



A Successful Public/Private Partnership!

MITS and Vision Net are working together with the State of Montana's Information Technology Services Division (ITSD) to provide important services to the state. The ITSD is charged with assisting all state agencies in accomplishing their functions through cost effective use of information technology.

Vision Net, owned and operated by five Montana cooperative telephone companies, works with ITSD to provide Internet service to the State of Montana. MITS' Mike Sheard, who serves as Vision Net's service representative for the Internet contract with the state, reports that ITSD and Vision Net have developed a great working relationship since the contract was signed last fall.

Brian Wolf, Montana's Chief Information Officer, affirms the partnership. "Vision Net and the State of Montana are continuing to develop a solid partnership. We have worked together to establish reliable upstream Internet access and are working jointly on a secure, virtual private network infrastructure. The commitment and quality of the Vision Net staff are excellent."

ITSD provides a wide range of services which include computing technologies (mainframes, desktops, e-mail services, imaging services, etc.), voice and data communications, Internet technologies, GIS services, interactive video and public safety communications. They are responsible for managing functions such as the procurement, operation, maintenance and repair for all information technology infrastructure used by state government, which includes, for example, over 10,700 computers and almost 25,500 telephones.

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Bill Baillie at a Vision Net Studio

MITS/Vision Net Discuss Videoconferencing with ITSD

view of the state's METNET video conferencing system. The METNET system is comprised of 23 studios in 13 Montana cities. METNET offers significant benefits to the state including making government services more accessible and providing a cost effective alternative to travel for events such as state agency staff meetings, hearings, interagency meetings, training, etc.

ground, how its network evolved, the multitude of services it currently provides and described how Vision Net is evolving to meet its customers' future needs. Vision Net, which operates the state's largest video conferencing network with nearly 80 sites, hopes to work closely with the ITSD as it continues with its technology planning for the state.

The State of Montana has recently released a document entitled *State of Montana Strategic Plan for Information Technology* which can be downloaded at (www.discoveringmontana.com/isd/content/itplanning/MontanaStrategicPlan0402.pdf). The Strategic Plan provides a framework and guidance for the well-managed deployment and use of information technology resources across the state government enterprise.

The plan identifies specific strategic initiatives including a comprehensive re-

As part of its review of METNET, ITSD recently met with staff from MITS and Vision Net to learn more about Vision Net's video conferencing network. METNET and Vision Net are already bridged and video conferences between the networks have become routine. Vision Net's Ron Warnick and MITS' Mike Strand provided a comprehensive overview of Vision Net including the company's genesis, its corporate back-

Brian Wolf, the state's CIO, confirms that "Vision Net has been involved as one of the vendor community we have been interviewing and brainstorming with as the State proceeds with developing the strategic plan for the future use of video conferencing over SummitNet II, which is the state network. Vision Net staff have been very good resources for this project."



Montana Schools and Libraries to Receive \$1.4 M in E-Rate Funding

Montana schools and libraries will receive at least \$1,461,395 in Universal Service E-Rate funding for Year 5 (July 1, 2002 to June 30, 2003). The Universal Service Administrative Co. has released the first two announcements of funds committed for telecom services (such as basic service, long distance service, recurring costs for distance learning on the telecom side, etc.) and Internet. More funding announcements are expected. The list of schools and libraries funded to date is found at: <http://www.sl.universalservice.org/funding/y5/>.

FCC Seeks to Improve Rural Health Care Program

The FCC has issued a Notice of Proposed Rulemaking (WC Docket No. 02-60, FCC 02-122) seeking comment on improving the rural health care universal service program which provides discounted telecommunications services to rural health care providers at rates equal to the rates charged for similar services in urban areas. The Commission is exploring ways to increase the number of health care providers that could benefit from the program's discounts without modifying the existing \$400 million annual funding cap.

\$214,390 has been committed to date for Montana health care providers for the 2001 funding year. Recipients in the service area of MITS companies include the Crow Indian Hospital, Frances Mahon Deaconess Hospital (Glasgow), Fort Belknap Health Center, Fort Peck Health Center (Poplar), Hays Indian Health Center, Northeast Montana Health Services (Poplar), PHS Indian Health Center (Lodge Grass), Rocky Boy Tribal Health Center and Wolf Point Indian Health Center.

Information regarding the program is found at <http://www.rhc.universalservice.org/>.

Burns -Wyden CAN-SPAM Act Bill Empowers E-Subscribers

Senator Conrad Burns expects his CAN-SPAM Act to survive committee mark-up and reach the Senate floor for debate. The bill would require e-marketers to include a working return address to allow recipients the option of refusing further e-mails and would prohibit e-marketers from using falsified subject lines. The bill includes strong compliance provisions giving the Federal Trade Commission and state Attorneys General enforcement authority. Reports estimate the average e-mail account received 571 spam e-mails last year according to Senator Burns' office.



Senator Burns

911 Advisory Council Considers Strategic Plan

Members of the 911 Advisory Council gathered in Helena April 18, 2002, to discuss the current status of the Montana 911 program, Public Safety Answering Points (PSAPs), as well as to engage in strategic planning for the future of enhanced emergency response systems in the state. Council representatives of the telecommunications industry include MITS' Mike

Strand; Geoff Feiss, Montana Telecommunications Association; Larry Sheldon, Qwest; Don Hollister, Century Tel; Mark Yahne, Western Wireless; and Andrea Homier, Verizon Wireless. They joined other members appointed by Governor Martz to provide policy level direction for matters relating to planning and implementing Montana's public safety commu-

nications network. Among other tasks, the group will develop recommendations for legislation that may be required to promote interoperability and will explore opportunities for inter-agency and regional systems for emergency first responders.



Farm Bill Plows Through Congress

With the leadership of the U.S. House and Senate reaching agreement on language regarding what has become known as the "Farm Bill", the bill survived final passage of both Houses and has now been signed by President Bush.

The bill reauthorizes U.S. Department of Agriculture (USDA) programs, including the Rural Utilities Service (RUS). A provision in the bill includes \$100 million for USDA to provide loans and loan guarantees for enhancing broadband services in rural areas. Eligible costs include the construction, improvement and acquisition of facilities and equipment. The program remains neutral on the types of technology used to transmit broadband services.



Senator Baucus

Baucus Introduces Rural Electromagnetic Spectrum Access Act

Senator Max Baucus recently introduced legislation designed to increase access to spectrum for the delivery of wireless services in rural areas. S 2075 would require the FCC to award at least one license to a rural service area or "similarly sized geographic area" when more than one license

in a block of spectrum is auctioned. It requires the FCC to establish build-out requirements in rural areas. It further allows the FCC to reclaim and re-auction licenses if it determines that those build-out requirements have not been met.

"Our No. 1 goal is to help small and medium-sized carriers participate in future actions," said Jay Driscoll, legislative as-

sistant to the Senator. "Too much spectrum lies fallow in Montana and while others talk about a comprehensive spectrum plan that will be years away, areas are not receiving adequate wireless service today. This bill attempts to correct this problem. Ultimately, we're saying to license holders that we want you to build out your networks, now."

MTS Responds to Public Service Commission's ETC, "Eligible Telecom Carrier", Inquiry



MTS filed comments May 7, 2002, to the Montana Public Service Commission's (PSC's) Notice of Inquiry on the issues of designation and certification of eligible telecommunications carriers (ETCs). The Federal Telecommunications Act requires that carriers be designated as ETCs in order to receive universal service funding. Universal service funding is distributed to carriers in rural areas based on their high costs of providing service. The funds are intended to insure that subscribers in rural areas receive service that is comparable in both quality and price to services received by their urban counterparts.

As noted in MITS' comments, the PSC has already designated all of the rural telephone companies currently providing service in Montana as ETCs in their respective service areas. Therefore, the issue with respect to designation is limited to new companies that seek such designation

going forward. MITS' position is that such companies should be required not only to meet the very basic eligibility criteria outlined by the FCC, but also the high standards of service quality and technical reliability for which Montana's existing rural carriers are so renowned.

Such a requirement is particularly important given the FCC's position on the "portability" of universal service support. So long as a new competitor meets the most basic service standards established by the FCC, such a competitor should receive precisely the same amount of support per line as the existing ETC in a given area. According to the FCC, this is to be the case even if the new competitor provides significantly inferior service using an inferior network. In MITS' view, the FCC's policy will inevitably drive service quality in rural areas to a lowest common denominator.

Once a carrier has been designated as an ETC, the PSC is required to certify to the FCC on an annual basis that the carrier is spending its universal service funds in an appropriate manner. The existing rural telephone companies in Montana have been filing detailed reports regarding their expenditures for many years with the National Exchange Carriers Association (NECA) in accordance with strict FCC accounting rules. NECA in turn conducts regular audits of its members to ensure compliance. Where such a process is already in place, MITS' position is that it should constitute *prima facie* evidence of compliance with the financial obligations associated with ETC status. To the extent a new ETC is not a member of NECA, the PSC should require that NECA-equivalent financial information be submitted directly to the PSC.

iConnect Montana Plans to Locate Next Collocation/Data Center in Missoula

iConnect Montana, a division of MITS that builds and operates data centers, tentatively plans to locate its next facility in Missoula. Mike Sheard, **iConnect's** Director of Operations, has been meeting with Missoula economic development specialists, the Missoula Connectivity Task Force and potential customers about the significant need for a data center in Missoula. Several suitable locations have been identified and Mike is currently negotiating with the property owners for space.



The Missoula data center will offer telecommunications-intensive and Internet-related businesses cost-effective "plug and play" market entry opportunities that do not currently exist in the Missoula area. The facility will provide a valuable addition to Missoula's existing arsenal of economic development tools to help stimulate economic activity and create job growth.

iConnect Montana operates data centers in both Billings and Helena and is also participating with the Great Falls Downtown Business Improvement District to locate a data center in the new business incubator in downtown Great Falls. For more information about **iConnect Montana** please contact Mike Sheard at (406) 443-1940 or e-mail him at msheard@icconnectmontana.com.



Billings-Area Local Calling Update

Telephone customers in the Billings area will soon be able to call friends, neighbors, businesses, medical facilities and schools in the region without making long distance calls. The process of expanding the Qwest Billings local calling region to include a

number of communities served by Project Telephone Company and Triangle Telephone Cooperative Association is proceeding well. The current target date for full implementation is August 14, 2002. MITS continues to work with Qwest to iron out miscellaneous contract issues, none of which appear likely to stop or delay the implementation process. Technicians from all of the companies involved are working steadily to ensure that the various network issues are fully resolved. A

secondary proceeding to examine whether two Wyoming communities served by Project Telephone Company (Clark and South Wyola) should be added to the calling region has been terminated. A poll of the subscribers in those communities indicated that a substantial majority were not willing to see an increase in local rates in exchange for the ability to call the other communities in the Billings region as a local (rather than long-distance) call.



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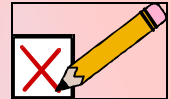


United We Stand

Cutting Edge - "Feel" the Internet



Mark Your Calendar



Haptics, which is described as the science of touch, is being used to add the sense of touch to the senses of sight and hearing to create a more lifelike experience during activities such as web surfing and playing online games. Immersion Corporation (www.immersion.com) combines technological innovations in both hardware and software to provide simulated touch feedback sensations to users via specially enabled devices such as track balls, mice and joysticks.

For example, users can experience the reverberations of an explosion while playing an online military game, feel the bumps of a car that has run off the road in a simulated car race, or receive a touch sensation when scrolling across a hyperlink or menu on a web page.

Immersion Corporation which has more than 140 patents in haptics technology has devel-

oped a multitude of applications designed to make virtual reality simulations more lifelike. Such applications include medical simulators that allow health-care professionals to experience real-life sight, sound and touch sensations for training purposes, interactive 3-D computer aided design processes, and an interface controller installed on car dashboards that enable drivers to control features such as changing the radio station, adjusting the air flow and setting up a navigation route, all using a single knob.

The company is offering free kits to developers to spur development of web sites that utilize its technology, and free plug-ins are available to users. With the ability to translate visual information to create tactile feedback sensations, Internet content will not only be able to be seen and heard, users' experiences will soon be enhanced by the sense of touch.

May 13-17: New Mexico State University - Center for Public Utilities Training - Albuquerque, NM

May 14: PSC Hearing: L-02.1.1-RUL - Customer Service Deposits - Helena

May 22-24: Western Interstate Regional Conference for County Commissioners - Billings.

June 9-12: Western Conference of PSC Commissioners - Scottsdale, AZ

June 21: Senator Burns' 19th Women's conference, Montana Women 2002 - Butte, MT

July 10-12: 2002 MTA Annual Mtg. - Helena

July 28-31: NARUC Summer Mtgs. - Portland, OR

MITS BITS - 26 New Associate Members since October 2001 !!!!
 Anyone interested in becoming a MITS Associate Member should contact MITS at (406) 443-1940 or e-mail us at mits@ixi.net.