

# MTA Annual 1997 Report

If you were hoping for clarity in 1997, then it was a disappointing year. If you expected another exciting year marked by technical challenges, new policy directives, customer confusion, competitive posturing and legal battles, then 1997 probably met all of your expectations. The year that just passed might be described as a "dominoes" year.

With the passage of the Telecommunications Act of 1996, the Dominoes were set; 1997 was the year they would begin to fall.

It began with the Federal Communication Commission's 1996 order for interconnection and continued in 1997 with the FCC's May order on Universal Service and Access Charge reform. With that order, and the reconsiderations that followed, the dominoes began to fall at a faster clip.

The E-rate, the Schools and Libraries Corporation, Lifeline program changes, terms like eligible telecommunications carrier or ETC, and a host of other new-ism's entered our lives in 1997 and look like they're here to stay.

Throughout all of the changes, our association has held on to four core ideals:

- \* To assist in the development of regulatory and legal policies that create a level playing field for all competitors and maintain the principle of universal service;
- \* To communicate to our membership as well as other important audiences such as media and the general public about significant industry events in a timely and effective manner;
- \* To build a strong membership coalition that is representative of our industry; and,
- \* Assist our member companies' employees by providing them the tools and the skills to do their jobs safely and competently.

## The Issues

The MTA's 21 standing committees worked diligently with MTA staff to carry out these responsibilities. In this annual report, we've tried to highlight the major issues and projects of 1997.

## Legislative & Regulatory:

### **The "Contract"**

For over a year we had been monitoring the negotiation process and in late 1997, the state announced it had signed an agreement to grant exclusive access to interstate right-of-way to a Colorado-based consortium. The consortium would build a fiber optic network and give the state 20 percent of the capacity for free in exchange for the exclusive r-o-w access. The contract was signed despite our repeated challenges to the legality of such an arrangement under the Federal Telecommunications Act. On the last day of 1997, a petition was filed by the State of Minnesota with the FCC asking the federal regulators to issue a "declaratory ruling" on the legality of the contract. The MTA and several other entities provided comments to the FCC. Although the MTA opposes state-run and state-owned networks, the issue in this case is about equal opportunity to all telecommunications providers. We oppose the state's attempt to grant exclusive access to interstate right-of-way and we will maintain this position until we reach a resolution.

### **612 Splits To Make 651**

In early 1997, we learned that a new area code would be needed to relieve the current 612 area code. The MTA strongly advocated the overlay method of relief since this would be the least disruptive and the most technologically efficient relief method. Ultimately, the PUC decided on a geographic split and made the unpopular decision to split along municipal boundaries instead of central office boundaries. The MTA opposed this plan, arguing that it was experimental and could put the switched network in a vulnerable situation; it was expensive to implement; and it was an inefficient method of relief.

### **EAS & Competition**

The MTA EAS committee will continue work in 1998 that began in 1997 when questions started coming up about EAS in a competitive environment. Questions about how competitive local exchange companies (CLECs) would fit into existing EAS agreements, and even if EAS should continue, began surfacing and resulted in the PUC forming an EAS task force to study the issue. The task force is to develop a 3- to 5- year plan and report to the Commission. Several MTA members will serve on the task force.

**Local Rights-of-Way** The issue of how local rights-of-way would be

managed remained a top issue for 1997 as the MTA was a leader in preparing the industry report mandated by the 1997 legislature. A right-of-way task force, which represented the interests of the right-of-way users and local governments, submitted a model ordinance and report to the PUC for its review in late 1997. The MTA and others will continue to work with the PUC as it develops a statewide policy for the management and use of local right-of-way.

**Rules For Competition** After a tremendous amount of work by many MTA members and state regulatory agencies, the PUC in 1997 adopted rules for local competition for both large and small telephone companies. The MTA represented industry interests in both phases of rulemaking, and participated in the numerous meetings in which drafts were reviewed and revised. As 1997 came to a close, it was becoming apparent that these rules would become the new standard by which all telephone companies would operate. A disappointing decision in the small company rules was the PUC's decision to not require new competitive companies to serve the entire service areas of incumbent local telephone companies, despite the Minnesota Independent Coalition's plea that this would be a necessary requirement to preserve universal service.

### **Wireless E911**

In the fall of 1997, the MTA Wireless Technologies Committee began assisting the Minnesota Department of Administration in preparing a plan on how to integrate cellular 911 service in the E911 network, pursuant to and FCC order to implement cellular E911 in two phases over the next several years. The first phase (display the call-back number of the mobile phone) would be implemented in 1998. The Committee has taken a position that individual carriers should have a choice on what technological method to use to deliver E911. The Department of Administration advocates that a certain method be used even though other methods are available. The Committee continues its work on this effort in 1998 with targeted Phase 1 implementation by third quarter 1998.

## **Communications:**

### **Committee Compiles Industry Facts**

The Public Relations Committee conducted a survey in May 1997 to gather information about the telecommunications capabilities of incumbent local telephone companies. Nearly 80 percent of the companies responded to

the survey. The following chart indicates the results. For some figures, averages were calculated based on responses of similar, like-size companies in order to obtain an estimated industry figure. These statistics are used regularly with media and help to communicate about Minnesota's superior telecommunications capabilities. (insert statistical table here).

### **www.mnta.org**

With help from Digital Jam, an Internet provider in Perham, Minn., the MTA launched its website, [www.mnta.org](http://www.mnta.org) in December. Here, members and others can access the latest publications from the MTA, locate lists of members and active committees, find out about MTA programs and much more. In 1998, we hope to improve our presence on the web and make our site even more useful and informational for members and others interested in the MTA.

### **Getting The Word Out**

The Public Relations Committee began preparing general articles that could be used by all MTA member companies as newsletter articles, customer notices, press releases, etc. Five articles were distributed to members in 1997 and another series is planned for 1998.

**Member Recognition** In honor of our member companies that are reaching milestones in their businesses, the MTA began developing a policy to recognize these companies. A formal policy recommendation will be made to the Board of Directors in 1998. Meanwhile, the MTA continues to collect dates and information on member companies.

## **Membership:**

### **Building A Broad Base**

As the make-up of the industry changes and grows, it presents the MTA with new opportunities to build a broader base of members representing the newest segments of the industry. In 1997, two CLECs joined the MTA under the Active Member category. In addition, 32 companies joined as Associate Members. The coming year will yield even more opportunities to expand membership as we reach out to new audiences.

### **Safety & Education:**

The MTA Safety Department experienced continued growth throughout 1997, adding two staff members and four new companies. The program now stands at 76 members and serves approximately 1,600 telephone company employees. The Safety Department Staff conducted 478 training sessions and 80 field observations throughout the year in three different states. The following topics were covered during the training sessions: \* First Aid & CPR \* Hazard Communications \* Fire Extinguisher Use \* Bloodborne Pathogens \* Confined Space Entry Procedures \* Defensive Driving: Prepared for the Worst \* Grassroots Safety Culture \* Fiber Optic Safety \* DOT Training: Reporting, Notifications & Inspections \* Eye Safety \* Crime Prevention \* Foot Safety & Protection \* Electrical Safety \* Hunting Safety \* Principles of Investigation & Loss Control \* Managing the OSHA Inspection Process \* Regulatory Update/Review In addition, numerous additional services, such as ergonomic evaluations, air monitoring, noise monitoring and mock OSHA inspections were performed.

### **Education Program:**

Due to staffing problems with the Safety Department, there was less activity with the Education Program for 1997. Despite this fact, the following classes were offered:

### **Technical Classes:**

\* CATV Fundamentals \* Inductive noise reduction & cable protection \* ATM/Frame Relay \* Fiber Optic Splicing and Termination \* OTDR Operation \* Fiber Optic Mechanical Splicing

### **Business Classes:**

\* Management & Planning Tools \* Dealing with organizational change \* Marketing design systems thinking \* Systems thinking In total, 10 different seminars and 32 individual classes have been conducted. Seventeen classes have been cancelled due to insufficient enrollment. By December 31, 1997, 169 individuals had attended Education program seminars.

## **Chronology of events:**

### **January:**

\* Edward Garvey appointed Public Utilities Commissioners.  
\* MN Appeals court overturns District Court decision re: City of Redwood Falls imposing franchise fees and restrictions on right-of-way use by U S

WEST.

**March:**

- \* Notice is given that the 612 area code is running out of prefixes.
- \* Communities in the Red River Valley, and other areas along the state's western border, battle 500-year floods and local telephone companies restore and maintain service in the face of disaster.

**April:**

- \* Mac McCollar quits as Public Utilities Commissioner after only 6 months on the job.
- \* U S WEST Communications sues PUC over resale rates.

**May:**

- \* MTA holds its first Government Conference in St. Paul.
- \* FCC issues orders on universal service and access charge reform.
- \* CLASS report made available to PUC which shows that 82 percent of Minnesota telephone lines have CLASS available. There are more than 175,000 caller ID customers.
- \* MTA Wireless Technologies Committee conducts annual Wireless Safety Campaign, adopting the theme: "Eyes on the Road."

**June:**

- \* PUC adopts large company rules for local competition.

**July:**

- \* MTA Golf Day is rained out - the first time in 21 years!

**August:**

- \* The first petition in 20 years to remove Extended Area Service is filed with the PUC. St. Vincent petitions to have EAS to Drayton and Cavalier, North Dakota removed.
- \* Minneapolis attorney Gregory Scott is appointed to the PUC.
- \* The PUC adopts the local competition rules for companies serving fewer than 50,000 subscribers.

**October:**

- \* Payphones are deregulated and payphone owners are free to charge market rates. There are 17,600 payphones in Minnesota.

**November:**

- \* MTA holds annual Communications Seminar and Fall Conference in St. Cloud.
- \* Jeopardy status is declared in the 612 area code and number conservation methods are adopted by the PUC.

**December:**

- \* Former legislator LeRoy Koppendrayer is appointed to the PUC.
- \* MnDOT and Department of Administration announce a signed contract with ICS/UCN to grant exclusive access to right-of-way to build fiber optic network in exchange for 20 percent free access to government.