

Mick Jensen Testimony for Congressional Rural Caucus Forum

My thanks to Congressman Osborne for the invitation to testify at today's Congressional Rural Caucus. Great Plains Communications is a 4th generation family-run company that provides telecommunications services to almost 33,000 customers across 13,250 square miles of rural Nebraska, using 1,400 miles of fiber optics and 12,500 miles of copper with an average density of less than 2.3 customers per mile. Normal capital construction is \$6M/year. Rural providers like us serve 7% of the nation's access lines but cover 40% of the land mass. We appreciate the opportunity to participate in these forums, and to shed light on key policy issues that really matter to the future of telecommunications in rural America.

We are all aware of the importance of high-quality, reliable telecommunications to our customers. It's not only important to their lives; it is in fact part of the economic viability and survival of rural areas. For example, in Wausa, Nebraska, population 636, 30 new jobs were created, thanks in large part to Great Plains' infrastructure, when the Nebraska Department of Health and Human Services located a call center in that community. Nearby, in Bloomfield, Nebraska, population 1,126, Great Plains telecommunications infrastructure was instrumental in the decision by First National Bank of Omaha to locate a credit card call center employing 45 people. The creation of even one job in these communities is the equivalent of hundreds of new jobs in a major metropolitan area. I am told that this call center is the equivalent of 12,000 jobs in Lincoln, Nebraska. So the link between our business and the well being of rural Nebraska is very apparent.

What maybe isn't quite as apparent are the federal and state policy drivers that make investment in telecommunications services – especially access to broadband and IP services – even possible in such areas. Namely, our universal service programs, including the federal and state universal service funds and sufficient cost recovery from other service providers that use rural networks to serve their customers. Each of the programs is the subject of much discussion here in Washington and in the states.

I want to share a couple of thoughts on these subjects in my brief prepared remarks, as universal service, IP services and compensation between carriers are all interrelated. Customers in rural America want and need broadband access and IP services just as much as customers in the nation's urban areas – in fact, the law requires they get them. The question is, how do companies such as Great Plains continue the progress we have made? I have some answers to that question:

All carriers-- including IP service providers -- that use other carriers' networks must pay for that use. Especially in rural areas, much of the network that is in place today exists only to serve the voice and data traffic of other companies.

Universal service programs must evolve to recognize the infrastructure needs of an IP world. Today's federal USF is entirely based upon services in the circuit-switched world. While circuit-switched services will continue to be important for years to come, it is also essential that universal service must encompass the costs of an IP world.

Finally, intercarrier compensation reforms must be made to ensure that all services – IP, circuit, wireless, wireline, interstate and intrastate – are on equal footing and paying comparable rates for their use of rural networks. The FCC and the states have to work cooperatively toward that end.

Great Plains and many rural companies are working hard on reasonable solutions to these issues. It's critical that we get Congress to understand what's at stake. Because, as citizens in places such as Wausa and Bloomfield, Nebraska, can tell you, universal service and telecommunications infrastructure really do matter.

Thank you, and I look forward to your questions.