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**PSC URGES FCC TO DESIGNATE MID-RIVERS TELEPHONE  
AS INCUMBENT LOCAL CARRIER IN TERRY**

On December 21, 2004, the state Public Service Commission submitted comments to the Federal Communications Commission in support of Mid-Rivers Telephone Cooperative's petition to be designated an incumbent local exchange carrier in Qwest Corporation's Terry exchange. Under FCC rules, incumbent carriers receive federal universal fund support based on their costs to provide service.

Commissioner Greg Jergeson, Chinook, said the unanimous vote of the Montana Public Service Commission was earned by Mid-Rivers' exemplary performance in serving customers in the Terry exchange.

In its comments, the PSC pointed out that, while Qwest is currently the only local phone service provider recognized by the FCC as an incumbent carrier in Terry, since 1997 Mid-Rivers has built its own telephone facilities to serve Terry and has captured more than 85 percent of Qwest's former customers there. In addition to basic local phone service, Mid-Rivers offers customers advanced services such as high-speed, cable and dial-up internet, as well as voice mail, caller ID and other custom calling features.

The PSC recommended that the FCC allow Qwest to retain its status as an incumbent carrier, noting that there is no legal reason that precludes two incumbent local carriers from operating in one exchange at the same time.

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