



# TELECOMMUNICATIONS GUIDE

## Kevin Larson Takes Helm at MTA



*(right) MTA's new chairman Kevin Larson, CEO and general manager of CTC, is congratulated by Walt Clay, CEO and President of Hutchinson Telephone Company, who served as MTA chairman the past three years.*

Kevin Larson, CEO and general manager of Consolidated Telecommunications Company (CTC), a cooperative based in Brainerd was recently elected to a two-year term as chairman of the board of directors of the Minnesota Telecom Alliance. He discussed Minnesota's telecom industry in a recent interview.

**Q. What are the biggest issues facing the state's telecom industry?**

**A.** There are three issues and they're all related. The first is the competition spurred by changes in technology. The state's telecom companies – especially MTA members – have built an excellent infrastructure that's often taken for granted. Now that we have competition riding that infrastructure for free, we must keep our eyes on what this change does to us. Competition is a huge opportunity, but it also has detrimental effects.

The second issue is how competition is affecting our revenues. There's been a lot of talk about things like Internet phone service, or VoIP (Voice over Internet Protocol). While much about VoIP has been hype so far, there's no question that wireless and changes in technology are cutting significantly into the revenues local phone companies receive from access charges and the federal universal service fund. It's a situation that's likely to get worse.

The regulatory situation is the third issue. Our industry needs regulations that adapt more quickly (to market changes) in order to keep up with changes in technology, so we can meet the needs of our customers. Right now, regulation impedes the speed at which our industry and technology is moving forward.

**Q.** What should the state's telecom industry be doing right now and what is MTA's role?

**A.** We need to continue to communicate with and educate our legislators and regulators about our very complex industry. We need to help people in government identify with our industry's needs, especially the need for fairness. We also need to do a better job of letting the public know about all the great things MTA members do for their communities.

As for MTA, it will continue to be a valuable resource for its members and advocate for the diverse needs of the membership. Member companies must also be involved, both financially and with their time, as it will take everyone to help steer rules and regulations in a fair and equitable direction.

**Q. What do you mean by fair and equitable?**

**A.** That's a simple question that's very difficult to answer because companies are so different. When something gets fixed here, sometimes three things are changed over there. The big issue is that we're still heavily regulated and most of our competition isn't. They can change things on the run, like service packages, and choose to serve only the customers they want to serve. It's not a level playing field if I'm regulated and I have to pay to maintain a network that my competition can use for free.

**Q. What do you see as government's role in telecommunications?**

**A.** One thing government shouldn't be doing is building networks because

experience shows us that it isn't good at running a business. There are some communities that aren't served as well as they should be, but instead of providing technology, government needs to help through collaborative efforts. Examples include becoming an anchor tenant or finding ways to spur investment. If public servants continue to educate themselves on our business and change rules in a timely manner, we can achieve fairness for incumbent providers and their competition.

**Q. What would you like to see changed in Minnesota's telecom legislation and regulations?**

**A.** The MTA is made up of a very diverse group of companies and we have to work to find common ground among ourselves, but we all need a level playing field for fair competition. We're not afraid of competition but it must be fair. To achieve that, we need additional and significant de-regulation. I think we only need regulation if customers are not being served. When people complain that their needs aren't being met, that is when government may need to step in.

**Q. What challenges or opportunities does MTA face in the next two years?**

**A.** We need to increase member involvement in legislative and regulatory issues. That's more difficult for smaller companies with less resources, but we need more grassroots input so we can help the state come up with rules and regulations that fit different-size companies.

**Q. What do you hope to accomplish in your two-year term as MTA chair?**

**A.** I continue to develop my agenda in my new position. I plan to facilitate what needs to be accomplished to achieve the organization's goals and needs. I also plan to listen to members to see how the MTA can help them. I

do have one specific goal: I want to help educate members about the tremendous opportunities in our industry. We have a lot of issues and problems and sometimes they overshadow all the opportunities that are out there.

**Q. What are MTA member companies doing to meet the needs of customers?**

**A.** MTA companies continually try to identify the needs of their customers and shareholders, expand the products and services offered and meet or exceed expectations. The vast majority of our members do that while delivering superior customer service. Our company, for example, partnered with the Brainerd school district to install a fiber optic network that links 20 buildings, including city hall, the library and the hospital. It's a network that the public and private sectors will use and can easily expand to handle the area's needs for the next 50 years - maybe more.

**Q. If you had one message for MTA members, what would it be?**

**A.** Our industry is more than 100 years old, but it's being reinvented and it's going to be different. But I think the future is really bright. We have worries – competition, loss of revenues and uncertainty about how we're going to be successful in the future – but I want members to understand that it's not a gloom-and-doom situation. Companies must continue to invest in their networks and their employees in order to succeed.

**Larson and CTC**

Kevin Larson, newly elected MTA chair, has headed Brainerd-based CTC since 2001. He previously held managerial positions with various telecom companies, including GTE and Crosslake Communications,

Crosslake, Minnesota. The former chair of MTA's Small Company Committee, he currently chairs the board of Independent Pinnacle Services (a directory publishing company) and is a board member for Independent Emergency Services (a statewide 911 provider) and the Brainerd Lakes Area's chamber of commerce and development corporation. Kevin and his wife, Donna, have two children.

Founded in 1952, CTC is a full-service telecom company whose 50+ employees provide voice, video and data services to more than 8,500 co-op members in 10 rural exchanges near Brainerd, including Pillager, Motley, Outing and Randall. CTC's services also include long distance, high-speed Internet, and digital television.

The company also provides Internet, long distance, business telephone systems, data networking, wireless services and computer repair and training to over 6,000 customers in six Brainerd area communities. In addition to partnering with Brainerd schools on a fiber optic network CTC recently received three honors from the United Way of the Brainerd Area for the co-op's continued strong participation.

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Minnesota Telecom Alliance is a trade association representing more than 100 small, medium and large tele-communication companies providing voice, data, wireless, and high-speed broadband services to Minnesota's metropolitan and rural communities. More information about MTA can be found on the Internet at [www.mnta.org](http://www.mnta.org)

