Montana Telecommunications

June 2002

Montana Independent Telecommunications Systems

ProvidingProfessional Services to the Telecommunications Industry since 1994

MITS - A National Voice for Rural Telcos

Strand - Testifies Before May 14th U.S. Senate Joint Committee Hearing

Mike Strand

Members of the U.S. Senate committees on Indian Affairs and Commerce on May 14, 2002, turned to experts in the field for advice on the deployment of basic and advanced telecom services on tribal lands. Mike Strand, chief executive officer and general counsel for MITS, provided testimony at the Washington, D.C. hearing starkly contrasting that of co-panelist John Stanton, chairman and chief executive officer of Western Wireless Corp. While Mr. Stanton complained of regulatory and financial hurdles to deployment on reservations, Mike Strand, speaking on behalf of MITS member companies that serve the Fort Peck, Fort Belknap, Rocky Boy and Crow Indian reservations, provided details of how Montana's telephone cooperatives have successfully deployed not only basic service but also advanced broadband services and video conferencing on tribal lands.

Mr. Stanton focused on Western Wireless's goal of ETC (eligible telecom carrier) designation across the nation which, under current FCC policy, would allow his company to seek universal service funds at levels based upon the costs of existing telephone companies serving the rural areas. He recommended eliminating public interest determinations and implementing an expedited process for granting new ETCs. Mike Strand addressed the flaws inherent in such an approach, resulting in multiple ETC designations for areas with no corresponding assurances of minimum service quality. Attractive as universal service funding is for wireless carriers, they should not easily gain ETC status in rural areas since their service is not as robust as that of existing rural wireline carriers. "Our view of a universal service offering is that it is the solid, reliable connection to the national network for people in remote areas", said Mike. "Telecom service needs to work in bad weather and when there is a power outage. It needs to work regardless of the vagaries of terrain and line-of-sight. When calling outside their local community, users need to be able to select an affordable long distance provider and they need to know that they can get a reliable connection to the Internet at a reasonable price."

Senator Burns & Senator McCain

Senator Conrad Burns, singled out Mike Strand as the witness he was most pleased to see in attendance, citing the extraordinary work Triangle, Central Montana, Project, Valley and Nemont telephone companies are doing in serving rural Montana.

- 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

Sheard– A Panelist at the June 21st Universal Service Joint Board En Banc Hearing

Mike Sheard

Montana Public Service Commissioner Bob Rowe successfully secured a slot for one Montanan on the June 21, 2002 panel at the Federal-State Universal Service Joint Board *en banc* hearing in Washington, D.C. Mike Sheard, Director of Operations for MITS, has been selected to represent rural telephone companies in a discussion of how the FCC can best ensure that telecommunications carriers recover universal service contributions.

Telephone companies currently contribute to the universal service fund based upon interstate and international revenues. Their contributions are then recovered from end-user customers. Some carriers mark-up universal service contribution line items on customer bills to include items such as administrative, billing and collection costs. Subscriber line charges, itemized on customer bills, have also increased to counter reductions long distance carriers pay to access local telephone networks for originating and terminating calls. The panel will focus on whether these and other practices are a just and reasonable means for recovery of carrier costs. Other panelists will include representatives from the cellular and long distance industries as well as consumer advocates.

Lorang– Instructs at May 14th National Regulatory Training Event in New Mexico

MITS - A National Voice for Rural Telcos

Bonnie Lorang

Regulatory agencies and utility industries are continually challenged to provide new employees with quality education and practical skills in the ever-evolving telecommunications field. One respected resource is the Center for Public Utilities, a branch of New Mexico State University's College of Business Administration and Economics. Twice a year the Center joins with the National Association of Regulatory Utility Commissioners, NARUC, in providing a hands-on-framework to show participants the interrelationships of telecommunications basics and the analytical skills required to understand complex telecom policy and issues. Bonnie Lorang, MITS' director of governmental affairs instructed the universal service segment at the weeklong event, held in May in Albuquerque, New Mexico.

Bonnie worked alongside veteran anchors such as Dr. David Smith, the Center's director, Gary Duncan of Qwest, Bill Steele, the Colorado Public Utility Commission's principal financial analyst, and Dr. Vivian Witkind-Davis, senior research associate with the National Regulatory Research Institute. Bonnie provided a thorough overview of the four universal service programs: the High Cost Fund, the "E-Rate" Program, the Rural Health Care Program, and the low-income assistance Lifeline Program. MITS is extremely appreciative of the opportunity to share expertise and experience with the New Mexico Center to provide a comprehensive and balanced perspective of universal service to the participants, many of whom work for public service commissions throughout the nation.

FCC Seeks Comments on Rural Health Funding Changes

The FCC's Notice proposing changes in the Universal Service Rural Health Care Program has been published in the Federal Register, setting the timelines for filing comments on the Notice of Proposed Rulemaking, Docket FCC 02-122. Deadline for all comments is July 1, 2002.

The notice initiated a review of certain rules governing telecom funding for eligible rural health care providers and seeks comments on various issues such 1) whether monthly Internet service charges should be funded; 2) whether eligible entities should include nursing homes and long-term care facilities; 3) whether to change the calculation method for determining discounts so that funding is available for more of the telephone circuit; 4) whether to streamline the application process to eliminate Form 468 and 5) whether to eliminate the mandatory 28 day posting of Form 465 in rural areas lacking telephone competition.

Comments may be filed electronically on http://www.fcc.gov/e-file/ecfs.html, may be submitted by e-mail (ecfs@fcc.gov) or with paper copy. Those having challenges with the FCC's process for electronic filings may call Bonnie at the MITS office (406-443-1940).

PSC Flexes Muscle Against Slammers and Crammers

The PSC is flexing its muscles towards slamming and cramming activities. Business Savings Plan was ordered to pay $10,000 for ten unrefuted instances of slamming, the unauthorized switching of a customer's service from one carrier to another. The Montana PSC is also considering issuing fines to Integretel for placing unauthorized charges on customers' bills. The PSC has ordered Integretel to issue full credits to each and every Montana account incorrectly billed from Dec 2001 onward for Directory Service Inc. and Network Communication Group. Integretel may face fines of up to $1000 per occurrence for this "cramming" practice. PSC staff indicated there are about 300 complaints against Integretel now on file with the PSC. The PSC Commissioners unanimously agreed they intend to send a message to companies operating in Montana that fraudulent business practices such as slamming and cramming will not be tolerated.

New Fire Suppression Equipment for Helena's *i*Connect facility

*i*Connect Montana has recently installed a new FM-200 fire suppression system in its Helena data center. FM-200, which is the industry standard for telecommunications and computer rooms, extinguishes fires quickly by discharging the suppressant in 10 seconds or less. The system removes heat and breaks up fires at the molecular level without damaging delicate, expensive equipment located in the data center. According to Mike Sheard, *i*Connect's Director of Operations, the objective with the new fire suppression system is not to merely extinguish fires, but to avoid the damage to customer-collocated equipment that could result from a water-based fire suppression system.

Scholarly Perspectives for 2002…

Supporting Youth in the Communities We Serve

Heather

Jessica

MITS Awards Scholarships

MITS annually recognizes the academic excellence and leadership of youth served by its member companies. Heather Vandersnick, one of this year's award winners, summed it up nicely: "When you are little, everyone says that you can be whatever you want to be when you grow up. It sounds easy, but as you get older you realize that it takes a lot of hard work and effort to achieve what you have always dreamed of." We at MITS agree with you, Heather, as we proudly announce the winners of the MITS $500 scholarship awards for 2002: **Jessica Drain and Heather Vandersnick.** Jessica, from Reed Point, Montana, served by **Triangle Telephone**, plans on attending Montana State University-Bozeman this fall. She will be pursuing a degree in Business Management. Heather, from Absarokee, Montana, served by **Project Telephone Company**, will also attend MSU-Bozeman where she intends to study nursing.

Triangle & Central Mt Communications...

Shelia

Shelia Dalgarno of Harlowton, served by **Central Montana Telecommunications**, competed with applicants from rural telephone companies in a seven state region for a Foundation for Rural Service scholarship. She was one of only eleven winners selected nationally and was awarded a $2,000 scholarship. Shelia will attend MSU-Bozeman and hopes some day to practice veterinary medicine in Montana.

Triangle Telephone Cooperative awarded a $500 scholarship to **Jessica Kauffman** of Chinook who will attend Evangel University in Missouri pursuing a degree in the medical field.

Joanna

Jessica

Central Montana Communications $500 scholarship recipient is **Joanna Skiff** of Malta. Joanna will attend the University of Montana seeking a degree in Criminology.

Amber

Melanie

Barb

Nemont, Valley & Project telephone companies...

Callie

251 scholarship applications were received for 2002 in the service areas of **Nemont Telephone Cooperative, Valley Telecommunications and Project Telephone Company.** Each company awards two $500 scholarships.

Naomi

Winners of the **Nemont Telephone Cooperative** $500 scholarships are **Callie Riggin** of North Glasgow and **Amber Anderson** of Opheim.

Melanie Ferguson and **Barb Olson**, both of Wolf Point, received $500 scholarships from **Valley Telecommunications**.

Naomi Wittman of Worden and **Tami Harmon** of Nye were chosen for **Project Telephone Company's** $500 scholarships.

Tami

Alternates selected are **Liv Brinkman** (Dagmar), **Denise Pankratz** (North Wolf Point), **Rebecca Overland** (Plentywood,), **Carla Payne** (Wolf Point), **Travis Brown** (Huntley), **Larna Old Elk** (Crow Agency) and **Brittany Benson** (Wolf Point).

MITS BITS

Helping others understand what we do

Technology and e-commerce are routine components of daily activities for MITS, *i*Connect Montana, and Montana's rural telecommunications companies. We're always happy to share what we know and what we do. MITS' Mike Sheard recently spoke in Missoula to a group interested in using technology to assist with local economic development. Mike also visited with a similar group in Montana City. Bonnie Lorang talked with Professor Belle Marie's e-commerce class from Carroll College as they visited the *i*Connect and Vision Net facilities in Helena.

Mark Your Calendar

July 10-12: MTA Annual Mtg. - Helena
July 13-15: OPASTCO Summer Convention & Trade Show, San Francisco, CA
July 28-31: NARUC Summer Mtgs. - Portland, OR

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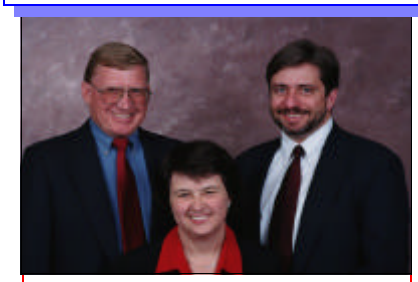

Mike Sheard Mike Strand
Bonnie Lorang

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United We Stand

Can Wireless Local Area Networks be Linked to Create a Nationwide Network?

A budding group of digital activists in North America and Europe are using the increasingly popular Wi-Fi, or 802.11b wireless networking standard and the relatively inexpensive hardware that uses it to provide the public with pockets of free wireless Internet access. The budding networks use line-of-sight communications that link individual computers (mostly laptops equipped with specialized wireless cards) across cities in a daisy-chain-like sequence. Users who tap into the free network wind up spreading it, helping it grow. Wireless Local Area Networks (WLANs) are becoming increasingly common in offices, homes, airports and coffee shops.

So how do you turn a grass-roots infrastructure into one system that customers can connect to almost anywhere? Many, but not, all are public WLANs, and not all public WLANs are free. Sky Dayton, the founder of EarthLink, recently launched Boingo, a nationwide wireless ISP. Boingo's branded "Connect" button pops up on subscribers' computers whenever they come within range of any one of thousands of Boingo's individual Wi-Fi partners' networks. Customers pay a monthly fee to Boingo and the company then splits its revenue with the network owners.

With the expansion of wireless Internet access in public places, IBM and others in addition to Boingo also have plans to create a single WLAN that will enable Internet access across the North **American** continent. According to ***Wireless Internet Access Over Unlicensed Spectrum: An Alternative to 3G Mobile Data Networks,*** a report released last month by Pioneer Consulting, a Boston-based research organization the number of WLAN sites will grow from about 5,000 today to 151,000 sites by 2008.

MITS BITS

Triangle and CMC will be hosting eight free Internet workshops/customer appreciation gatherings throughout their service area this summer.

Watch for your telephone cooperatives at local summer fairs this summer. The State Fair in Great Falls will also have a Coop Day. Stop by the booth awarded the 2001 Best Educational Booth!