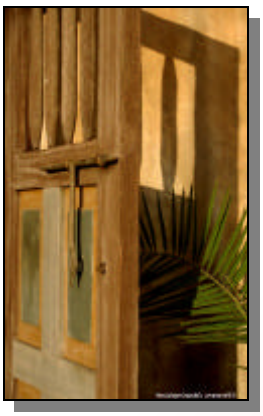
MONTANA TELECOMMUNICATIONS

AUGUST 2002

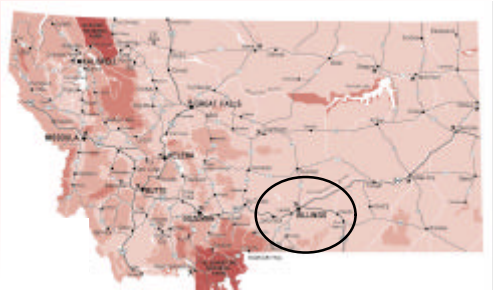
mits Montana Independent Telecommunications Systems

Providing Professional Services to the Telecommunications Industry since 1994



The Doors Among These Communities Have Opened a Little Wider!

The distance between Absarokee, Belfry, Crow Agency, Fort Smith, Huntley, Lodge Grass, Pompeys Pillar, Worden, Wyola, Broadview, Molt, Rapelje, Reedpoint, Billings, Bridger, Columbus, Fromberg, Hardin, Joliet, Laurel, Park City and Red Lodge just got a little shorter. In fact, now it's local. August 13th marked the opening of the largest local calling area in Montana for customers served by Project, Triangle and Qwest telephone companies.



The implementation of Extended Area Service culminated a multi-year process during which the companies listened to customers' concerns, explored options and aggressively worked to respond to the majority of subscribers expressing the need for a local calling area that more accurately mirrors their local community of interest. The MT Public Service Commission, after hearing overwhelming support at the January 2002 hearing, moved expeditiously to approve the new calling area and amended service rates. The three telephone companies worked to make the network adjustments required for transitioning from long distance to local calling. The result? The doors among these communities are now opened a little wider.

Nemont Telephone to Purchase Williston Exchange

Nemont Telephone Cooperative, headquartered in Scobey, Montana, has announced the signing of a purchase agreement with Citizens Communications for the Williston, North Dakota exchange. Citizens currently serves approximately 9,300 access lines in Williston. The purchase will increase the number of lines served by Nemont and its subsidiaries to approximately 30,000.

For a variety of governance and strategic reasons, Nemont will establish a subsidiary organization to be called Missouri Valley Communications to make the purchase and operate the facilities in Williston. The sale is expected to close early next year, following regulatory approval by the North Dakota Public Service Commission and the Federal Communications Commission.

NTCA Proposes Rules to Halt Waste of High Cost Universal Service Funds

On July 26, the National Telecommunications Cooperative Assoc. (NTCA) filed a petition with the FCC for an expedited rulemaking to close a loophole that results in millions of dollars of duplicative universal service spending. The basis for the petition is the FCC's interpretation of when competitive telephone companies can receive universal service funding for customers already served by an incumbent telephone company.

In its 1997 order, the FCC stated that universal service support distributed on a per (telephone) line basis would flow to a competitive carrier when a customer discontinued its service from the incumbent and replaced it with service from a competitor.

Under current FCC policy, however, competitive carriers are receiving millions of dollars in universal service funding for every line they serve, including lines that an incumbent served first and even continues to serve. The FCC's failure to clearly define a "new" or "captured" line results in universal service funds being distributed to both the incumbent and the competitor serving the same customer. NTCA recommends the FCC adopt clarifying definitions as well as a duplicative support prevention rule to ensure that when a customer receives service from more than one carrier, the carrier providing service first receives universal service support until it is replaced.

According to NTCA, from the first quarter of 2001 to the third quarter of 2002, duplicative high-cost support to competitive carriers has ballooned from $4.6 million to $76.4 million. The adoption of NTCA's proposed safeguards will save consumers hundreds of millions of dollars, as well as reduce the contributions by carriers to the universal service fund.

Another Rural Voice for the FCC?

On July 23, 2002, the Senate Commerce, Science and Transportation Committee unanimously approved the nomination of Jonathan Adelstein of South Dakota to the Federal Communications Commission. Montana's Senator Max Baucus spoke in support of the nomination, "Broadband deployment, spectrum management, and universal service are a few critical issues the FCC must address. I am confident that not only is Jonathan up to the task, but, more importantly, he will fight to make sure rural America has a strong voice in these important decisions. Jonathan's nomination is overdue and comes at a crucial time for the communications industry. Future decisions will shape our communications policy for decades to come. We need another Commissioner who knows first-hand the telecommunication need of rural America." Adelstein's nomination must still be considered by the full Senate.

Joint Board Satisfied With Current Expectations for Telephone Service

If the Federal Communications Commission accepts the recent recommendations of its advisory Federal-State Joint Board, telephone customers in the near future will be no closer to assurances of additional and/or quality services than they are today. Citing concerns with the costs to carriers, competitive impacts and growth of the universal service fund (USF), the Joint Board's July 2002 recommendation maintains the status quo for defining what constitutes "affordable telephone service available for all Americans". That definition is extremely important to rural America. It is the basis for determining which telephone carriers are eligible to receive USF assistance in recovering costs for providing service in "high cost" areas. The MITS member companies, as well as a number of non-members with shared concerns, filed comments with the Joint Board supporting higher standards of service for companies seeking to draw USF support. The Montana Universal Service Task Force (MUST) recommended that the FCC "raise the bar" not only for services but also for the quality of service subscribers should expect under basic telephone offerings. MUST is concerned that the FCC's failure to impose a more demanding set of standards for all carriers receiving federal USF will result in a lowering of service standards for everyone as competitive carriers enter markets. Under current FCC rules, competitors not only can receive USF for bare-bones service offerings, but also receive support based not on their own costs but instead based upon the costs of the incumbent carrier. Often incumbents provide a much higher quality of service than new competitors. MUST fears that the FCC's current USF policies will drive service standards to the lowest common denominator. This is in stark contrast to the high standards customers have come to expect in Montana's rural areas.

In recommending a status quo approach, the Joint Board opted not to support advanced services (high speed Internet connectivity) nor to support increasing the minimum voice grade frequency bandwidth. It failed to support a customer's right to unlimited local calling and it could not agree on whether all customers should have access to a choice of long distance providers. The Joint Board also declined to establish federal technical or service quality standards as a condition to receiving universal service support.

The FCC, after reviewing the Joint Board's recommendation, will make the final decision on the definition of universal service. Montana PSC Commissioner Bob Rowe, a Joint Board member, issued a separate 11 page Statement Concurring in Part and Dissenting in Part. The Recommendation is posted at http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-02J-1A1.doc.

Montana: a National Leader in Telehealth

AHEC – Mt Area Health Education Center (MSU Bozeman)

EMTN – Eastern MT Telemedicine Network (Billings-Deaconess)

FORTH – Fiber Optic Rural TeleHealth (Malta, Plentywood, Glasgow & Poplar, Scobey)

MHTA – MT Healthcare Telecom Alliance

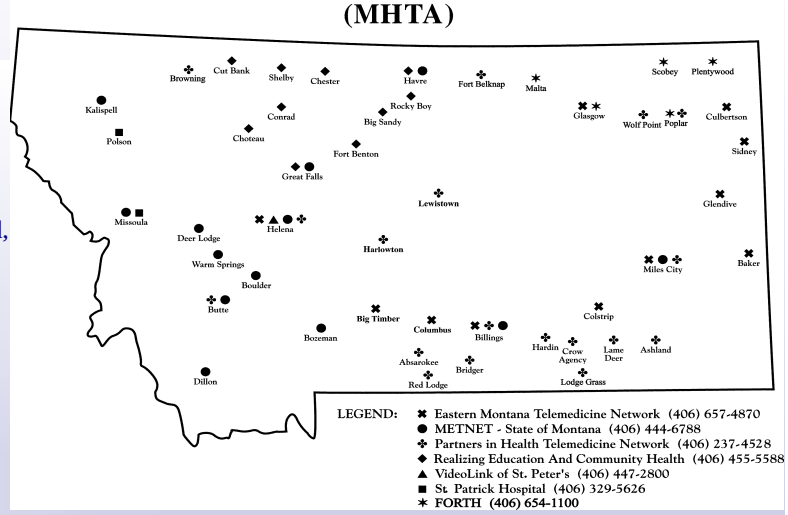
PHTN – Partners in Health Telemedicine Network (Billings - St Vincent)

REACH – Realizing Education And Community Health (Gt Falls-Benefis)

St Patrick Hospital – Missoula

VideoLink of St Peters (Helena)

MONTANA HEALTHCARE TELECOMMUNICATIONS ALLIANCE (MHTA)



Spotlight on Montana Telehealth

Eastern Montana Telemedicine Network Continues to Gain National Attention

Healthcare in rural areas is a challenge. The three D's, distance, density and demand, can be barriers not only to providing telecommunications but also to providing quality healthcare. It takes creativity, innovation, commitment and vision to establish, promote and advance rural healthcare programs. Montana's telemedicine networks are showing the rest of the nation just how to do that.

On June 2,2002, the American Telemedicine Association awarded the Eastern Montana Telemedicine Network (EMTA) the President's Award for the Advancement of Telemedicine. This prestigious award is given to one telemedicine network a year for its outstanding and lasting contribution to the field of telemedicine. This is not the first feather in EMTA's hat. In 1999, they were recognized as one of the top ten telemedicine networks in the country.

EMTN partners located in the service areas of MITS member companies include the Frances Mahon Deaconess Hospital in Glasgow; Roosevelt Memorial Hospital & Nursing Home in Culbertson; Pioneer Medical Center in Big Timber; and the FORTH Network – serving medical facilities in Scobey, Poplar, Malta and Plentywood.

Operational since September 1993, the Eastern Montana Telemedicine Network (EMTN) began as a cooperative effort among health care providers in eastern Montana to research the potentials of utilizing interactive video conferencing technology to provide medical and mental health consultations throughout the region. Today, EMTN provides the opportunity for specialty medical services to be offered to residents in all communities on the network, reducing the time and travel expenses of physicians and/or individuals seeking specialty services.

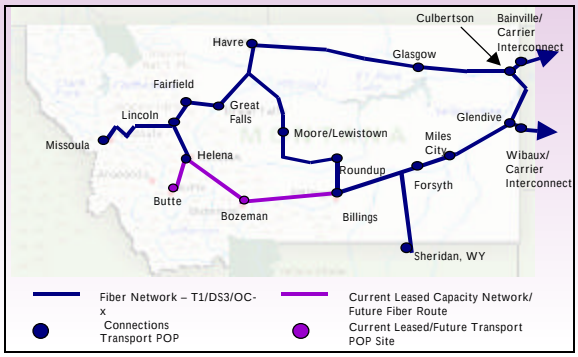
Vision Net Enhances Telehealth

The State Procurement Bureau, on behalf of the Department of Public Health and Human Services, Health Systems Bureau, recently accepted a proposal from Vision Net, Inc. to enhance the FORTH (Fiber Optic Rural TeleHealth) telemedicine sites. Vision Net will be supplying telemedicine peripheral equipment including cameras and light sources for diagnostic devices for quality imaging needed for accurate healthcare diagnosis. They will also be installing cabling and connectors and providing programming/engineering and fabrication for all five FORTH locations. The FORTH telemedicine network serves the Phillips County Hospital in Malta, Daniels Memorial Hospital in Scobey, Northeast Montana Health Services in Poplar, Sheridan Memorial Hospital in Plentywood and the Frances Mahon Deaconess Hospital in Glasgow.

Vision Net is owned by five rural telephone cooperatives: Nemont, Triangle, Northern, Blackfoot and 3 Rivers.

MAIN, Inc. - Affordable Business Solutions

Telecommunications costs may be high in rural areas due to the great distances, low population density and lowered demand for services. MAIN, Montana Advanced Information Network, offers a cost effective solution for business connectivity including telehealth applications. MAIN, Inc. provides telecommunications transport to support Montana and regional telemedicine networks and applications. Network connections are provided to both rural and urban locations in Montana and neighboring states to connect large regional medical centers to rural hospitals and clinics through high-speed data and telecommunications services. For example, MAIN provides network connectivity to several locations for the Eastern Montana Telemedicine Network, including Culbertson, Miles City, Sidney and Glasgow. Through their connectivity to rural independent telephone companies and Qwest, MAIN provides end to end provisioning, installation, billing and repair coordination, serving as a single point of contact for the customer.



MAIN was formed in 1995 by ten of Montana's rural telephone companies. Kathy Duff, MAIN's general manager, can be contacted at 406-252-4617.

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MITS Board of Directors

Tom Bangs - President—Central Montana Communications

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Ben Boreson - Secretary/Treasurer—Valley Telecommunications

Rick Pokorny - Director—Triangle Telephone Cooperative Association

Vernon Stoner - Director— Nemont Telephone Cooperative

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United We Stand

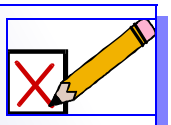
Cutting Edge - Telehealth in the Home

Maximizing access to health care in rural areas may involve some form of telecare. Remote monitoring of a patient's vital signs and medication compliance through the use of telenursing or telehealth may complement in-person visits, improving health care quality and reducing health care costs. Telemedicine applications can be used for patient education and follow up visits between patients and their caregivers.

American TeleCare, Inc, for example, created the AVIVA SLX(TM) systems that transfer data from medical devices such as blood-pulse and glucose meters through a telemonitoring system incorporating live audio/video with integrated electronic medical peripherals that allow a physician or nurse to conduct remote examinations of patients in their homes. The AVIVA System consists of a windows-based central station at a home care agency, hospital, HMO or health care network, which connects via an ordinary telephone line to a station placed in the patient's home. This system allows a health care professional to establish interactive video contact with the patient for education and monitoring purposes and provides easy access to patients' vital signs and heart and lung sounds.

A white paper recently released by the Montana Office of Rural Health & Montana Area Education Center (MSU-Bozeman) references a 2001 Telemedicine Report which shows that home care medical devices were the fastest growing segment of the medical device industry throughout the 1990's.

Mark Your Calendar



Sept. 15-18 - RMTA and WRTA Joint Showcase and Fall Convention, Salt Lake City, UT

Sept. 16-19 - NECA Expo 2002 - Connecting Rural America - Las Vegas, NV

Sept. 23-26 - NTCA Fall Conference, Las Vegas, NV

Sept. 29-Oct 2 - USTA Convention & Exhibition - Boca Raton Resort in Boca Raton, Fl.

Oct. 7 -8 - 2002 NTCA Wireless Symposium: Discover & Define Rural Telecom's Next Frontier, Nashville, TN

Oct. 14-15 - NTCA Regional Mtg, Billings, MT

Oct. 23-24 - NTCA Regional Meeting, Fargo, ND

- MITS BITS -

**Telehealth integrates information technology into the delivery of rural healthcare. Telehealth is used for clinical services such as Psychiatry, Cardiology & Teleradiology, education, administrative support and community development.*

**Funding assistance for telehealth is available through programs such as: Technology Opportunity Program* http://www.ntia.doc.gov/otiahome/top/grants/grants.htm

**Universal Service Rural Healthcare Program* http://www.rhc.universalservice.org/

**USDA Rural Utility Service:* http://www.usda.gov/rus/telecom/dlt/dlt.htm *and* http://www.usda.gov/rus/telecom/initiatives/index_initiatives.htm#broadband