

# On Line With...

# Haviland Telephone Company, Inc.

A PUBLICATION OF HAVILAND TELEPHONE COMPANY, INC.

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## Regulatory Updates

### What is The Kansas Lifeline Program?

Lifeline is a federal-state partnership offering telephone discounts to low income consumers in all U.S. states. Those who qualify receive substantial discounts on their basic telephone service. You are eligible if you receive any of the following: Food Stamps, General Assistance, Supplemental Security Income (SSI), Temporary Assistance to Families, Medicaid, United Tribes Food Distribution Program, BIA General Assistance, Administered Temporary Assistance for Needy Families, Head Start (only those meeting its income qualifying standard), Free School Lunch Program, 150% of the federal poverty level. This varies by family size from \$14,700 to over \$50,000 for a family of 8. Documentation must be provided. The program is largely administered by local telephone companies. It is paid for by the Kansas Universal Service Fund and the federal Universal Service Fund.

To inquire about rules and eligibility call either one of our offices at 800-339-8052 or 800-287-7905 or check out these web sites: <http://www.kcc.state.ks.us/pi/lifeline.htm>; <http://portal.havilandtelco.com/services/>.

### Local Rate Increase

The Kansas Corporation commission has opened Docket 07-GIMT-276-GIT to consider a "New Affordable Rate" for small phone companies. The rate is based on all other rural exchange rates, including Bell (ATT) areas, which are often much larger local calling areas.

The proposal in the docket is for rates to begin moving upward \$3.25 in Mar-07 in annual increments of \$2. Rural phone companies don't have to raise rates to these "affordable" levels, but are punished if they do not, by having their Kansas Universal Service Funds (KUSF) reduced by that amount.

The process that pushed in-state long distance rates down and set up the KUSF also pushed up local rates. Local rates were \$4.70 when this process began in Mar-97. The last rate increase was Mar-04.

The Kansas Lifeline program was started to help offset rate increases. Pertinent Kansas statutes include K.S.A. 66-2005. The Citizens Utility Rate Payer Board is established to hear customer concerns on rates. Kansas laws, KCC dockets, and C.U.R.B. can be found on the Internet.

#### HAVILAND TELEPHONE COMPANY

104 N. Main, Haviland

620-862-5211 or 800-339-8052

Gene Morris, President

#### Haviland Office

Mark Wade, General Manager

Millie Hannan, Customer Service

Stacey Hosheit, Customer Service

Sandy Erwin, Billing Coordinator

Kay Lewis, Data Processor

Kristina Steinle, Administrative Assistant

Dwight Smitherman, C. O. Supervisor

Alvin DeGarmo, Construction Supervisor

Bobby Long, Technician

Tommy Bunce, Technician

Steve Davis, Controller

Sue Leppert, Accountant Asst.

#### Conway Springs Office

211 W. Spring

620-456-2211 or 800-287-7905

Dan King, Outside Plant Supervisor

Brent Swingle, Central Office Technician

Vesta Charbonneau, Customer Service

LaDonna Erker, Customer Service

Don Phillips, Technician

Dan Bender, Technician

#### BUSINESS HOURS

8:00 am to 5:00 pm Monday-Friday

Office Closed Saturday and Sunday

[www.havilandtelco.com](http://www.havilandtelco.com)

#### For service after hours call:

Haviland Office, 800-339-8052

Conway Springs, 800-287-7905

#### Haviland Internet Help Desk Hours:

Monday thru Friday - 8 a.m. to 7 p.m.

Sat. 1 p.m. - 5:00 p.m. & Sun. Office Closed

1.866.704.4268

## DSL Regulatory Updates

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### Surcharge on DSL

Some recent news items reported that telecommunications companies are eliminating the Federal Universal Service Charge (FUSC) on their DSL services. In addition to helping fund the Schools and Libraries E-Rate program, and the high-cost telephone fund, this helps support the Lifeline program, too. Some of our customers have asked why we continue to bill this charge.

Large telephone companies are under a different set of rules than small, rural companies. The FCC requires small rural companies to offer DSL on a common carrier basis, contribute to the federal universal service fund, and bill the FUSC on DSL services. At this time, only large carriers, such as AT&T and Verizon, are permitted to offer DSL services on a non-regulated basis which eliminates their requirement to contribute to the universal service fund and charge the FUSC on their DSL service. We hope, but highly doubt, this clears up any confusion created by recent press reports.

### DSL without Phone service

A couple of customers have asked about DSL without phone service, and have been surprised that we charge more for DSL without phone service than with. This isn't just some sales or marketing bundling gimmick. We participate in the National Exchange Carrier Association's (NECA) cost pool. NECA is an industry group administered by the Federal Communication Commission, whose purpose in part is to evenly distribute the cost of providing some telecommunications services across its mostly rural phone company members. This reduces our tariff filing costs, and has helped us offer DSL at a lower cost than would have been possible otherwise. The terms, prices, and conditions are spelled out in NECA's Tariff #5. See it at [http://www.neca.org/source/NECA\\_AccessSupport\\_1206.asp](http://www.neca.org/source/NECA_AccessSupport_1206.asp).

This Tariff determines that the cost of providing DSL without phone service (Data Only DSL) is higher than the cost of the service with phone service. Why? Federal law defines services that are eligible for Universal Service (USF) support, for companies who are eligible. Basic to the list is voice phone service; excluded, is broadband service. This means that without voice phone service on the line from the Central Office to the home, the line has no USF-supported service. Broadband with phone service (and USF support) is less costly to the customer than broadband without phone service (and USF support). To change this would require changing the legal definition of supported services. Until it changes, the small phone companies are in an awkward position that's difficult to explain to customers.

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### Local Rodeo Celebrity:

Shawna Chartier is Miss Rodeo Kansas! Shawna is the daughter of long time Haviland Telephone Co. customers Larry & Coleen Chartier of rural Coats, KS. & granddaughter of Marvin & Shirley Jantz of rural Haviland. Shawna was crowned Miss Rodeo Kansas last July. Her reign began Jan 2006 & continues thru Jan 2007. She's traveled extensively throughout the Midwest making appearances and speaking, promoting her love for Kansas, the sport of Rodeo & the values learned in rural America. Currently she's trying to raise money for her wardrobe & upcoming trip in December to Vegas where she'll compete for the title of Miss Rodeo America during The National Finals Rodeo. If she's in your area, please offer your congratulations & support as this young lady is "Home Grown", "One of Our Own" and is a great ambassador for rural Kansas!

## News Updates

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The business news media reports that Walt Disney Co. sold 125,000 movies for over \$1 million in revenue in the first week of the company's download agreement with Apple Computer Inc. Disney executives expect Disney can pull in \$50 million a year in incremental revenue from digital movies, with little additional marketing expense. Apple's iTunes is offering 75 movies from Disney's studio properties, which include Pixar Animation Studios, Miramax and Touchstone. Apple CEO Steve Jobs is also Disney's largest shareholder and a board member.

USA Today reports that AT&T Inc. is launching a streaming TV service for broadband users. AT&T Broadband TV will cost \$19.99 per month and will initially offer 20 channels, including Bloomberg Television, HGTV and Food Network. Check out [www.mobitv.com](http://www.mobitv.com).

Youtube, the fantastically successful amateur, on-line video site, is reportedly selling to Google. How this changes the site or the business dynamics is yet to be seen. Check it out at <http://www.youtube.com/>.

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### Send us your local news and tidbits!

Nearly every month we have room in the newsletter for something more interesting than the telecom and broadband world. Stunning, huh? Share it with your neighbors and our other customers via the telephone company newsletter. Just call us and we'll try to squeeze it in.