

# MONTANA TELECOMMUNICATIONS



A Publication of MITS

*Providing Professional Services to the Telecommunications Industry since 1994*

MONTANA  
TELECOMMUNICATIONS

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## Mark your calendar...

- Jun 12 MITS Board Meeting, Malta, MT
- Jun 25-28 NARUC Engineering Conference, West Yellowstone, MT
- Jun 29-30 Congressional Business Montana Summit, Great Falls, MT
- Dec 3-4 MITS Annual Meeting, Helena, MT

## “Remarkable!” Broadband Deployment by Rural Telcos Impresses PSC

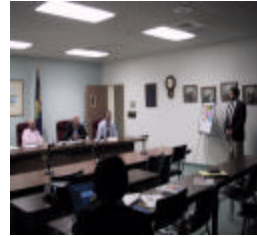
“Thanks for an outstanding presentation, and congratulations on the remarkable work your companies are doing!” was the response of PSC Commissioner Bob Rowe to the annual informational meeting conducted by MITS on May 24<sup>th</sup>. Other Commissioners and staff also expressed gratitude for the presentation and thanks for the work the rural telephone companies are doing in Montana.

MITS utilizes these meetings to bring the Commission up to speed on new developments in infrastructure, services, and business activities by its member cooperatives and other independent rural telephone companies. Among the highlights of this year’s meeting was the announcement that the rural companies had begun offering either DSL or (in a few cases) Cable Modem service in 58 Montana communities to date, with plans to offer the services in 121 communities

by the end of 2001. DSL and Cable Modem services offer affordable, always-on Internet services to homes or businesses at very high speeds (basic packages generally start at about 384 Kbps).

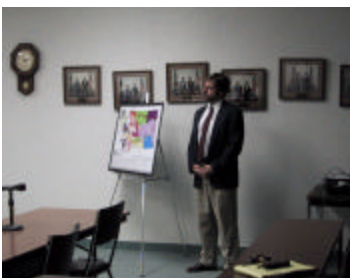
Mike Strand, who made the presentation for MITS, also detailed the continued growth of Vision Net, a company created by a consortium of five rural telcos. Vision Net has 75 fully interactive video conferencing sites across the state that connect to over 500 other sites across the country world. Vision Net provides Internet services to more than 12,000 customers in Montana over a “peered” network, enabling Montana users to send information over the Internet to other locations in MT without that information leaving the state. This allows for greater network efficiency and enhances the Montana environment for certain applications like voice and video over the Internet that suffer from delay problems when traversing out-of-state servers or routers.

The efforts of *iConnect Montana*, a division of MITS, also impressed a



Mike Strand updates PSC on new rural t-com developments.

number of the PSC representatives. The *iConnect Montana* division has built data centers it refers to as “fiber hotels” in Billings and Helena and is planning additional sites in other Montana cities. The data centers allow telecommunications companies, e-commerce companies, and others to locate their electronic communications equipment (servers, switches, data storage devices, etc.) in a secure, environmentally-controlled space with robust back-up power sources and redundant access to a wide variety of competitive fiber optic and wireless bandwidth providers. The data centers offer a “plug-and-play” environment that allows companies to get their equipment and their businesses up and operating without the tremendous time and expense associated with creating their own equipment rooms and getting them connected to telecom networks.



Mike Strand appearing before the PSC

## Expanded Calling Area Petitions Still Pending Before the Public Service Commission



The petitions by Triangle and Project Telephone Companies for expanded local calling areas between their 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 calling area are still pending before the Montana Public Service Commission.

A stipulation detailing inter-

company compensation issues between Triangle, Project and Qwest has been filed and updated cost information for the companies most likely will be submitted to the PSC within the month. The PSC has indicated it is unlikely that hearings will be scheduled on the petitions until the Commission takes final action on related dockets involving Qwest, 3 Rivers and Mid-Rivers Telephone Companies, which have not filed

inter-company compensation agreements with the PSC.

On July 2, 2001, the PSC will hear oral arguments addressing the issue of whether the PSC has jurisdiction to order inter-company compensation in EAS proceedings. The Commission has previously ruled that it lacks jurisdiction to order such compensation between telephone companies.

## Industry and Communities Meet to Discuss Telecommunications and Economic Development

Bill Gillis, Ph.D., Executive Director and founder of the Washington State University Center to Bridge the Digital Divide, met with Montana's telecommunications, economic development, and government leaders on May 30 and June 1 in Missoula, Helena and Bozeman.

Montana PSC Commissioner Bob Rowe set up the event to demonstrate to Gillis, a former public service commissioner from Washington, the strides Montana companies and communities have taken to maximize the availability

of advanced telecommunications services for Montanans.

Mike Strand, Executive Vice President and General Counsel for MITS, led off the speakers at the Helena event. Referencing a map detailing extensive fiber and ATM networks criss-crossing Montana, highlighted by DSL availability in nearly a hundred rural communities, Mike quipped that perhaps the term "digital divide" is only applicable to Montana's urban areas. Montana's connectivity was further demonstrated by the interactive video broadcasting of the event from the new Vision Net studio in Helena to Vi-

sion Net sites in Great Falls, Billings, Eureka, and Fairfield.

MITS, in conjunction with the PSC, Blackfoot Telephone Cooperative, and the Burns Center at Montana State University, coordinated the activities for Gillis's visit.

## Community Telecommunications Planning Bill to be Introduced

Senator Patty Murray from Washington state has indicated her intent to introduce the Community Telecommunications Planning Act of 2001. The bill would establish telecommunications infrastructure planning grants for rural and underserved communities to support their planning efforts.

Entities eligible for such grants would include local and tribal governments, local and non-profit entities, public utilities, or other public entities that propose to use the

grants for telecommunications infrastructure planning purposes.

MITS has suggested that telecommunications cooperatives be specifically added to the legislation as potential recipients of these grants.

Senator Murray is seeking total appropriations of \$60 million dollars for fiscal year 2002 to fund the grants.

## Malta Delegate Elected to Girls' State PSC Post

Shannon Brady from Malta High School was elected Public Service Commissioner at the 2001 Montana Girls' State. Shannon was introduced to PSC Commissioner functions June 6 during mock hearings and deliberations at the Commission offices. Panelists also detailed for the newly elected delegates various aspects of utility regulation. Bonnie Lorange of MITS spoke on telecommunications.

## FCC Takes Action on RTF Universal Service Recommendations

The FCC has adopted a five-year interim universal service support mechanism for rural telephone companies. Among the changes to existing programs:

1. The existing cap on the high-cost loop fund will be raised but an indexed cap on the overall fund size will limit growth of the fund.
2. The national average loop cost will be frozen at \$240. This figure will be used for comparison with an individual telco's cost to determine high-cost qualification.
3. A company acquiring exchanges will

continue to be limited to the support for which the exchanges were eligible prior to the acquisition. There will, however, be a "safety valve" provision to allow for additional investment in the exchange by the acquiring company.

4. Carriers will be allowed to disaggregate support to specific geographic areas.
5. For portability purposes support for mobile services will be applied based on the customer's billing address.
6. Annual state certification is required from state public utility commissions

regarding use of universal service funds by ETCs in the state. The FCC also indicated that it does not believe that the current universal support system creates barriers to access to advanced services.

## MITs Staff Teaches Universal Service to New State Regulators

Bonnie Lorang, Director of Governmental Affairs at MITs, presented a training session on federal universal service funding at the May 2001 Regulatory Basics Education Seminar in Albuquerque, New Mexico. The semi-annual event is sponsored by the Center for Public Utilities, New Mexico State University. Bonnie

was the only conference faculty representing small rural telecommunications carriers.

The Regulatory Basics sessions are designed to provide background and basic information about utility regulatory issues. State Public Service Commissions around the nation routinely

send new professional and technical staff to the Center to learn about current regulatory issues and to gain an understanding of national policies which affect analysis and decisions on the state commissions. The Center is associated with NARUC, the National Association of Regulatory Utility Commissioners.

MITs represents rural telecos at New Mexico University Regulatory Basics Conference



## Multi-state Collaborative Moves Closer to Completing Review of "Checklist Items" Required for Qwest to Enter the Long Distance InterLATA market

States representing thirteen of the fourteen states where Qwest provides local telecommunications service are moving closer to completion of the review of Qwest's compliance with checklist items required by the Federal Communications Commission to be met prior to Bell Operating Companies such as Qwest being able to enter the interLATA long distance market.

The Montana Public Service Commission is expected to issue Tentative Findings and Requests for Comments next week on what are termed "Paper Workshop" items, the less controversial issues of the proceeding that were expected to be resolved based on written testimony and briefs. The Commission will accept comments on the tentative findings.


The thirteen-state collaborative is the first in the nation to examine on a regional basis whether a local Bell Operating Company has irreversibly opened local markets to competitors. State Commissions are required to make recommendations to the Federal Communications Commission indicating if the local markets have been sufficiently opened to competition and whether granting the Bell Company entry into the long distance market is in the public interest.



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We'll be on the  
Web June 20th...  
[www.mitstel.com](http://www.mitstel.com)

### *The Cutting Edge:*

#### **DS-3 Speed Over Copper Pairs?**

Actelis Networks ([www.actelis.com](http://www.actelis.com)) has recently announced a new technology called Spatial Division Multiplexing (SDM) that it says allows companies to transform ordinary copper lines into a DS-3 (45 Mbps symmetrical bandwidth – equivalent to roughly 800 56 Kbps lines) transport solution

with bit error rates identical to fiber optics. The company successfully concluded its first trial with North Pittsburgh Telephone Company in May of this year and will be demonstrating the technology at Supercomm in Atlanta June 3-7.

“The beauty of SDM is that it transforms a carrier’s most widely available resource – its installed

base of copper plant – into high-speed next generation transport, and provides error-free performance without special line pre-qualifications,” said Yuval Baron, president and CEO of Actelis. The company is located in the Silicon Valley and was recently listed as one of the top 100 private companies in the United States by Upside Magazine.

