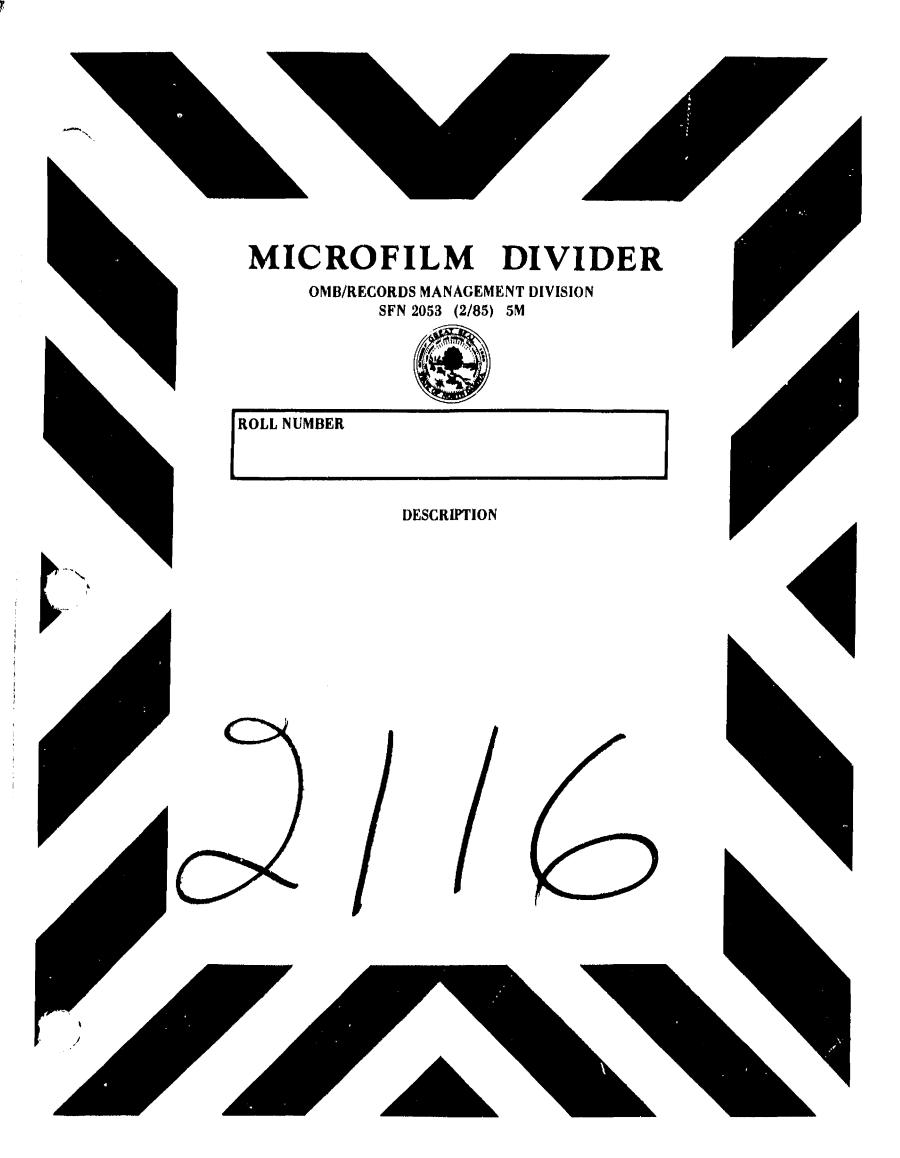
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Operator's Signature

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2003 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2116

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2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2116

Senate Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date 1-15-03

Tape Number	Side A	Side B	Meter#
1		xxx	1280
Committee Clerk Signatu	ro Lisa Jan	Berkon	

Minutes Chairman Mutch opened the hearing on SB 2116. All Senators were present. SB 2116 relates to prior written notification of price increases for essential and nonessential telecommunications service.

Testimony in support of SB 2116

The bill was introduced by Illona A. Jeffcoat-Sacco, Director of Public Utilities Division of the Public Service Commission. See attached testimony. (meter no. 1280)

Tony Clark, Public Service Commissioner, also gave testimony in support of SB 2116. See attached testimony. (meter no. 1913)

Susan E. Wefald of the Public Service Commission also gave written testimony in support of the bill. See attached testimony (meter no. 2186)

Leo Reinbold of the Public Service Commission wanted to go on the record in support of the bill.

No written testimony.

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10-16-03

Date

Page 2
Senate Industry, Business and Labor Committee
Bill/Resolution Number 2116
Hearing Date 1-15-03

Testimony in opposition of SB 2116

Mel Kambeitz of Qwest Corporation gave written testimony in opposition of this bill. See attached testimony. (meter no. 2800)

He agreed that customers who are not happy with their service can take their business elsewhere.

He explained that it is a very competitive business and putting more regulations on them would make it more difficult to compete.

David Crothers from the ND Assoc. of Telecommunications Cooperatives presented a pack of written literature. See attached copy. (meter no. 2990)

He stated that the coop is in opposition to this bill as well.

Mick Gross, of the West River Telecommunications Cooperatives, stated on the record that they DO notify customers of price increase or decrease. He also stated that he has never had a complaint. No written testimony. (meter no. 3946)

The hearing was closed. No action taken at this time.

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2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2116

Senate Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date 1-21-03

Tape Number	Side A	Side B	Meter#
1,	XX		2400
	1:11 12	<u> </u>	
Committee Clerk Signature	= Jualan 2	ikon	

Minutes: Chairman Mutch opened discussion on SB 2116. SB 2116 relates to prior notification of price increase for essential and nonessential telecommunications service.

Senator Heitkamp states that the AARP is in support of this bill.

There is committee discussion on the fact that the Public Service Commission could not provide any statistics on the number of complaints they had.

Senator Espegard moves a DO NOT PASS. Senator Nething seconds.

Roll Call Vote: 6 Yes. 1 No. 0 Absent.

Carrier: Senator Mutch

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10-16-03

Date: |-2|-03
Roll Call Vote #:

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. Senate _ LBL Committee Check here for Conference Committee Legislative Council Amendment Number Action Taken Seconded By Nething Motion Made By No Senators Yes Yes Senators Sen. Duane Mutch, Chairman Sen. Michael Every Sen. Jerry Klein, Vice Chairman Sen. Joel Heitkamp Sen. Duaine Espegard Sen. Karen Krebsbach Sen. Dave Nething (Yes) **Total** Floor Assignment

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Operator's Signature

If the vote is on an amendment, briefly indicate intent:

10-16-03 Date



Module No: SR-11-0827 Carrier: Mutch Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2116: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends DO NOT PASS (6 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SB 2116 was placed on the Eleventh order on the calendar.

(2) DESK, (3) COMM

Page No. 1

SR-11-0827

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2003 TESTIMONY

SB 2116

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Date

40

SB 2116

Presented By: Illona A. Jeffcoat-Sacco

Director, Public Utilities Division Public Service Commission

Before:

Summan.

Senate Committee on industry, Business and Labor

Honorable Duane Mutch, Chairman

Date:

15 January 2003

TESTIMONY

Mr. Chairman and members of the committee, I am Illona Jeffcoat-Sacco, director of the Public Service Commission's Public Utilities Division. The Public Utilities Division administers the Commission's jurisdiction over telephone, gas and electric public utilities in North Dakota. The commission asked me to appear here today to testify in favor of Senate Bill 2116, introduced at our request.

Presently, North Dakota has no requirement that telephone companies notify customers of price increases. This has proved to be particularly frustrating for long distance customers who may sign up for a plan for "7 cents a minute, all day every day," and a few months later they may open their bill and see that they have been paying a higher price for the most recent month due to a price change. They received no notification of the higher price until they opened their bill.

It does not have to be this way for North Dakota customers. For example, two of our neighboring states, South Dakota and Minnesota, require that customers receive advance notification of such price increases.

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Some telephone companies may feel that filing price changes with the Commission takes away any need to notify individual customers of rate increases. However, many long distance providers are deregulated and are not required to file price schedules with the Commission. Even those that do file price schedules with the Commission do not necessarily notify their customers directly when prices are increasing.

The reality of the situation is that most prices can change at any time. North Dakota law requires that price changes for essential services (basic dial tone) must by filed with the Commission at least 20 days before they take effect. However, prices for nonessential services (services such as caller ID, call waiting, long distance, etc.), if filed at all, take effect on no prior notice.

Making these filings with the Commission, while helpful to the Commission, does not take the place of customer notification of price increases. Customers find that even if they have signed up for a certain plan, the plan may cease or the terms of the plan, including the price, may change at any time. It is only when customers open their phone bills that they see that higher charges now apply due to a price or plan change. They received no notification of the higher price until they received their bill and had already used the service.

In competitive markets, it is important that customers have the ability to know about price increases before they happen, so that customers can make informed choices about what provider to use. This is especially important for business customers who may incur hundreds of dollars of long distance charges a month. We believe the notification requirement in SB 2116 is an important protection for consumers to ensure the integrity of the market.

2

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This completes my testimony. I will be happy to answer any questions you may have.

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10-16-03

SB 2116

Presented By:

Public Service Commissioner Tony Clark

Before:

Senate IBL Committee

Date:

January 15, 2003

Mr. Chairman and members of the Committee, I am Public Service Commissioner Tony Clark. I am testifying today in support of SB 2116.

While the wording of the bill is a bit complex, the concept is very simple. The question is if you believe your constituents should be responsible to pay for increases in services like long distance when telecommunications companies change rates in the middle of billing cycles without notifying customers. I believe the answer is clearly, "no."

While not all companies adhere to these deceptive billing practicing, the fact is that it occurs. And all too often, the increases are added in less than straightforward ways, such as tacking additional fees on incomprehensible line items of bills. The practice is akin to allowing a merchandiser to advertise and sell a product for one price, but then charge more than that amount on customers' credit cards, but the customer would only know after they get their bill the next month.

Some in opposition to this bill will raise the specter of regulation. That argument is a red herring. This is a very simple consumer protection statute that other states have enacted.

The notification can be as simple as one line on a phone, a simple bill insert, or even a paragraph in a cooperative or company newsletter. And for those who claim they do not currently engage in this deceptive practice, it should be no burden at all.

It is worth noting that AT&T recently told its customers they would be receiving a voice message the next time they placed a long distance call. The recording would tell them they have qualified for a customer loyalty credit that would appear on their next bill. Surely if these companies can give advanced notices of rate decreases, they can do the same for rate increases.

Thank you Mr. Chairman, I'd be happy to answer any questions you may have.

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SB2116

Presented By: Susan E. Wefald

Public Service Commission

Before:

Senate Industry, Business, and Labor Committee

Duane Mutch, Chairman

Date:

January 15, 2003

TESTIMONY

Mr. Chairman and members of the Committee

As I visited with people all around the state this past year, many people commented to me about the problem of not being notified of long distance telephone price increases before they occurred. I assured them that the Commission was also concerned about this matter, and that we would work with the legislature to solve this problem.

I have had a customer tell me that a long distance company told them that the reason they were not provided advance notice was because it was not required in North Dakota. This customer knew that Minnesota customers are provided advance notice of price increases.

Advance notice of price increases allows customers to make a change in carrier if they wish. This is so important in a competitive market.

Some people may say that Federal Truth in Billing rules take care of the problem. At the present time, the Federal Communications Commission requires companies to indicate on customer bills when rates for long distance change. However, it can be up to a month before customers receive this notice on their bills. The legislation before you would allow business and residential customers to know in advance the long distance rate they are paying.

We have also included provisions for notice of price increases for local services in this bill. These are also important for customers to receive.

I look forward to answering any questions that you may have.

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Senate Bill 2116

Presented by: Mel Kambeitz--Qwest Corporation

Before: Senate Industry, Business and Labor Committee

Senator Duane Mutch, Chairman

Date: January 15, 2003

• Mel Kambeitz, Director of legislative and regulatory affairs for North Dakota.

- Qwest opposes SB 2116 because it creates further unnecessary regulation on highly competitive services. If customers don't like the service they are getting from one company, they may choose from a wide variety of providers in North Dakota.
- The Commission and customers also retain the right to file formal complaints against companies for these types of practices with the PSC. The Commission, instead of asking for more regulation from the legislature, should use the authority they have to protect consumers.
- The first two items in section one have little effect on Qwest. As a regulated incumbent telecommunications company, Qwest already files price changes with the Public Service Commission prior to implementation on both essential and non-essential services. On essential services, such as basic dial tone, Qwest notifies customers of any changes at least 20 days prior to making them pursuant to 49-21-04.
- Qwest notifies its customers 30 days in advance of the increase. We use direct mail, newspaper or bill inserts for this notification. Qwest has 20-25 different billing cycles each month.
- With increased competition from regional bell operating companies like Qwest, toll prices are decreasing. Qwest recently completed an exhaustive 2-year long competitive review process to enter the state's inter-lata long distance market. Our current price offerings range from a 10-cent per minute default plan without monthly fees, down to 5 cents per minute and below for various specialized plans.
- Questions?

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NORTH DAKOTA ASSOCIATION OF TELECOMMUNICATIONS COOPERATIVES

P.O. Box 1144 • Mandan, ND 58554 Phone 701-663-1099 • Fax 701-663-0707 www.ndatc.com

SENATE BILL 2116

SENATE INDUSTRY, BUSINESS AND LABOR COMMITTEE

JANUARY 15, 2003

DAVID CROTHERS

NORTH DAKOTA ASSOCIATION OF
TELECOMMUNICATIONS COOPERATIVES

My name is David Crothers from the North Dakota Association of Telecommunications Cooperatives. The Association represents all of the cooperative and independent telephone companies in the State. Those companies serve over 164,000 homes and small businesses and approximately 94 percent of the geographic territory of North Dakota.

Senate Bill 2116 proposes to create new obligations for telecommunications companies to adhere to by establishing a matrix of notification regulations regarding communications with our customers. Telephone companies would be required to establish:

Essential Local Exchange Service:

Notification 15 days prior to increases of more than one percent.

Nonessential Local Exchange Service: Notification 1 day

prior to increases of more than five percent.

Intrastate Message Toll Service:

Notification 1 day prior to any price increase or change in the terms and conditions that lead to a price increase.

Members of the Association oppose this measure. They believe it is unnecessary, does not solve any of the problems that may exist today and places additional and unneeded

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Operator's Signature

responsibilities on an overburdened Public Service Commission staff.

The independent telephone industry in North Dakota has a unique relationship with its customers. It is locally-owned and overwhelmingly controlled by those customers that this legislation would seek to protect. The great support those owner-customers have for their telephone providers is because of our communications with them, including any occasion when rate increases are necessary. They operate their companies to provide service to themselves and we do not believe that State law or Public Service Commission oversight will enhance that relationship. I have included examples of those communications at the end of your packets of testimony.

As you will note in the attachments, notifying our customers of any changes in their telephone bills, whether it is a rate increase, a Federal Communications Commission surcharge or any other change in their service is something that the independent telephone companies in North Dakota take very seriously. To impose additional obligations on our companies without a demonstration of injury to our owner-customers is inappropriate, in our opinion.

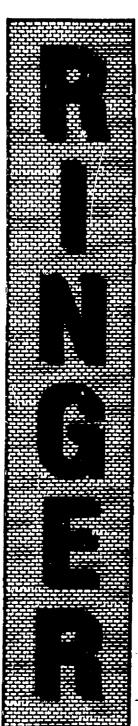
It is important to note also that we would be impacted by the requirement that any increases in the terms and conditions of intrastate message toll service that led to an increase in price mandate notification. Ten of our locally-owned companies own North Dakota Long Distance, a provider of long distance telephone service. We do not believe that any State law requiring notification would protect our customers of that service either. In its six year history there has never been a price increase and its communications and relationship with customers have been exemplary.

Members of the Association urge a Do Not Pass on Senate Bill 2116.

2

Operator's Signature

5. Tr



New "End User Charges" On Your Bill

A new surcharge will be appearing on your enclosed bill. This charge is called the "Federal Universal Service Charge" that is mandated and collected by the federal government. Universal service funds are used by the government to fund national programs that provide telecommunications to schools, libraries, rural health-care providers, low-income customers, as well as customers living in rural high-cost areas such as ours.

As a result of recent judicial action affecting the collection of funds supporting these programs, Northwest Communications Cooperative will assess this new federal universal service charge on all customers. Beginning in August, the monthly bill from NCC will include the new surcharge called "Federal Universal Service Charge."

The amount of the monthly surcharge will vary depending upon your choice of telecommunications services and the number of telephone lines you have. Generally, the surcharge will be applied per telephone line. However, customers using dedicated interstate special-access circuits (for example, DSL customers) will be assessed a percentage of their monthly interstate service amount.

The following monthly surcharges will apply:

Basic residential or business rate, per line \$0.34

(NOTE: Basic rate, federal Lifeline customers are exempt)

Basic rate, per trunk, or per ISDN BRI arrangement \$0.34

Business Centrex, per line \$0.34

ISDN-primary rate interface, per arrangement \$1.70

Special access service surcharge factor 8.8942%

If you have any questions about this new federal surcharge, please call NCC at 611 or 701-568-3331, or 1-800-245-5884 and ask for Mari. You can also contact the Federal Communications Commission's Consumer Information Bureau at 1-888-225-5322, or for the hearing impaired, 1-888-835-5322.

Northwest Communications Cooperative, PO Box 38, Ray, ND 58849
August 2001 1-800-245-5884 or 701-568-3331 www.nccray.com

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Sent By: NCC;

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Page 3/8





North Dakota Long Distance has just announced a...



7.9¢ Business Out-of-State 8.9¢ Residential Out-of-State 14.9¢ Residential & Business In-State

Details:

- These rates available on one plus calls
- NO ADDITIONAL FEES will be applied
- . Bundled, toll free, calling eard, and international rates remain the same
- · Calling increments remain the same
- Default pick to NDLD rate remains the same
- Existing NDLD customers will automatically receive the new rates.
- New rates effective March 1, 2001

If you have any questions, please call customer service at 1-800-597-6353, or NCC at 1-800-245-5884.

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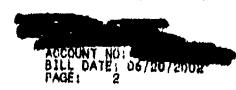
Operator's Signature

10-16-03

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North Dakota Telephone Company 211 22nd 81 NW P O Box 180 Devils Lake, ND 58301-0180 (701)662-1100



NOTICE ON INCREASES IN THE FEDERAL SUBSCRIBER LINE CHARGE (LISTED ON YOUR BILL AS FEDERAL ACCESS CHARGE)

IN ITS CONTINUING EFFORT TO PROMOTE A PRO-COMPETITIVE FRAMEWORK FOR THE U.S. TELECOMMUNICATIONS INDUSTRY, THE FEDERAL COMMUNICATIONS COMMISSION RECENTLY ORDERED INCREASES IN THE FEDERAL SUBSCRIBER LINE CHARGE (SLC) MAXIMUM AMOUNTS IMPOSED ON RESIDENTIAL AND SINGLE-LINE BUSINESS CUSTOMERS OF NOTIC AND OTHER LOCAL TELEPHONE COMPANIES.

EFFECTIVE JULY 1, 2002. NOTC'S RESIDENTIAL AND SINGLE-LINE BUBINESS CUSTOMERS WILL BE ASSESSED A MAXIMUM FEDERAL SUBSCRIBER LINE CHARGE OF \$6.00 (CURRENTLY, \$5.00) ON THEIR MONTHLY BILLS. WATCH YOUR MAIL FOR ADDITIONAL INFORMATION FROM NOTC ABOUT THESE SLC INCREASES AND THEIR INTENDED EFFECTS.

IF YOU HAVE ANY QUESTIONS ABOUT THE FEDERAL SLC INCREASES, PLEASE CALL NDTC AT 662-1100 OR 1-800-880-4213 (TOLL FREE).

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THIS IS ALL WE COULD COME. UP WITH FOR NOW!

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FCC Raises Rates For Local Telephone Consumers

Effective January 1, 2002, the monthly residential or single-line business Subscriber Line Charge appearing on your bill increases from \$3.50 per line to \$5.00 per line with possible increases to \$6.00 in July 2002, and \$6.50 in July 2003. Business customers also will see an increase in the multi-line business Subscriber Line Charge from \$6 per line per month to \$9.20 per line per month on January 1, 2002.

The Subscriber Line Charge covers a portion of the costs of telephone lines connected to your home or place of business. This increase is a direct result of new pricing regulations put in place by the Federal Communications Commission. These regulations require local phone companies to lower their access charges to long distance phone companies, and recover an increased portion of the costs of telephone line connections directly from local service customers.

The FCC phone number is 1-888-225-5322 (1-888-CALL FCC) Voice: totl-free

Grand Opening of DIA, Dakota Internet Access, An NCC Company November 15th

A steady crowd filled the retail store beginning at 10 am for the DIA Grand Opening on Thursday, November 15th. Members of the Williston Chamber of Commerce Contact Club arrived at 11:00 for the ceremonial ribbon cutting.



DIA staff and store manager, Joe Francetich, along with NCC staff and general manager, Kenneth Lund, Jr., cut the ribbon to acknowledge the new ownership of DIA.

DIA, Dakota Internet Access, is an Internet service provider and a retail outlet for custom built computers, computer maintenance, software sales and computer accessories. The store is located on the corner of 4th Street and Main Street in Williston.

More than 300 people enjoyed snacks and registered for free software door prizes given away every half hour. Grand prize winner of one year of free dial-up Internet service was Richard McFarland from Williston. For all your computer hardware or software needs, call or stop at DIA. Dakota Internet Access, an NCC Company.

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JAN-14-03 TUE 13:46

POLAR COMMUNICATIONS

FAX NO. 17012847205

P. 02

Jan '02

Federal Access Charge Increases

Effective January 1, 2002, the monthly residential or single-line business Federal Access Charge appearing on your bill will increase from \$3.50 per line to \$5.00 per line. Multi-line business customers will also see an increase in the Federal Access Charge to \$9.20. The Federal Access Charge covers a portion of the costs of telephone lines connected to your home or place of business. This increase is a direct result of new pricing regulations put in place by the Federal Communications Commission (FCC). These regulations require and recover an increased portion of the costs of telephone line connections directly from local service customers.

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STATEMENT OF NON-DISCRIMINATION

West River Telecommunications Cooperative is the recipient of Federal Assistance from the Runsi Utifities Service (RUS), an agency of the US Department of Agriculture and is subject to the provisions of Title VI of the Civil Rights Act of 1964, as amended. Section 504 of the Rehabilitation Act of 1973, as amended by the Age Discrimination Act of 1975, as amended, and the rules and regulations of the US Department of Agriculture which provide that no person in the United States on the basis of race, color, national origin, age or handicap shall be excluded from participation in, admission or access to, denied the benefits of, or otherwise be subject to discrimination under any of this organization's programs or activities.

The person responsible for coordinating this organization's non-discrimination compliance effort is Albert Grosz, CEC/General Manager. Any Individual, or specific class of individuals, who feels that this organization has subjected them to discrimination may obtain further information about the statutes and regulations illated above from and/or file a written complaint with this organization; or the Secretary, US Department of Agriculture, Washington, DC 20250; or the Administration, Rural Utilities Service, Washington, DC 20250. Complaints must be filed within 180 days after the alleged discrimination, Confidentiality will be maintained to the extent possible.



WEST RIVER TELECOM PO Box 467 • Hazen, ND 58545 www.westriv.com (701)748-2211 • 1-800-740-7220 Dave-service rate

Our service rate

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January

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year

Jocal papers.

West River Telecommunications Cooperative is a quality telecommunications services provider who provides basic and enhanced services at reasonable pates within its service territory. Basic services are offered at the following raies:

MONTHLY SERVICE & CHARGES	LOW	HIGH
Single Party Residence Service	. \$7.50	, \$7.75
Single Party Business Service	\$9.75	, \$10.25
Federal Subscriber Line Charge (Single Line)	\$6.00	\$9.20
Directory Service		
Touch Tone Service		
Toll Blocking		\$3.50
FUSC		
Emergency 911 Services	nent essess	menis.)

Low-income individuals eligible for Lifeline/Enhanced Lifeline & Link-Up telephone sesistance programs may be eligible for discounts from these basic local service charges through state and federal specified telephone assistance plans.

Basic services are offered to all consumers in the West River Telecommunications Cooperative service territories at the rates, terms and conditions specified in the Company's tariff, if you have any questions regarding the Company's services, please call us at (701) 748-2211 or 1-800-748-7220, or visit our business office at Hazen, ND for further information regarding our services.



WEST RIVER TELECOM
PO Box 467 • Hazen, ND 58545
www.westriv.com
(701)748-2211 • 1-800-748-7220

Please run BOTH ads in the McLean County Journal for one week only

- the week of January 13, 2003, if possible.

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P.004/004

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TO TO THE TEN

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911 User Fee Implemented in January 2003

Ward County system to be upgraded to digital

Starting in January 2003, Ward County residents will be assessed a \$1 monthly fee for each telephone line they have. They will also be assessed the \$1 fee for each wireless cellular phone as well. The \$1 fee was approved by county voters on June 11, 2002.

SRT will begin assessing the \$1 fee on telephone billing statements that will be mailed out the week of January 20, 2003, NOTE: As mandated by the FCC, Ward County Commissioners and Ward County voters, all wireless cellular phone companies must initiate the user fee starting in January 2003.

The 911 amergency services system gives law. enforcement the name and address of the caller. It also gives dispatchers information on which responders (fire, ambulance or law enforcement) to notify for the emergency.

The money collected by SiTT and other wireless cellular phone companies is forwarded to Ward County County officials have stated that a portion of the funds will be set aside each year to pay for the 911 upgrade from analog to digital. The new technology will ensure clarity in communication. One important part of the new system will allow future upgrades to provide emergency dispatches the ability to locate wireless cellular callers. The location feature will be an important one for people who become for or injured and need help. Currently, the wireless cellular caller needs to tell the dispatcher where they're at it the caller doesn't know their location or becomes unconscious while talking, they can't be located.

Other counties SRT is required to collect 911 fees for are Bottineau, McHenry, McLean, Renville, Sheridan, and Wells These less have been in place for several years. The money collected by SRT is remitted to the appropriate county.

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LOCAL TELEPHONE RATES GO UP JANUARY 1, 2002

The Federal Communications Commission (FCC) recently reformed how long distance companies pay local telephone companies like NCC for completing their long distance calls. Long distance companies requested a reduction in the compensation (called access charges) that they pay local telephone companies because they say it forces them to charge higher prices for long distance service.

Therefore, the FCC has cut access charges paid to local telephone companies by more then 50%. Since this is such a huge financial blow to the local telephone company revenues, the FCC made up for the loss by increasing a surcharge on your bill called the SLC or Subscriber Line Charge. This is a surcharge on each line, and it is essentially a mandate by the FCC that requires NCC to increase the rates for local telephone service.

Effective January 1, 2002, the monthly residential or single-line business Subscriber Line Charge appearing on your bill increases from \$3.50 per line to \$5.00 per line. It will increase to \$6.50 per line over the next 18 months. For business customers with more than one line, the Subscriber Line Charge will increase from \$6.00 per line to \$9.20 per line.

What this means is that the amount paid by long distance companies to local telephone companies for access to their lines will be cut drastically. Nothing in the FCC order requires the long distance companies to pass those savings on to any of their customers who actually end up paying the increase Subscriber Line Charges on their local telephone bill.

If you have any questions regarding this mandated increase, please call the NCC business office at 701-568-3331.

Northwest Communications Cooperative, PO Box 38, Ray, ND 58849

Jan 2002 1-800-245-5884 or 701-568-3331 www.nucray.com

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FCC Raises Rates:

Recently the Federal Communications
Commission, (FCC) passed new regulations
that will raise the monthly Federal Subscriber
Line Charges that customers currently pay on
their local telephone bills. Each customer is
currently charged "Federal Subscriber Line
Charges" on their monthly local telephone
bills, ranging from \$3.50 for residential and
single line business subscribers to \$6.00 per
line for multi-line business customers.

Effective January 1, 2002, residential and single line business customers will see the Federal Access Charges increase from \$3.50 to \$5.00 per month, with increases to \$6.00 in July 2002, and \$6.50 in July 2003. Business with multiple telephone lines will see their charges increase from \$6.00 per line per mo. to \$9.20 per line per mo. on January 1, 2001.

If you have questions about the federal SLC increases, you can confact the Federal Communications Commission Consumer Information Bureau, at 1-888-225-5322 or 1-888-835-5322 for the hearing impaired.

Consolidated

701-483-4000 • 1-888-225-5282 507 S. Main, Dickinson • www.ctctel.com

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NCC REBALANCES RATES

Effective January 1, 2000, Northwest Communications Cooperative (NCC) will complete the local rate rebalancing plan. With the completion of this plan, which began three years ago, the residential and business rates for all 15 exchanges will be brought together at \$12.50 per month. These rate changes amount to an increase of from \$.50 to \$3.00 per line depending on your class of service and which exchange your local service is in. After this rebalancing, all local service rates in all exchanges will be the same, with the exception of the business rates in Crosby and Tioga exchanges, which will remain at their present rates.

Also effective on January 1, 2000, the "Other Residential" rate group was eliminated. This rate was for a combination business/residential group. A deciding factor of when a customer was charged this rate was if a portion of their telephone expenses were used for income tax purposes. This rate group was very interpretive and difficult to keep updated. The rate for the subscribers in this group was adjusted from a \$5.01 decrease to a \$2.00 increase.

Also effective January 1, 2000, the Extended Area Service, (EAS), charge for the Crosby exchange will be set at \$1.50 per month for both residential and business rates. Before, this EAS charge was from \$1.23 to \$2.45 per month depending upon the rate group. The Crosby EAS charge is for toll free dialing to the Noonan, Ambrose and Fortuna exchanges.

Implementing this rate rebalancing plan was a difficult decision for the NCC Board of Directors. For years, your local service rates have never reflected the actual cost of providing these services. Revenues received from the long distance carriers and the high cost support payments were used to subsidize the cost of providing these local services, but with the passage of "The Telecommunications Ac of 1996", theses revenues NCC receives are being reduced, which in turn requires NCC to price our local services closer to the actual cost of providing these services.



Please check your directory listing to verify that it is correct.

If you want to make changes, please call Mari at the NCC office, 568-3331. Deadline for any directory changes is January 20th, 2000.



Subscribe to NCC's Internet Service through December 30th and SAVE BIG!!

- FREE activation save \$25.00
- · Unlimited access
- FREE Basic Beginning Internet Class at NCC's Internet Classroon
- JUST \$19.00 a month for service
- CALL NCC today: 701-568-3331

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An Explanation of the Increase in the Federal Access Charge

The Federal Communications Commission (FCC) recently passed a new regulation that requires local telephone companies to raise the monthly Federal Access Charge that customers currently pay on their local telephone bills. This new regulation affects all community based telecom providers, including West River Telecom. As a result, Federal Access Charges for customers of WRT will increase.

EFFECTIVE JANUARY 1, 2002:

Residential & Single-Line Business charge will increase from \$3.50 to \$5.00 per month. The Multi-Line Business charge will increase from \$6.00 to \$9.20 per line, per month.

What is the Federal Access Charge? This charge is a flat monthly charge, established by the FCC, assessed directly to residential and business customers to help local telephone companies recover some of the costs they incur in constructing and maintaining their local networks. This is a required FCC charge and is part of the FCC's ongoing effort to promote a competitive framework for the US telecommunications industry. This charge is collected on behalf of the FCC from customers of telephone companies throughout the United States and redistributed to telephone companies, such as West River Telecom, providing service to high-cost rural areas. Pending the outcome of a FCC review, the residential and single-line business charges could increase to \$6.00 on July 1, 2002, and \$8.50 on July 1, 2003.

Why did the FCC increase this charge? With the passage of the Telecommunications Act of 1996, Congress mandated that all consumers, rural or urban, should be assured of similar access to comparable telecom services at comparable rates. Congress made this commitment to the principle of Universal Telephone Service, knowing full well that it costs significantly more to serve rural areas than urban markets. Still,

even with the January 1, 2002 increases in Federal Access Charges, customers of community based telecom providers, such as West River Telecom, have local residential bills that average slightly less than those for customers of urban-based companies. Universal Service recognizes the economic reality that the costs of providing telephone service to all parts of the country vary widely, but that the nation as a whole benefits from a network that connects all Americans. We can look on Universal Service as a system by which everyone benefits from the fact that everyone else has a telephone.

What does this all mean to WRT customers? From the day West River Telecom first wired our area for service, we've maintained a simple philosophy ~ to provide a variety of quality services at affordable rates to the residents and businesses we serve. All the while, we've operated with a strong conviction to do more than just serve our customers, but to provide essential services to our friends & neighbors.

Thanks to the country's commitment to Universal Service and other programs that recognize that the costs of bringing telephone services to all corners of the country vary widely, the nation as a whole has profited from a telephone network that connects to as many Americans as possible.

As we face new challenges and advancing technology, West River Telecom will continue our commitment to offering quality service to our customers and to playing a vital economic role in our communities. While rural America may be tough to serve, it's worth it. After all, we live here too!

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