



# Montana Telecommunications



January, 2002

## Comparable Service at Comparable Rates

MITS continued its fight for the preservation of true universal service for rural America in recent comments it submitted to the FCC on behalf of the Montana Universal Service Task Force (MUST). MUST is a group of rural telephone cooperatives and their subsidiaries that have been providing critical telecommunications services to the state's rural areas for the last half century. MUST includes all of MITS' member phone companies as well as a number of non-members that share our concerns.

The current proceeding before the FCC is aimed at reviewing and updating the definition of "universal service" promulgated by the Commission in 1997. That definition was the FCC's first attempt following passage of the landmark Telecommunications Act of 1996 to codify in federal rules the goals set forth by Congress that persons in urban and rural areas of the nation should have access to comparable telecommunications services at comparable rates. The current definition sets forth a number of basic phone services, such as access to local and long distance service, as well as operator and directory assistance services. The FCC's current definition is silent on issues such as reliability, customer complaint procedures or billing practices. In other words, it is a bare bones definition - a far less demanding set of standards than rural companies currently impose on themselves in most areas of the state.

One of the most important ramifications of the definition is that telephone companies offering universal service as defined by the FCC are eligible for funding from a telecom industry-funded pool. That pool, referred to as the federal Universal Service Fund, is distributed to hundreds

of companies across the country pursuant to strict accounting rules to ensure that consumers in rural areas receive phone service at affordable rates.

The Universal Service Fund has recently become a target for competitive phone companies seeking new revenues. This is in large part because the FCC's current position is that anyone who meets the current "bare bones" service standards receives the same funding. Therefore, a competitor providing "bare bones" service is eligible for the same funding as an incumbent provider that provides a much higher standard of service.

MUST is very concerned that as a result of the FCC's current policies, service in rural areas like Montana will be driven to a lowest common denominator. Competitors will use the money they save by providing "barebones" service to undercut prices charged by incumbent phone companies for higher quality service. Incumbents will either need to reduce the quality of their service to remain price competitive or be driven out of business. In either case, the rural consumer is likely to be left without a high quality alternative. Given the growing importance of the Internet and access to broadband services, the potential social and economic harm to rural America is significant.

### - MITS - Board of Directors

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Triangle Telephone Cooperative Association

**Vernon Stoner - Director**  
Nemont Telephone Cooperative



## Legislative Updates

The Interim newsletter, published monthly by the Legislative Services Division, keeps Montanans informed of ongoing legislative work. It has articles relating to interim committee work and general legislative news and events including legislative calendars. It's available online at [http://www.leg.state.mt.us/reports/interim\\_newsletter/](http://www.leg.state.mt.us/reports/interim_newsletter/).

### MITS BITS

Nemont Telephone Cooperative was featured in the Billings Gazette December 9<sup>th</sup> Sunday edition. The article profiled the challenges of providing basic and state-of-the-art advanced services to remote rural Montana as well as the commitment of cooperatives to provide high quality service to customers now and in the future. The article can be found at <http://www.billingsgazette.com/archive.php?section=Business&display=rednews/2001/12/09/build/business/nemont-tele.inc>.

# Rural Health Care Apps Go Online

Beginning January 28, 2002, applicants seeking Universal Service Rural Health Care Funding can submit and post applications (FCC Form 465) completely online. While applicants could previously fill out the form online, they then had to print it out, sign it and send it for processing. The new "E-certification" allows the forms to be immediately and automatically posted for the mandatory 28-days during which service providers can submit bids for the services sought by the rural health care applicants. The online E-certification process is limited to health care providers which have applied for and been granted funding in a previous year.

**The Year 5 funding application window opens January 28, 2002.** Detailed information on telecom discounts available for rural health care providers is found at [www.rhc.universalservice.org](http://www.rhc.universalservice.org). Montana recipients of the universal service fund discounts in service areas of MITS companies in previous years include the Chippewa Cree Health Center (Box Elder), Huntley Project Medical Center (Worden), Wheatland Memorial Hospital (Harlowton), Absarokee Medical Clinic, Big Sandy Medical Center, Liberty Co. Hospital (Chester), Frances Mahon Deaconess Hospital (Glasgow), Roosevelt Memorial Hospital (Culbertson), Fort

Peck Health Center, Crow Indian Hospital (Crow Agency), Ft. Belknap Health Center, Hays Indian Health Center, Missouri River Medical Center (Fort Benton), Northeast Montana Health Services (Poplar) and Wolf Point Indian Health Center.



**Frances Mahon Deaconess Hospital  
Glasgow Montana**



Apps.

The Technology Opportunities Program (TOP) of the National Telecommunications and Information Administration (NTIA) has released the FY2002 Notice of Solicitation of Grant Applications. Congress appropriated \$12.4 million for the Department of Commerce TOP grants having an application deadline of March 21, 2002. Program information including rules for applying, suggestions for preparing an application and standard forms required are detailed at [www.ntia.doc.gov/top/whatsnew/whatsnew.htm#TOP2002](http://www.ntia.doc.gov/top/whatsnew/whatsnew.htm#TOP2002).



\$12.4 Million

## NTIA Seeks Grant Applications

Recipients of 2001 TOP grants include Montana State University and the Missoula Demonstration Project, Inc. MSU was awarded \$809,365 to establish reservation-based Indian Technology and Cultural Heritage (TeCH) Learning Centers where tribal elders and leaders will work with local youth, tribal college educators, and others on the digital preservation of their tribe's historical, cultural, and language resources. The Missoula Demonstration Project will receive \$461,180 for the Choices Bank – A Community-based Advance Directives Repository that uses network technology to link health care institutions to an electronic repository for advanced health care directives such as living wills and durable power of attorney.

## New E-Rate References Posted

As applicants continue to receive funding commitment letters detailing telecom discounts approved for the 4<sup>th</sup> year of the Universal Service e-rate program, the Schools and Libraries Division of USAC reminds both applicants and service providers that strict rules govern the program. The division has released three new documents detailing program rules.

The Free Services Advisory cautions about practices that are contrary to program rules, in areas such as price reductions, promotional offers, "free" products or services, and trade-in allowances, and provides examples of such prohibited practices.

products and services that have mixtures of eligible and ineligible components. The Wide Area Network (WAN) Fact Sheet outlines the circumstances under which components of WANs may be eligible for e-rate discounts.

All three documents may be found at [www.sl.universalservice.org/reference](http://www.sl.universalservice.org/reference). Schools, libraries, and service providers participating in the e-rate program are subject to audits by the Universal Service Administrative Co. (USAC).

2 The Cost Allocation Guidelines for Products and Services that Contain Eligible and Ineligible Components discusses how the SLD allocates funding for

**A Little MITS BITS**  
**MITs director Roy Neufeld and wife Carol had an early Christmas gift. A 9 lb. 8 oz., granddaughter. Amber Ann Reddig, was born December 19th making Christmas 2001 very special indeed.**

## Montana CLECs Say Qwest Not Yet There

Qwest's service quality is improving but still falls short according to three carriers who provide competitive local phone service in some Montana cities by using Qwest's telecom network. Blackfoot Telephone Cooperative/Montana Wireless, 3 Rivers Telephone Cooperative, and New Edge Networks described their actual experiences dealing with Qwest as customers and competitors in the Montana local service market to the Montana Public Service Commission (PSC), staff, and a consultant contracted by the PSC to moderate and facilitate the forum held Jan 9 in Helena. The carriers provided documentation and evidence detailing difficulties in ordering and provisioning wholesale service from Qwest in order to service their own retail customers.

A common theme throughout the full day proceeding was the apparent lack of coordination and communication not only within Qwest, but also between Qwest and its wholesale customers. While praising some Qwest personnel

who worked diligently to overcome barriers in provisioning service, spokespersons for the competitive companies expressed frustration at missed deadlines, inconsistent information, and an apparent lack of advocacy and accountability within Qwest.

Before entering the long distance interLATA market, Qwest is required to prove that its local markets are open to competition and that it provides wholesale customers a quality of service comparable to that provided to its own retail customers. The facilitator of the Jan 9 forum will make recommendations to the PSC for their consideration in the pending "271" Qwest proceeding.

### MITS BITS

Triangle Telephone is offering free installation of ADSL high speed access to the Internet through January 31, 2002 for customers in Joplin and Box Elder.



David Gibson

Following months of research and analysis, Governor Martz's Office of Economic Opportunity, headed up by Chief Business Officer David Gibson, has issued a report entitled "Montana Framework for Economic Development." Telecommunications is identified early in the report as a key area of concentration.

The report marks the Phase I conclusion of a two-phase process. With this framework in place, the governor intends to move to the development of a strategic plan. This will involve the creation of an economic advisory group as well as a number of small technical groups "to recommend specific actions to address the needs of Montana's economy."

The report's discussion of telecommunications fell under the heading of "Foster[ing] a globally competitive business environment by enhancing the

## Telecom Among Priorities in Governor's Economic Plan

private sector." The stated goal for telecommunications is that "Montana's telecommunications services will meet the needs of its current businesses and encourage high technology and e-commerce based businesses to grow and thrive."

To accomplish this goal, the report identifies six strategies:

1. Utilize the government as the largest telecommunications consumer in the state to drive expanded access to and continued upgrade of Montana's telecommunications infrastructure.
2. Ensure that Montana has a competitive telecommunications infrastructure that will promote the growth of high technology and e-commerce based businesses.
3. Partner with the Burns Telecommunications Center to mobilize resources to acquire, integrate, demonstrate, and teach applications for telecommunications and multi-media technologies that enhance education, business and personal growth.

4. Support and promote the development and implementation of a state government information technology strategic plan to ensure efficient and cost effective IT use.

5. Promote business and industry clusters that increase demand for advanced telecommunications infrastructure.

6. Develop a process for analyzing the state's current telecommunications infrastructure and identifying impediments to technology business growth in Montana.

MITS is pleased to see that the Governor and her staff recognize the importance of telecommunications to Montana's economy. Our hope is that the administration will continue to be sensitive to the opinions of private industry and that the state will not use the heavy-handed approach that has actually stifled telecommunications innovation and economic activity in many other states across the nation. We look forward to working with her and her team as they move into Phase II of this process.



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## Montana Telecommunications

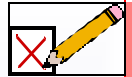
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*MITS welcomes your comments and inquiries on any of the articles in this publication. Please feel free to contact us or stop by our office.*

### Cutting Edge - Grid Computing - The New Model for Supercomputing



*Mark Your  
 Calendar*



For many corporations, government agencies, universities and researchers, complex computing tasks such as simulating weather or seismic activity generally require extremely expensive, room-sized supercomputers. However, a new way to perform these types of massive calculations called "grid computing" is increasingly gaining acceptance.

Virtually every corporation, government agency, university, etc. already has a wealth of excess computing capacity on the desktop computers that reside on their networks. Some of these networks contain hundreds, or even thousands of computers, ranging from the secretary's desktop to the CEO's laptop. Typically many of these computers spend most of the day running screen saver programs, which require very little in the way of processing resources. Even when these computers are in active use, the capabilities of most of today's PCs vastly exceed the processing required by most users. Grid computing, also known as distributed computing, provides a way to harness the unused processing capabilities of these networked PCs to provide extraordinary computing power.

For example, participants in a mathematics research project known as the "Great Internet Mersenne Prime Search" have recently use grid computing to discover the largest known prime number (which is expressed as 2 to the 13,466,917th power minus 1). The number was discovered using a simple 800 MHz computer, but the discovery was assisted by the collective surplus processing power of more than 210,000 PCs connected to a network called the Entropia Mersenne Grid. The PCs connected to the grid were owned by volunteer participants who continued to use them for their normal tasks even as the PC's excess processing capabilities were tapped for the research project.

- Jan 17-19, 2002  
The Magie Show,  
Great Falls
- Jan 23, 2002 -  
MT Chamber of  
Commerce Business  
Days at the Capitol,  
Helena
- Jan 25, 2002 -  
Information Technol-  
ogy Board Mtg., He-  
lena
- Jan 28-29, 2002 -  
Montana Council of  
Cooperatives Annual  
Mtg, Havre, Mt
- Jan 31, 2002 -  
EAS Public Hearing -  
Billings, Mt

The idea of grid computing is spawning a whole new industry that is evolving toward what could become a nationwide computing grid that allows users to share computing power across the Internet and other high-speed networks in a manner similar to the way electricity is now shared across the nation's power grid. For more information, see [www.gridcomputingplanet.com](http://www.gridcomputingplanet.com).