NTCA
The Voice of Rural Telecommunications

OPASTCO

WESTERN TELECOMMUNICATIONS ALLIANCE

Statement by

Mark Bahnson
CEO/General Manager
Bloomingdale Communications
Bloomingdale, MI

On behalf of the

National Telecommunications Cooperative Association,
Organization for the Promotion and Advancement of Small Telecommunications Companies, and Western Telecommunications Alliance

Before the

United States House of Representatives
Committee on Agriculture
Subcommittee on Rural Development, Research, Biotechnology, and Foreign Agriculture

Formulation of the 2012 Farm Bill: Rural Development Programs

April 25, 2012

I. Introduction

Thank you for the invitation to participate in today's discussion on the successes of federal investments in rural broadband and the challenges that lie ahead. Broadband has quickly become an essential service that plays a key role in creating and keeping jobs in rural America. For the past four years I have served as CEO/General Manager of Bloomingdale Telephone Company, which is headquartered in Bloomingdale, MI. Prior to my current position, I served for 10 years as Office Manager for Alliance Communications in Garretson, SD. I regularly work with the National Telecommunications Cooperative Association (NTCA), which represents small, community-based telecommunications cooperatives and other small telecom providers in Washington, DC. My remarks today are on behalf of Bloomingdale Telephone Company, as well as NTCA, the Organization for the Promotion and Advancement of Small Telecommunication Companies (OPASTCO), and the Western Telecommunications Alliance (WTA) and their collective several hundred small community-based members that provide a variety of communications services throughout the rural far reaches of the nation.

We believe our industry is uniquely qualified to participate in today's discussion because we are consumer-centric small businesses leading the way in deploying high-speed, sustainable broadband to rural America. Bloomingdale, similar to about half of the nation's small, community-based rural providers, is a commercial company – privately held by 264 stockholders. Family or commercially-owned rural providers are consumer-centric because they are locally owned and operated. Likewise, in the cooperative structure that makes up the other half of small rural providers, the consumers are also the owners, so every choice is viewed from both an owner and a consumer perspective – the two are truly one and the same.

Bloomingdale's top priority has always been to provide every one of our consumers with the very best communications and customer service possible at affordable rates that stimulate adoption. Bloomingdale has several lines of business, including ILEC, CLEC, ISP and Cable TV. Make no mistake – while our headquarters are in Bloomingdale, we in fact serve over 2,500 customer lines across our 125 square mile rural service area that is spread across the southwest corner of the state of Michigan. This constitutes about 20 customers per square mile. We employ a total of 25 people and in 2011 our annual operating revenue was about $5.9 million dollars. Our service area is rural and sparsely populated,

requiring great effort to get advanced services to our customers. In our industry's parlance, as a small rural provider of this size, Bloomingdale is a Tier 3 carrier.

Let me give you a quick snapshot of how Bloomingdale compares with several other industry entities. Verizon, AT&T, and CenturyLink are classified as large, or Tier 1 carriers, and also operate in multiple states. Verizon has a workforce of nearly 194,000 and annual revenues of $110 billion. AT&T has a workforce of 256,420 and annual revenues of more than $126 billion. CenturyLink has a workforce of 47,500 and operates in 37 states. Clearly with operations of this size, the priorities, objectives, and sources of capital are generally far different from Bloomingdale's community-based limited-scale approach to doing business.

The entrepreneurial spirit of Bloomingdale is representative of our approximately 1,100 small rural counterparts in the industry, who together serve 5% percent of the U.S. population across approximately 40% of the nation's geographic land mass. Like the vast majority of our rural colleagues, Bloomingdale has been an early adopter of new technologies and services. In 2005, Bloomingdale upgraded its network to ADSL2+ (Fiber-to-the-node). Bloomingdale currently has 1.5 Megabit broadband service available to 100% of our ILEC service area, 3 Megabit broadband available to 95% of our service area, and up to 15 Megabit broadband available to 50% of our service area. We have many residential customers with 20 Megabit service. The CLEC exchanges are Fiber-to-the-Home. This fiber connection allows for nearly limitless amounts of bandwidth. We know our customers will require more and more bandwidth and have built a network that will supply it.

Time would fail me to tell of every opportunity created thanks to our long partnership with RUS – whether it's the fiber we laid in the Paw Paw, MI exchange that delivers 100 Megabit Internet service to the local schools and county courthouse or the customer who no longer has to travel over 8 hours a week to the hospital for his heart condition because he can have his test done over the Internet via his fiber connection. One ten-year-old young man from Paw Paw began chemotherapy last fall. To avoid falling behind in school he uses his new fiber connection to Skype into his classroom and communicate with peers by voice, video, and instant messaging. If only we could've completed a recent RUS project faster. One family was planning to relocate from New York to open a home-based business. At closing they discovered that there was no broadband available and cancelled the purchase.

Bloomingdale is a carrier-of-last-resort and has always operated under the premise that if someone wants service in our service area, then we do whatever it takes to provide the would-be customer with that service. Ever since Bloomingdale began operating in 1904 we've been proud to serve as the only provider to some of the most rural areas of Michigan while larger carriers avoided investments in such areas and chose to serve only the most profitable and densely populated towns. Because of such commitment, and with the aid of key rural development programs and universal service support, rural Americans throughout Bloomingdale's service area, and indeed throughout the markets of NTCA, OPASTCO, and WTA members, are enjoying universal voice service, access to mobile, video, and broadband Internet services, and enhanced emergency preparedness.

II. The Benefits of Rural Carrier Investments and Operations Flow to the Entire Economy

The American economy runs on broadband. As the Federal Communications Commission (FCC) stated in its February 2011 Notice of Proposed Rulemaking for Universal Service Fund (USF) and intercarrier compensation (ICC) reform:

> Ubiquitous broadband infrastructure has become crucial to our nation's economic development and civic life. Businesses need broadband to start and grow; adults need broadband to find jobs; children need broadband to learn. Broadband enables people with disabilities to participate more fully in society and provides opportunity to Americans of all income levels. Broadband also helps lower the costs and improve the quality of health care. As important as these benefits are in America's cities—where more than two-thirds of residents have come to rely on broadband—the distance-conquering benefits of broadband can be even more important in America's more remote small towns, rural and insular areas, and Tribal lands. Furthermore, the benefits of broadband grow when all areas of the country are connected. More users online means more information flowing, larger markets for goods and services, and more rapid innovation. [1]

[1] *Connect America Fund, A National Broadband Plan for Our Future, Establishing Just and Reasonable Rates for Local Exchange Carriers, High-Cost Universal Service Support, Developing a Unified Intercarrier Compensation*

The National Telecommunications and Information Administration's November 2010 report titled "Exploring the Digital Nation: Home Broadband Adoption in the United States" stated that home broadband usage went from 51% in 2007 to 64% in 2009.[2] Sixty-six percent of urban (metropolitan) Americans subscribe to broadband at home, as compared with 51% of rural (non-metropolitan) Americans. The numbers demonstrate that broadband is being deployed to rural America. USDA's National Agricultural Statistics Service's August 2011 report on Farm Computer Usage and Ownership revealed that 62% of U.S. farms now have Internet access.[3] Broadband DSL is now utilized on 38% of US farms. Small, rural providers have made basic levels of broadband service available to over 90% of rural consumers in their sparsely populated service areas.

At the same time, USDA's Economic Research Service reports that over the course of the past decade the rural population has grown at less than half the rate of the metropolitan population. And as Chairman Johnson has stated in the past, many rural communities are experiencing "more deaths than births." Broadband deployment and adoption in rural America must increase at a faster rate in order to reverse the trend of rural flight. As more and more commerce, government services, and education moves over broadband, it will only become more important to provide this service to rural areas to bolster economic activity that will be necessary to attract and retain more Americans.

The job-creating benefits of broadband have been reported far and wide. Recent studies conclude that every one percentage point increase in broadband penetration in a state increases overall employment by 0.2% to 0.3% a year.[4] Further, an area moving from no broadband providers to one to three providers during the years 1999 through 2006 realized 6.4% employment growth on average.[5]

Regime, Federal-State Joint Board on Universal Service, Lifeline and Link-Up: Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking, WC Docket No. 10-90, GN Docket No. 09-51, WC Docket No. 07-135, WC Docket No. 05-337, CC Docket No. 01-92, CC Docket No. 96-45, WC Docket No. 03-109, FCC 11-13, at para. 3 (2011) (NPRM).

[2] (n.d.). Retrieved from website: http://www.esa.doc.gov/sites/default/files/reports/documents/report.pdf

[3] (n.d.). Retrieved from website: http://usda01.library.cornell.edu/usda/current/FarmComp/FarmComp-08-12-2011_new_format.pdf

[4] (n.d.). Retrieved from website: http://www.brookings.edu/~/media/Files/rc/papers/2007/06labor_crandall/06labor_crandall.pdf

[5] (n.d.). Retrieved from website: http://www.ppic.org/content/pubs/report/R_110JKR.pdf

Small, rural community-based telecommunications providers alone contributed $14.5 billion to the economies of the states in which they operated in 2009.[6] The rural telecommunications sector supported 70,700 jobs in 2009, both through its own employment and the employment that its purchases of goods and services generated.

So, we know that a robust broadband infrastructure is critical to economic development. We know from a technological standpoint that all broadband networks, whether wireless or wired, ultimately rely upon the wired network. And we know that wired networks provide the capacity to support the type of applications that this nation critically needs: telehealth, distance learning, civic participation, and interstate and global commerce. But delivering such capabilities in rural areas is not an easy task – the vast distance and sparse populations make the costs of building broadband-capable networks in rural areas quite high.

This is why rural development programs, such as those administered by the RUS, are essential to promote broadband deployment. But even if such programs help promote the deployment of rural networks, those networks are of no use if they cannot be maintained and upgraded, or if the services offered over them are unaffordable to consumers because the underlying costs of operating in rural areas as so high. This is why it is so important to recognize the key role that other programs, such as the statutorily-mandated USF, play in allowing rural consumers to have access to reasonably comparable services at reasonably comparable prices. In short, it takes an ongoing and sustainable public-private partnership – one that recognizes the costs of both building and maintaining networks – to enable access to affordable, high-quality access in hard-to-serve corners of rural America.

III. The Rural Utilities Service (RUS) Programs

RUS telecommunication programs have been a great success story and have helped provide voice and broadband service to millions of Americans where it would not otherwise be available. These programs, which have been lending for broadband capable plant since the early 1990s, have helped advance state-of-the-art networks to rural Americans left behind by providers unable or unwilling to serve low population density markets. Reliable access to capital helps rural carriers meet the broadband needs of

[6] Kuttner, H. Hudson Institute, (2011). *The economic impact of universal telecommunications: The greater gains*

rural consumers at affordable rates. RUS financing is often the only source of capital for our rural carriers now that marketplace uncertainty has forced lenders to drastically tighten their lending.

Unfortunately, the success, momentum, and economic development achieved in recent years with the help of RUS telecommunication programs have been put at risk as a direct result of the regulatory uncertainty created by the FCC's ongoing USF and ICC reform proposals. RUS lending, USF support, and ICC are inextricably linked (99.2% of RUS Telecommunications Infrastructure borrowers receive high cost USF support) and unwise changes to USF could put billions of RUS loans at risk of default and in fact have already resulted in a dramatic reduction in program applications and rural investment.

According to the FCC's National Broadband Plan, 14 million people in 7 million housing units do not have access to terrestrial broadband capable of download speeds of 4 Mbps, and that such housing units are more common in rural areas. Using the National Broadband Map's Broadband Statistics Report, it has been pointed out that 98% of rural Americans (100% urban) have access to "broadband" download speeds greater than 786 kbps, and some claim the loan programs are therefore no longer needed. However, the same report shows that only 79.2% of rural Americans (99% urban) have access to speeds greater than 6 Mbps and only 70.8% rural (97.6% urban) have access to speeds greater than 10 Mbps, which are minimum download speeds more commonly considered necessary for rural areas to compete in the modern broadband world.[7]

There can be no question regarding the essential nature of the RUS Broadband Loan Program and the need to avoid reforms that might create unintended consequences. However, NTCA and its partners representing the rural telecom industry welcome discussion about ways to further improve the RUS Broadband Loan Program and offer several suggestions and observations below.

---

[7] *See Connect America Fund*, WC Docket No. 10-90, *A National Broadband Plan for Our Future*, GN Docket No. 09-51, *Establishing Just and Reasonable Rates for Local Exchange Carriers*, WC Docket No. 07-135, *High-Cost Universal Service Support*, WC Docket No. 05-337, *Developing an Unified Intercarrier Compensation Regime*, CC Docket No. 01-92, *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Lifeline and Link-Up, WC Docket No. 03-109, Universal Service – Mobility Fund, WT Docket No. 10-208, *Report and Order and Further Notice of Proposed Rulemaking*, FCC 11-161, at para. 108 (rel. Nov. 18, 2011) (Final Order) (establishing a benchmark of 6 Mbps downstream and 1.5 Mbps upstream for broadband deployments in later years of CAF Phase II).

- Interim rules, which were required by programmatic changes to the Broadband Loan Program in the 2008 Farm Bill to better target resources, were not put in place until March 2011 (during which time no new loans were approved). Since that time, the FCC's adoption and ongoing consideration of changes to USF have created regulatory uncertainty, dramatically reducing both the number of new Broadband Loan Program applications and RUS's ability to finalize rules and evaluate and approve new loans. As a result, the Broadband Loan Program has been at almost a complete standstill since 2008. With virtually no new loan projects available to assess the results of the 2008 Farm Bill's reforms, is now the time to place new restrictions on the Broadband Loan Program? Though some providers that don't typically serve rural areas want to dramatically restrict the program, it was inoperable for its first three years and has been frozen by regulatory uncertainty for the past year.
- Minimizing subsidized "overbuilds" in areas where broadband already exists should remain a top goal for RUS. However, the impact of certain reform proposals to further restrict the Broadband Loan Program must be carefully evaluated. One such proposal would encourage RUS to not provide a loan for any area where more than 25% of households already have access to broadband. Under such a scenario, a provider wishing to receive a loan to serve a rural area where 74 out of 100 people do not have access to broadband would not qualify for a loan. It should also be noted that in rural areas, such a population could be spread over miles and miles. Is eliminating the Broadband Loan Program as an option to help provide service in such a situation the right answer for households and businesses that remain unserved year after year and have no prospect for broadband service in sight? The concerns expressed around this issue have been loudly heard, and the Secretary of Agriculture's discretion is an appropriate barometer for such decisionmaking.
- We support an efficient method by which existing providers can be notified of submitted applications that may affect the area(s) they serve without being required to check a website periodically. One method may be to encourage existing providers to register for an email alert system whereby they would receive an electronic notice whenever an applicant seeks a loan in the state or states that they serve.

- We oppose a lesser speed standard for would-be borrowers who seek to deploy wireless networks. In the interim rules, RUS established the minimum rate of data transmission as 3 Mbps for mobile broadband and 5 Mbps for fixed broadband. Attaching a value and setting a lower data transmission requirement to mobile service is contrary to the technology neutrality statutory directive.
- Priority should be given to applicants who are proposing projects that feature scalability – meaning those that can be easily and relatively inexpensively upgraded over time to reflect increased consumer demand for more bandwidth, and thus ensure optimal use of the network asset over the life of the applicable broadband loan.

RUS programs are not duplicative of other federal programs such as USF. RUS telecommunication programs provide upfront capital to build out to new customers and to upgrade networks. USF, by design, provides for cost recovery for the ongoing operation of the network and maintenance, and is at bottom intended to make sure that the prices consumers pay for service in rural areas are affordable – that is, "reasonably comparable" to those in urban areas. Put another way, USF helps make sure that consumers can afford to "adopt" service and make continuing use of the network over time. Finally, it is worth noting that RUS telecommunication loan program projects are paid back with interest – creating a win/win situation for rural broadband consumers and for taxpayers.

Some opponents of the RUS telecommunication programs and USF point to their ability to provide broadband service without RUS loans or USF cost recovery. However, it's important to note that these providers often fail to provide service to the most high-cost "last mile" households and businesses, focusing instead on the concentrated areas of a community or service area. On the other hand, rural telecom providers often have carrier-of-last-resort obligations that require them to serve all customers in their service territory – not just the more densely populated, profitable towns and cities.

Without carriers-of-last-resort such as Bloomingdale reaching out into the "country" outside the towns with the help of this public-private partnership, we would have even more unserved consumers in rural America – and the challenge of achieving universal broadband would be greater than it already is. And if this public-private partnership is undermined, then small rural telcos may have no choice but to likewise abandon the "countryside" and retreat to serving just within the "in-town" boundaries too. Last year,

during debate on the FY 2012 Agriculture Appropriations Bill, the House of Representatives recognized the value and continued importance of RUS funding to the delivery of affordable communications *throughout* rural areas and voted in favor of a floor amendment to continue funding the RUS Broadband Loan Program.

IV. The USF & ICC Mechanisms Are Essential to Broadband Availability, Service Quality, and Adoption in Rural Areas

USF and ICC have long played a role in connecting all of America by supporting telecommunication services in rural areas. As Congress recognized in the Telecommunications Act of 1996, these areas need predictable, sufficient and specific support to ensure the availability of affordable, high-quality services for all consumers. High-cost USF is a program that enables providers to deploy and operate advanced networks in places where low customer density, vast distances and rugged terrain deter even the most optimistic business cases.

Without USF support to supplement customer revenues, rural carriers, who serve an average of 10 customers per square mile, would be forced to drastically reduce service, exit the outlying parts of rural markets, or charge retail prices that no consumer could realistically afford. Such outcomes would be inconsistent with long-standing national statutory policy. These networks connect rural communities and outlying farms and ranches with the rest of America and the world. Even if a wireless carrier were to operate in some portion of a rural area, it could not deliver high-quality broadband without the robust underlying capacity of the networks provided by these small entrepreneurial community-based carriers.

With the help of USF and ICC, rural carriers provide near-universal voice service to all Americans and have increased broadband penetration to 92% of their consumers with only 3% growth per year in USF support over the past several years. But in the majority of cases, the broadband is only DSL speed and does not reach the speed – 4 Mbps downstream/1 Mbps upstream – that the FCC has now identified as a target level of "universal service." The time has come to update these important network support mechanisms to ensure that everyone can participate in the economy made possible by a nationwide integrated advanced communications network.

The FCC released its USF/ICC reform order on November 18, 2011, with the aim of transitioning the program to explicitly support broadband service in rural America.[8] At the urging of the FCC, the rural carriers and larger providers reached agreement on a Consensus Framework for reform last summer that would have kept the fund at its current level while supporting faster broadband to more Americans.[9] The parties to the Consensus Framework made many difficult compromises to reach an agreement in the hope of achieving universal broadband service and gaining some regulatory certainty. However, the FCC's order: (1) failed to adopt any provisions specifically promoting broadband service in rural carriers' service areas, (2) cut existing cost recovery mechanisms for rural carriers retroactively, and (3) proposed a further notice of rulemaking with the potential for more cuts.

In sum, rural providers will be expected to do more in terms of broadband deployment and service offering with less opportunity for cost recovery, and we do not get regulatory certainty because the additional cuts proposed within the further notice hinder lending and investment. This "regulatory overhang" is undermining job creation, network investment and the sustainable quality of broadband services in wide swaths of rural America. By the FCC's own admission, 3 out of 10 carriers will lose more than 10% of their existing USF support under the order, and more than half will lose some level of support. And this is only in Year 1 – the picture does not improve as the cuts phase in and become deeper over time.

We believed that with all of the facts before them, the FCC would have taken advantage of the opportunity to make bold recommendations, including a call for a national commitment to invest in and maintain state-of-the-art communications technologies throughout all of America. Unfortunately, the agency's narrow focus on delivering broadband to completely unserved areas fails to acknowledge that America's most rural areas can only continue to be served with the help of ongoing high cost support.

Rural providers sincerely hope that the FCC will respond to the recent calls of more than 60 members of Congress to expressly decline to act on several aspects of its further notice and instead signal to service providers, lenders, investors, and consumers that it will allow adequate time for adjustment to the

---

[8] *See* Final Order.
[9] *See* Letter from Walter B. McCormick, Jr., United States Telecom Association, *et al.*, to Chairman Genachowski, FCC, WC Docket No. 10-90, *et al.* (filed July 29, 2011).

changes already made in its order. Moreover, since carriers cannot "undo" loan commitments or "tear out" existing networks, the FCC should make clear that any caps or other limitations on cost recovery already adopted in its order will be applied prospectively. As it has done for consumers in other areas, the FCC should adopt a Connect America Fund that will provide additional funding for broadband-capable deployment in areas served by rural providers. Reforming USF and ICC properly is essential to achieving our national goal of universal broadband access and to the livelihood of thousands of job-creating small businesses that need broadband to compete in a global economy.

V. Broadband Gains

We can all be proud of our nation's broadband progress over the past decade and the opportunities that broadband creates for rural America to compete and thrive. This success has only been possible due to the unique cooperation that has existed between the industry, the American people, and policymakers. Together, through a spirit of entrepreneurship, a can-do attitude, and a deep national confidence, the appropriate mix of programs and policies have been cultivated and maintained to ensure widespread broadband deployment and adoption.

This commitment and partnership will be essential to America's quest to secure and maintain a level of global broadband pre-eminence. To underscore this assessment I draw the committee's attention to a May 2009 U. S. Government Accountability Office (GAO) report that, among other things, considers the federal government's approach to broadband deployment.[10] In the study's opening remarks it notes that according to government officials, "the federal approach to broadband deployment is focused on advancing universal access."

The GAO report goes on to state that historically the role of the government in carrying out a market-driven policy has been to create market incentives and remove barriers to competition, while the role of the private sector has been to fund broadband deployment. It continues that under this policy, broadband infrastructure has been deployed extensively, yet doing so in rural areas is more difficult and in some instances gaps remain, primarily due to the limited profit potential associated with such

[10] (n.d.). Retrieved from website: http://www.gao.gov/new.items/d09494.pdf

initiatives. Industry stakeholders credit RUS and USF with helping to increase broadband deployment and adoption, and that to achieve universal access, support of this nature will be essential in the future.

Despite the long history of success associated with these programs, a small but vocal minority of voices exists that refuse to accept this reality. Throughout this debate over the government's role in broadband deployment, the rural sector of the industry has routinely been directed to "think outside the box" in a search for more economical solutions to communications infrastructure deployment. If I do nothing else here today, it is my overarching desire to ensure that everyone participating and listening to this discussion ultimately leaves with the recognition and understanding that rural carriers always have and always will "think outside the box." Truly, they have no other choice.

What segment of the industry was the first to completely convert to digital switched systems? What segment of the industry was a pioneer in providing wireless options to their hardest to reach customers? What segment of the industry produced the first company to deploy an all-fiber system? What segment of the industry was the first to offer distance learning and tele-health applications? What segment of the industry was an early leader in providing cable-based video, then satellite video, and now IP video to their markets? What segment of the industry quickly moved into Internet service provision in the early stages of the Internet's public evolution? And what segment of the industry continues to lead in the deployment of high-speed broadband capable infrastructure?

In every instance the answer to those questions is the small rural segment of the communications industry. Rural carriers are small businesses dedicated to providing opportunities to other small businesses and individuals that might otherwise have to compete on an unlevel playing field. This is possible because cooperative and commercially-structured systems are owned and operated by members of the local community. Clearly, these are entrepreneurs who care about their communities and their nation and are continually "thinking outside the box."

VI. Conclusion

Regardless of whether consumers are focused on voice, video or data in tomorrow's world of communications, they will require the underlying infrastructure to ensure their communication gets to

its destination. America stands at a crossroads between a narrowband and broadband world. The choice is clear. The rural industry has long been the leader in deploying advanced telecommunications services to America's rural areas, and that success is built upon a foundation of public-private partnership that has worked for decades. To make sure this progress is updated and remains relevant in a new era of communications, rural providers and the rural associations are eager to continue working with you to move forward aggressively to fulfill the national objective of making broadband universally available as is envisioned by so many and indeed mandated by statute. Thank you for your attention to this matter.

Committee on Agriculture
U.S. House of Representatives
Required Witness Disclosure Form

House Rules* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2009.

Name: Mark Bahnson

Organization you represent (if any): Bloomingdale Telephone Company, Inc, NTCA, OPASTCO, WTA

1. **Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2009, as well as the source and the amount of each grant or contract. House Rules do NOT require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:**

Source: RUS Broadband Loan (8/28/08 – 8/1/2010) Amount:$4,412,227.00

Source:RUS BIP Grant/Loan (5/25/2010 – 2/25/2013) Amount: $8,300,000 Award
$7,215,399 Drawn down

Source:NTIA BTOP 80/20 Grant (8/1/2011 – 8/1/2014)Amount: $7,058,092 Project
$5,646,474 Award
$ 947,327 Drawn down

2. **If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2009, as well as the source and the amount of each grant or contract:**

Source:_____ **Amount:**_____

Source:_____ **Amount:**_____

Please check here if this form is NOT applicable to you: _____

Signature:_____

* Rule XI, clause 2(g)(5) of the U.S. House of Representatives provides: *Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.*

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.

Mark Bahnson

Twenty-nine years experience in marketing and sales with the past thirteen years as a telecommunications executive.

Professional Experience

Present

CEO/General Manager, Bloomingdale Communications
www.bloomingdalecom.net Bloomingdale MI
Responsible to the Board of Directors for all aspects of the company.

1997 – 2007

Office Manager, Alliance Communications,
www.alliancecom.net Garretson SD
An independent, diversified telecommunications provider serving more than 13,000 customers with Video, Voice and Data services in SD, IA & MN. Alliance Communications consists of a cooperative business and two for-profit subsidiaries
Responsibilities include:

- Customer Service - hiring and supervising staff; staff training; customer dispute resolution billing and operations budgeting
- Marketing – research; annual and long-range planning; pricing and positioning; new product development; create, monitor and evaluate internal and external promotions; advertising; public relations and hiring and supervising in-house and freelance staff as well as Ad Agencies
- Sales – hiring and supervising commercial sales staff; sales training for commercial sales staff, Customer Sales and Service Representatives and Outside Plant Technicians; measure and monitor product penetration rates and prepare all commercial bids for Local Service and Features, Long Distance, Internet, Private Circuits and Equipment
- Lobbyist for rural telephone cooperatives – State (South Dakota Telecommunications Association - SDTA) and National (National Telecommunications Cooperative Association - NTCA)
- Telecommunications Education Committee Organization (TECO) Board of Directors – Representative for South Dakota on the National PAC for NTCA
- Regulatory – creating and updating Tariffs for the three companies in SD, IA & MN as well as various studies, reports and surveys by the Public Utility Commissions in the three states

- Miscellaneous Office Management – Loss prevention, supervising and reviewing purchasing from various vendors to ensure value and accuracy. Oversee facilities maintenance and remodeling
- Internet – hiring and supervising IT and Internet Sales/Service staffs; developing business plan for the expansion of Internet services; supervise and approve equipment purchases; research, hire and supervise outsourced after-hours help desk
- Research and recommend new Accounting, Billing and Mapping system
- Research and recommend multifunction hardware enabling the implementation of new services such as Announcement system, Internet enhanced Voice Mail, Conference Calling system, Budget Toll and Find Me service.

1988 – 1997 **Creative Director, Ovenden Wheeler, Inc., Sioux Falls, SD**

A full service Advertising Agency with a wide range of customers in the Health Care, Communications, Construction, Manufacturing and Local Retail business

Responsibilities included:

- Creating and designing print advertising; hiring and supervising in-house and freelance writers, artists, photographers and printers
- Creating and producing video productions & TV commercials; hiring and supervising in-house and freelance writers, directors, producers, editors and photographers
- Directing media and market research
- Compiling bids and advertising budgets

1986 – 1988 **Advertising Manager, Stewart's Inc., Sioux Falls, SD**

A family-owned business consisting of 160 Hair Salons and 6 Beauty Schools throughout the United States. Stewart's was also owner of a Contract Electronics Manufacturer and a Window Balance Manufacturer

Responsibilities included:

- Creating annual marketing plan and budget
- Creating and designing print advertising; hiring and supervising in-house and freelance writers, artists, photographers and printers
- Creating and producing training video productions & TV commercials; hiring, dismissing and supervising in-house and freelance writers, directors, producers, editors and photographers
- Directing media and market research

- Supervising purchasing of media and printed materials
- Directing and evaluating advertising agencies

1985 – 1986 **Advertising Manager, Sencore, Inc., Sioux Falls, SD**
A family-owned electronic test equipment manufacturer directly marketed to 350,000 customers in the United States and Canada
Responsibilities include:

- Creating annual marketing plan and budget
- Creating and designing print advertising; hiring, dismissing and supervising in-house application engineers writers, artists, photographers and printers
- Directing media and market research
- Supervising purchasing of media and printed materials
- Directing and evaluating advertising agencies
- Supervising data base staff and direct mail/response staff

1981 – 1985 **Creative Director, G. F. Thomsen & Assoc., Mitchell, SD**
The marketing division of Trail King Industries, international manufacture of flatbed trailers
Responsibilities included:

- Creating annual marketing plan and budget
- Creating and designing print advertising; hiring and supervising in-house and freelance writers, artists, photographers and printers
- Creating and producing training video productions & TV commercials; hiring and supervising in-house and freelance writers, directors, producers, editors and photographers
- Sales
- Media and market research
- Purchasing media and printed materials

1980 – 1981 **Artist-in-Residence, Oscar Howe Art Center, Mitchell, SD**
A community art gallery funded by National Endowment for the Arts, SD Arts Council and the City of Mitchell, SD
Responsibilities included:

- Teaching art classes to students of all ages
- Creating Art
- Managing the gallery
- Speaking to community organizations and service clubs

Education

B.F.A. in Art – Graphic Design & Printmaking University of South Dakota

Civic and Community Involvement

NTCA Government Affairs Committee 2009 - present
Van Buren Co. Development Corporation (Vice President) 2008 – present
Bloomingdale Area Improvement Club 2008 (Vice President) - present
Paw Paw Chamber Car Show Committee 2008 - present
Octoberfest Committee 2008 – present
CVC/InDigital Board of Directors (Exec. Committee) 2008 – present
NTCA TECO Board of Directors 2005 - 2007
Brandon Area Community Foundation Board 2006 - 2007
Junior Achievement Sioux Empire Board 2005 – 2007
Junior Achievement Classroom Teacher 2000 - 2007
Miner County Development Corporation (President) 2003 – 2007
Southeastern South Dakota Tourism Association Board 2001 – 2006
Southeastern South Dakota Tourism Association Board President – 2003 - 2004
Brandon Chamber of Commerce Board 1998 – 2001
Brandon Chamber of Commerce Board Chairman – 2000
Food Service Center & SD Food Bank, Board Chairman 1993
Food Service Center & SD Food Bank, Board of Directors 1989-1994
Asbury Methodist Church Trustee 1989 - 1991
South Dakota Advertising Federation 1981 – 1997
Sioux Empire United Way Marketing Committee 1985

References

Available upon request