the impressive telecommunications infrastructure built by rural telephone companies who daily make their vision of statewide high speed connectivity across Montana a reality. The advanced services technology map provides credible evidence that rural communities will not be left behind in telecommunications.

MITS staff expressed their support of Mr. Gibson and offered assistance as he steps out into the state to meet Montanans one-on-one to gather advice and information for strategic economic development planning.

Co-op Exec Tapped for State's Top Tech Advisor

Barbara Ranf, Director of Montana's Department of Administration, announced the selection of Brian Wolf of Bismarck, ND, as the state's top technology advisor. The position of Chief Information Officer was created by the 2001 Legislature in order to better manage the state's significant investment in technology.

An executive for Basin Electric Power Cooperative for the past 19 years, Brian brings to Montana not only his rural cooperative perspective but also his extensive technology experience. As Chief Information Officer, he will oversee the state's mainframe computer and other computer hardware and software selections for state government. He currently manages telecommunications and technology systems for Basin Electric, including the delivery of services, voice and video networking support, application development and delivery, technology planning and evaluation, user training, network monitoring and troubleshooting, Internet, data and information storage and management, help desk and call and alarm monitoring center serving nine states.

MITS is quite familiar with Brian. He, Mike Strand, Mike Sheard and personnel from Triangle and Nemont telephone companies collaborated in a competitive telecommunications venture in North Dakota and have maintained relationships since that time. Brian will begin work in his new position October 1.

Technology at Work — *i*TRC

*i*Connect Montana, a division of MITS that builds and operates data centers, is pleased to provide collocation services to its newest tenant at its Helena Fiber Hotel - the Information Technology Research Center. The Information Technology Research Center (iTRC) is a non-profit organization dedicated to the development, evaluation and application of advanced technologies in an effective and efficient manner to enhance education and scientific research through collaboration with the public, private and non-profit sectors.

The *i*TRC is currently working on several major projects with a national educational focus and purpose. One of these projects is known as the TRIO ThinkQuest Project, funded by the U. S. Department of Education. TRIO ThinkQuest is conducting an online educational website development contest emphasizing the participation of "at risk" youth. The contest is open to pre-college students, aged 12-19, who are active participants in an Upward Bound or Talent Search Program. The purpose of the contest is to promote the Internet style of learning - an interactive, participatory approach that encourages students to take advantage of the Internet as a source of information and a powerful collaborative tool. Students are encouraged to work in teams of two or three to build Web sites to be used as learning tools by other students. The iTRC is working in collaboration with the International ThinkQuest Competition and the University of Washington to integrate the various servers and services on the east coast and west coast from Montana.

The *i*TRC is hosting the TRIO ThinkQuest contestant's websites on servers housed in the Helena Fiber Hotel. According to the *i*TRC's Executive Director, Dr. Lynn Churchill, due to the scope and scale of the ThinkQuest competition, the servers needed to be located in a robust, secure and environmentally controlled environment with ready access to abundant bandwidth to the Internet. "The Helena Fiber Hotel's climate-controlled and power-conditioned equipment room was what I was looking for," says Dr. Churchill. "Vision Net and *i*Connect have been great partners in making this happen. I've recommended the facility to a number of others in Montana. I'm pleased to see the construction of these types of facilities that provide technology companies and organizations the ability to locate their servers in an environment that not only provides reasonable rates from multiple carriers but also provides a place and space where those carriers can interconnect. I strongly support this kind of effort in Montana to help us down the road towards better and more efficient communications and the foundation for a stronger economy."

MITS BITS - ***Voice communications carried over copper telephone lines travel on a lower frequency than data communications. DSL uses a technology that separates the voice frequency from the data frequency, thus allowing both to travel simultaneously over the same telephone line. For example, a DSL subscriber can use one telephone line to access the Internet and to talk to a friend – at the same time.***

Pending Expanded Local Calling Areas

Triangle and Project telephone companies' proposals to expand local calling areas (EAS) between Broadview, Molt, Rapelje, Absarokee, Belfry, Crow Agency, Fort Smith, Huntley, Lodge Grass, Pompey's Pillar, Worden, Wyola, and Reed Point exchanges and Qwest's Billings exchange are moving closer to consideration by the Montana Public Service Commission. The three affected companies have been directed to file their cost analysis and rate design proposals with the PSC by September 19, 2001. This information will detail the costs customers will incur if the expanded local calling areas are approved.

The PSC will then notify those who may be affected by the proposal to determine the extent of subscriber interest in the expanding local calling areas. Public hearings will be scheduled.

The request for expanded calling areas was initially filed with the PSC in November 2000. The proceeding was delayed due to unresolved legal issues in a related case before the Commission involving proposed EAS compensation between other telephone companies. A July PSC Order in that case cleared the way for the PSC to continue its processing of the Triangle and Project proceedings.

ETC Deadline Approaches

Oct 1 is the deadline for the Montana Public Service Commission to certify to the FCC eligibility of state telecommunications carriers for receipt of federal high cost universal service funding. The ETC designation requires both rural and non-rural companies to certify that any funds received will be used only for the provision, maintenance and upgrading of facilities and services for which the support is intended.

The importance of ETC certification cannot be understated. Montana telecommunications carriers receive approximately $45 million annually in federal universal service high cost funds. Universal service funding enables them to provide telephone service in rural areas where service would otherwise be cost prohibitive.

MITS Urges Bob Rowe Appointment

The September 7 retirement of FCC Commissioner Gloria Tristani opens the door for appointment of a new commissioner to the Federal Commissions Commission (FCC). Montana PSC Commissioner Bob Rowe continues to be one of the leading candidates for the prestigious FCC post.

Commissioner Bob Rowe

Rowe, an instrumental voice in influencing national policy, served as president of the National Association of Regulatory Utility Commissioners (NARUC) and chairman of its telecommunications committee. He serves on the Federal-State Joint Board on Universal Service and the Federal-State Joint Conference on Advanced Services. The state and federal regulators on these groups work together in developing balanced national telecom policy. Bob is known nationally for his ability to facilitate consensus among very diverse groups. He has been a strong advocate for maintaining universal telecommunications service, including access to advanced services, for all Americans while simultaneously encouraging competition within the evolving telecom industry. MITS adds its voice to those who whole-heartedly support the nomination of PSC Commissioner Bob Rowe to the Federal Communications Commission.

MITS BITS

Many subscribers use DSL for downloading and viewing video applications, movies, T.V. spots, news reels, Web broadcasts, music and other bandwidth-intensive applications.

Burns Hosts E911 Conference

Senator Conrad Burns spoke to a packed audience as he kicked off an August 21 Helena conference dedicated to discussing state needs for implementing E911 within the wireless industry. Typically, a caller uses 911 to relay emergency information from his telephone location to a dispatcher. E911 automatically provides the dispatcher with information detailing the location of the calling party.

E911 systems are now available to determine the address of incoming 911 calls made from "landline" or conventional telephones. Customer location information is generally not yet available for emergency calls made from wireless phones, although the FCC has established deadlines for wireless carriers to provide E911 service.

At the Burn's conference, representatives from law enforcement agencies, health care providers, public safety officials, and the telecom industry emphasized the needs and the challenges of implementing an extensive statewide communications network for emergency services.

Many questions remain concerning not only necessary technology equipment upgrades but also cost recovery mechanisms to implement E911 nationwide.

MITS Briefs Montana Telcos on Western Wireless Proceedings

"Thanks again for a very well organized and presented briefing," Montana Telecommunications Association's (MTA) general manger, Geoff Feiss, commented to MITS following a joint MITS-MTA meeting on a proposed Western Wireless Montana ETC application and stipulation. MITS' Mike Strand briefed representatives from a number of rural telephone companies on legal and regulatory issues surrounding Western Wireless' proposed application to the Montana PSC seeking Eligible Telecommunications Carrier (ETC) designation. The August 17 Helena briefing was an interactive meeting using Vision Net's teleconferencing network to link the capitol city meeting to sites in Fairfield, Havre, Scobey, Cut Bank, Missoula and Billings. Jointly scheduled by MITS and MTA, the meeting provided a forum to discuss the public interest components of multiple ETCs in rural areas. An ETC designation by a state regulatory commission certifies a carrier as eligible for receipt of federal universal service funds.

PSC Proposes Additional Rules:

The Montana Public Service Commission has proposed a rule requiring telecommunications carriers to offer residential subscribers options for strict telephone number privacy designed to better meet customer specific needs. Under the rule, carriers must offer privacy-in-numbers service which prohibit companies from disclosing telephone numbers in any manner, including caller identification features, and from using the numbers in any manner.

In an unrelated rule-making, the PSC proposes that parties to utility proceedings before the Commission must file documents electronically in addition to the current "paper" document filings Hearings on the two proposed rules are scheduled for September 24, 2001 at the PSC's Helena office.

Montana Independent Telecommunications Systems

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MITS expresses its deepest sympathies to the families and friends of those who lost their lives in the senseless destruction demonstrated on September 11, 2001. May God bless America and bring peace to this world.

The Cutting Edge

Broadband Access Via Fiber to the Subscriber

When Grant County Public Utility District (PUD), a publicly owned electric utility in Grant County, Washington, explored ways to monitor its electric and gas distribution systems, it decided to deploy a Gigabit Ethernet-over-fiber solution developed by World Wide Packets, a start-up company based in Spokane (www.worldwidepackets.com). As part of the project, the PUD will bring two dedicated fibers to each customer location. Full deployment will consist of more than 40,000 fiber miles connecting to more than 85,000 homes and businesses distributed across some 5,000 square miles of land area.

For approximately $40/month, subscribers can be provisioned with enough bandwidth to receive HDTV-quality video, broadband Internet access and multiple voice lines. The PUD, prohibited by Washington state statutes from offering retail telecommunications services, will make the network available on a wholesale basis to video content providers, Internet Service Providers and voice service providers. The PUD also plans to use the network for internal functions including reading meters and providing real-time energy-management services such as controlling the operation of residential and commercial water heaters during periods of peak energy prices.

World Wide Packets will provide customer premise gateways called Subscriber Distribution Units (SDUs) and aggregator equipment called Community Distribution Units (CDUs). The units will deliver the integrated voice, video and data services over the fiber directly to subscribers.

MITS BITS

DSL service has inherent distance limitations. Yet, due to ongoing outside plant upgrades, the service is now available to most customers served by Nemont, Valley, Project, Triangle, and CMC telephone companies.

Ethernet, which has long been the technology of choice for most corporate Local Area Networks (LANs) in the world is being extended, in the form of Gigabit Ethernet, to Wide Area Networks (WANs) as well as Metropolitan Area Networks (MANs) and even long-haul networks. Gigabit Ethernet is a hundred times faster than standard Ethernet and more than 20 times faster than DS-3 lines. According to World Wide Packets, fiber-to-the-subscriber coupled with Gigabit Ethernet can eliminate the local bandwidth and service limitations that are inherent in copper phone lines, even where technologies such as DSL or ISDN have been deployed.