



# TELECOMMUNICATIONS GUIDE

## The State of the State's Telecom Industry

*An interview with John Finke, new Chairman of the MTA*

**John Finke, President and CEO of HickoryTech Corporation, based in Mankato (see "Profile" below), was recently elected chair 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: Our incumbent telephone companies need to continue transforming themselves from legacy telcos that provide voice services to competitive telecom companies that provide voice, data and video services at prices that are attractive to customers.

Incumbent telephone companies must:

1. Create new revenue sources that replace the revenues they are losing from traditional voice and long distance services;

2. Have sufficient capital and revenue streams to justify continued investments in high-speed broadband services like DSL and TV; and
3. Offer products that customers want to buy in service bundles that are economical, beneficial and convenient.

**Q: What should the telecom industry be doing right now? What is MTA's role?**

A: The industry needs to promote the adoption of new services and applications, such as broadband and entertainment services, that are readily available on today's high-speed networks. MTA's role is to educate our members on the changes taking place in the industry, make policymakers aware of the implications of these changes, and advocate for public policies that are beneficial to both our members and our customers.

**Q: What do you see as government's role in telecommunications in the state and at the federal level?**

A: The government's role should be to enact and maintain laws and rules that treat providers of similar services the same way, thereby creating a strong, competitive marketplace that benefits all consumers. In such a marketplace, government's primary role would be to provide a framework of laws that protect consumers and create a level playing field for service providers.

**Q: How would you change the state's telecom legislation and/or regulations?**

A: Minnesota's telecom statutes should reflect the reality of a highly competitive marketplace. The system of regulating by type of provider should be considered obsolete. Minnesota must also recognize that complaint-based consumer-protection regulation for basic services is the only regulation necessary. It should move toward that model as soon as possible.

**Q: What challenges and opportunities does MTA face in the next two years and how can they be addressed?**

A: MTA needs to maintain itself as an organization that represents, advocates for and provides value to its members during these times of technological change and industry consolidation. MTA's standing committees — particularly those addressing regulatory, legislative, and Internet protocol issues — will play a key role in providing value to members and helping the alliance achieve its goals.

**Q: What do you hope to accomplish during your term as MTA chair?**

A: I hope to continue to strengthen its role of enhancing the success and viability of alliance members. We will do so by continuing to provide support and educational opportunities to members and by working hard to educate our policymakers about issues affecting our industry. As our industry continues to evolve and become even more competitive, a united MTA is critical to the success of all its members.



**CTC's CEO and General Manager Kevin Larson, 2005-2006 MTA chairman, sharing some tips of the position with HickoryTech's President and CEO John Finke, 2007 chairman.**

**Q: What is your company doing to meet the future needs of your customers?**

A: HickoryTech has changed a great deal in the past decade, as have many MTA member companies. Our mission is to be our customers' best choice for progressive communications services that enrich how they work and live. This means providing solutions that meet our customers' growing needs.

Our residential customers no longer subscribe to a single service. Instead, they take advantage of competitive, money-saving bundled services that include local phone service, long distance, calling features, high-speed Internet and digital TV. Many customers also take advantage of our home networking and computer repair services, allowing them to secure their broadband connection or set-up a wireless network within their home.

Our business customers look to us for complete communication solutions to improve their business by saving time and gaining efficiencies. Business solutions go well beyond

voice and include such services as private line, Ethernet, MPLS, Internet and network integration. By providing our business customers with integrated solutions and support, we make it easier for them to manage their communication services.

The key to our future success will be, as it has always been, our employees. They continue to be the catalyst that drives our business, from developing new products and services to meeting our customers' daily needs. With their help, we will continue to work hard to win new customers, retain our current ones and provide all our customers with the communication services they need today and want tomorrow.

### **John W. Finke and HickoryTech Corporation**

President and Chief Executive Officer of Mankato-based HickoryTech Corporation, John Finke has more than 20 years of experience in the telecommunications industry. He joined HickoryTech in 1996 and previously served as its Chief Operating Officer and Executive Vice President. Prior to that, he held numerous engineering and management positions with GTE Telephone Operations and Contel of Indiana. He holds a Master's degree in business administration from Indiana Wesleyan University and a B.S. degree in civil engineering from the University of Missouri-Rolla.

John is involved in numerous community initiatives, including the Greater Mankato Economic Development (GMED) Board and Southern Minnesota Advocates (SMA). He has served on the boards

of the Mankato Chamber of Commerce, the South Central College Foundation and the Greater Mankato United Way. He and his wife Tammy reside in the Mankato area and have two children. John enjoys cheering his children on in their sporting activities and playing hockey in a local league.

HickoryTech Corporation (NASDAQ: HTCO) offers integrated communication products and services to business and residential customers. The 110-year-old company has approximately 400 employees. Its Telecom Sector, with facilities-based operations in Minnesota and Iowa, offers local voice, long distance, high-speed Internet, digital TV, and IP networking services to residential and business customers. The company's Enventis Sector, acquired in December 2005, and provides integrated business communication solutions— including IP telephony, transport, data and network integration— to upper Midwest businesses. HickoryTech's Information Solutions Division develops telecom and carrier access billing solutions.

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**Minnesota Telecom Alliance** is a not-for-profit professional association representing more than 95 small, medium and large telecommunication 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)