MTA UPDATE

Committees Restructured to Better Serve Members
The new MTA Committee structure, which is a combination of the MTA and former MART committees, has been adopted by the board. Committee members have been informed of the changes, which the board of directors approved in late April. The new structure better reflects the direction the industry is heading and positions the alliance to better serve its members. Another benefit is the time savings and cost to members from not having to serve on essentially duplicate committees. Under the new format, six committees were eliminated, 14 will continue, and nine peer groups were created from existing committees. The committees fall under the categories of governance, activities, policy, program and peer groups. Here is the new committee structure.

Governance
Board of Directors
   Director Nominating Committee
   Executive Committee

Activity Committees
Associate Convention Committee
Associate Golf Committee
Centennial Committee (terminates in 1 year)
Events Planning Committee
Fishing Committee

Policy Committees
Legislative Committee
Regulatory, Tariffs & Services Committee

Program Committee
Safety Committee

Peer Groups
Customer Service Group
Human Resources Group
General Managers Group
Information Technology Group
Office Managers Group
Do you have an announcement for People & Companies? Send an e-mail (info@mnta.org) or fax (651-291-2795) to MTA.

Save The Date

MTA Golf Day
July 7, 2008

Stat of the Week

U.S. Web users watched more than 10 billion online videos during the month of February, a 66 percent gain from the previous year. Source: ComSource.

WEEKLY BULLETIN

Is there someone in your organization who you would like to add to the distribution list? Send their name, company, and e-mail address to info@mnta.org and we'll add them to the list.

WEEKLY BULLETIN is intended for MTA members. Redistribution is limited to internal audiences only.

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MTA Officers: John Finke,

Plant Managers & Superintendents Group
Telco Marketing Group
Video Group

Still Accepting Membership in the ‘Club’
The MTA will continue to accept membership into the Centennial Club beyond the initial deadline of May 1. To date, more than 45 members have joined. The MTA Centennial Committee invites all member companies to join the ‘Centennial Club’ to help the MTA properly observe its 100th anniversary. The MTA will mark this milestone with a commemorative picture book, a special centennial convention and celebration as well as publicity across the state and nation.

In recognition of your contribution of $500, your company will be listed as a ‘Centennial Club’ member in the commemorative picture book and at next year’s convention. The book will be found at telephone companies, libraries and museums across the state for years to come. Questions about the Centennial Club may be directed to Mike Nowick at 651-291-7311. Send your contribution to the MTA office, 30 East 7th St, Suite 1650, St. Paul, MN 55101.

The following companies have joined the Centennial Club.

Centennial Club Members
702 Communications
Ace Telephone Association
Albany Mutual Telephone Association
Alliance Communications Cooperative, Inc.
Arvig Communication Systems
Callaway Telephone Company, Inc.
East Otter Tail Telephone Company
Midwest Telephone Company
Osakis Telephone Company
The Peoples Telephone Company of Big Fork
Twin Valley-Ulen Telephone Company
Badger Communications Corporation
Benton Cooperative Telephone Company
BEVCOMM
Blackduck Telephone Company
Calix
CC & I Engineering, Inc.
Christensen Communications Company
CoBank
Consolidated Telephone Company
Mainstreet Communications, LLC
Melrose Telephone Company
Dunnell Telephone Company
Farmers Mutual Telephone Company
Finley Engineering Company, Inc.
Federated Telephone Cooperative
Garden Valley Telephone Company
Halstad Telephone Company
HickoryTech
Interstate Telcom Consulting, Inc.
LEGISLATIVE UPDATE

Governor Signs Bill
Broadband Task Force Created

Governor Tim Pawlenty has signed into law (SF 1918, Chapter 212) a bill creating a High-Speed Broadband Task Force. The purpose of the task force is to make recommendations to the governor and legislature regarding the creation of a high-speed broadband goal and a plan to implement that goal.

The task force appointed by the governor will consist of 21 members, including one representative each from higher education, regional public libraries, K-12 education, wireless service providers, labor and three separate state agencies. Two task force members, divided between the rural and metropolitan area each are to be appointed to represent cities,
counties, health care institutions and cable providers. Three members, divided between size and the rural and metropolitan area are to be appointed to represent telephone companies. Four citizen-at-large members equally divided between business and residential users are to be appointed to represent broadband/Internet users in general.

The task force report and recommendations are due to the legislature by November 1, 2009. The task force expires March 1, 2010. The task force report and recommendations at a minimum shall address the following broadband goals/issues;

- Identify the level of service and speeds for sending and receiving data citizens will need by 2015
- Description of the policies and actions necessary to achieve that goal, including obstacles to investment and identification of areas in the state that lack infrastructure to support broadband service
- Identify opportunities for the public and private sectors to cooperate in achieving goals
- Evaluate strategies, financing methods and incentives used in other states and countries to support the deployment of high-speed broadband
- An estimate of the costs of reaching a broadband goal, including capital costs, and identification of who will bear those costs
- An evaluation and recommendation of the actions necessary to ensure the reliability of high-speed broadband
- A description of economic opportunities made possible by the wide deployment of high-speed broadband
- An evaluation of how access to high-speed broadband can benefit public and private sector institutions

The governor’s office will collect names for possible appointment to the task force through the Open Appointments process administered by the Secretary of State’s Office. Application information for the task force will be found on the Secretary of State’s website beginning May 5th. Applications will close May 27th.

EDUCATION OPPORTUNITIES

Next MTA-U Focuses On Finances, Handling People
Attendees at the next MTA-U will come away with a better understanding of basic finance and accounting, and tips on handling emotionally charged people. Now in its fourth year, MTA-U for managers and supervisors is the annual source for developing leadership skills and learning important human resources responsibilities. Members have the option of taking the one-day course on June 5 or June 6 at the Radisson Suite Hotel in St. Cloud. The course will cover de-escalating emotionally charged people; industry update & technology trends; and finance for non-accounting professionals. Online registration for the course is available at [www.mnta.org](http://www.mnta.org)

INDUSTRY UPDATE

FCC Caps USF
The Federal Communications Commission (FCC) on Thursday approved a temporary cap on payments to wireless carriers from the Universal Service Fund. The Commission said this action was a crucial first step toward comprehensive reform of Universal Service and intercarrier compensation, two carrier compensation regimes that are directly interrelated. Such comprehensive reform is critical to ensuring the continued provision of affordable telecommunications for all Americans.

Because competitive eligible telecommunications carriers (ETC) currently receive support based not on their own costs and revenues, but on the costs and revenues of the incumbent rural carriers, universal service support to competitive ETCs would increase dramatically in the event intercarrier compensation rates declined. Until the Commission took the necessary first step of capping support to those competitive ETCs, any attempt to reform intercarrier compensation would have resulted in even more explosive growth of the Fund. “Capping support for competitive ETCs was a critical first step,” stated the FCC's Wireline Competition Bureau Chief Dana Shaffer. "It will control the growth of the Fund while the Commission considers options for more fundamental reform.”

The temporary cap will be imposed on a state-by-state basis, according to media reports. Each state's share will be frozen as of March 31, 2008. While states may continue to approve new wireless companies to apply for money from the fund, the state's share won't go up, meaning it is possible some existing carriers will actually see a reduction in their funding, the Associated Press reported.

The Commission's action to cap competitive ETC support, as proposed by Chairman Martin six months ago, will stabilize the Fund, enabling the Commission to now move forward expeditiously on comprehensive reform of both the universal service program and intercarrier compensation, according to a release on the FCC Web site.

The fund has grown rapidly over the past years reaching $7.2 billion from $5.2 billion in 2002. An increase in the number of cellular carriers receiving USF funding is one factor contributing to the increase.

**Qwest’s Fastest Internet Speeds Available In Metro**

Qwest is now offering two faster DSL services in certain parts of the Twin Cities metro area, including Minneapolis, Eagan, Woodbury, Burnsville, St. Louis Park, Maplewood and Minnetonka, according to media reports. St. Paul and the surrounding areas will get the service later. The new DSL service has speeds of 12 and 20 megabits per second for $47 and $100 a month respectively. The company’s previous fastest speed was 7 Mbps. The move by Qwest is seen as a response to Comcast rollout last month of a 50 Mbps service for $150 a month.

**OIG Finds No Wrong-Doings In Auction**

After a thorough investigation, the Office of Inspector General concluded that a number of factors contributed to a lack of bids for the D Block spectrum, which was to be a private network that emergency service agencies could use. FCC Chairman Kevin Martin requested the investigation after several groups complained that the bidders may have been turned off by the process. Media outlets reported that the Public
Safety Spectrum Trust, charged with managing the process, and its consultant, Cyren Call, were demanding payments from potential bidders. The scope of the investigation focused on Cyren Call's meetings with potential bidders and whether the information provided at these meetings affected potential bidders’

Broadband Sales Helps Boost Embarq Profits
Despite a decrease in access lines, Embarq reported a 33% increase in net profit for the first quarter. According to a company release, a gain of 63,000 broadband customers and lower expenses were responsible for the increased profits. The company also reported that its quarterly operating revenue fell to $1.57 billion, down from $1.59 billion last year, while access lines dropped by 7.3 percent. The company said the revenue decrease was offset by the improvements in operating efficiency and lower expenses.

Local Content Workshop at Melrose
ViodiTV will conduct a local content workshop on May 12 at diversiCOM Melrose Telephone Company. Building upon Viodi’s local content workshop series, the roundtable will be a refresher of some of the latest ideas, tips and tools for producing low-cost, high-quality content. Fresh from the exhibits of the NAB show, there will be plenty of ideas as to how independent telcos can become better producers. Ken Pyle and Roger Bindl, co-producers of ViodiTV, will conduct the workshop. The cost is $50 for MTA members. Click here for more information

FCC & REGULATORY FILINGS
MAY 31: EMPLOYMENT REPORT: FCC FORM 395, all carriers, including wireless carriers, with 16 or more full-time employees must file their Common Carrier Employment Report by May 31. This report tracks carrier compliance with rules requiring recruitment of minority employees. The FCC also requires all common carriers to report any employment discrimination complaints they received during the past year with the May 31st filing.

INDUSTRY CALENDAR
MTA & Industry Meetings/Events This Week
April 29: MTA Golf Committee, Crow River, Hutchinson
April 29: Retransmission Consent Agreement Workshop
May 1: General Managers Group

Upcoming MTA & Industry Meetings/Events
May 8: MTA Centennial Committee, MTA office, 9:30 a.m.
May 9: MTA Human Resources Group, Benton Cooperative Telephone Company, 10:00 a.m.
May 28: MTA Board of Directors, PT. Douglas, 2:00 p.m.
For a look at 12 months and more of industry events, click here

PEOPLE & COMPANIES

In Memoriam
The MTA sends its condolences to the Jeffery Carlson family and the staff
at associate member **J. Carlson & Associates** on the recent passing of **Deborah Kaye Carlson**, Jeffrey’s wife. A memorial service will be held at 2:00 p.m. on May 3 at Grace Chapel, south of Bagley. Visitation will be held from 8-8 p.m. May 2 at Grace Chapel. In addition to her husband, she is survived by her parents, a son, Zachary, daughter Marye and five brothers and a sister. In lieu of flowers, memorials maybe directed to the Deb Carlson Memorial Scholarship Fund, c/o Jeffrey A. Carlson, 646 1st St. Shevlin, MN 56676.

**In Memoriam**
The MTA would like to express its deepest sympathy to the Eddy family and Eric R. Morales, as Eric’s wife, Sadie Hutchison Morales, passed away suddenly on April 23. Eric, part owner and a member of the Sherburne Tele Systems board of directors, is the great-grandson of Cecil and Ruth Eddy, grandson of Rolland and Donna Eddy, son of Jane Eddy Shiota, and nephew of Robert K. Eddy. Cards and condolences may be sent to: Eric Morales, c/o Sherburne Tele Systems, Inc., PO Box 440, Big Lake, MN 55309

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