"Technology and Telecommunications"

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Hi everybody. Max here. I wish I could be with all of you in beautiful Helena, but I’m in Washington working on a prescription drug plan for our seniors.

First, I’d like to thank you for inviting me to your annual meeting. Your association always puts together a great program. *Riding the Communications Carousel* – this really explains the state of Telcom today.

Before I begin, I’d like to thank all the member companies for doing a great job for Montana. Your vision and hard work to provide Montanans with world-class Telcom service is commendable. Thank you for all you do.

I’d also like to thank Mike Strand, Mike Sheard, Bonnie Lorang and Kathy Anderson. You all do a great job.

Commissioner Bob Rowe, I thank you for you’re tremendous work trying to solve these complex issues. You’re aces!

Back in Washington, we continue to work to provide all seniors with quality, affordable prescription drugs and reliable, affordable energy for all Americans.

This fall, I’ve devoted much of my attention to reauthorizing the highway bill. I’m working hard to bring home more highway dollars for Montana’s
transportation needs. A strong highway bill means more good, high-paying jobs for Montanans. I’m working hard with Conrad and Denny to make sure Montana is taken care of.

Telcom is also really heating up this year. There are a lot of issues on the table both in Congress and at the FCC. Two of biggest are universal service and inter-carrier compensation.

As you all know, Universal Service Fund is under severe pressure. Funding sources are declining. And new demands are being placed on the program. The traditional lines are blurring between what constitutes a telecommunication service and what doesn’t. The result: the universal service fund is unsound and bursting at the seams. A fix is needed. But how do we do that?

I have some ideas. First, we must “expand the base.” I believe that all providers of telecommunication services should contribute to the fund. It just makes sense, if you use the telecommunications network I think you should pay for it.

Should the Universal Service Fund be used to support multiple carriers in a high-cost area? Should competitive carriers get the same amount of support as the existing carrier?
I don't believe the intent of the 1996 Telecommunications Act was to have universal service promote competition. But that is exactly what is happening today.

The other big issue is inter-carrier compensation. As you all know, this is an incredibly complex issue that has dramatic effects on rural carriers. I am happy to report that our very own Mike Strand was appointed to an elite group of experts to analyze this issue. It is extremely important that Mike be at the table for this discussion. Rural interests need to be protected and I know Mike is up to the job.

Finally, as you all know creating jobs and boosting Montana's economy is my number one priority. Montana independent telephone companies are often overlooked as a major contributor to our economy. Data shows that you all employ more than 1,400 Montanans and have a payroll of almost $70 million per year. These are the good high paying jobs we all want and need in our state. I am proud that you all are doing your part to improve our economy. And I look forward to continuing to work with you to move our economy forward.

I wish you all the best at this year's meeting. And the next time you're in Washington, please stop by my office. My staff and I are here to help you with whatever you need.