



NTCA Members Role in the USA

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Who is NTCA?

- National Telecommunications Cooperative Association
- Representing about 560 rural telephone cooperatives and commercial companies
- Full-service association
- The voice of rural telecommunications
- Goal: To help ensure that rural Americans have access to affordable telecommunications services comparable to their urban counterparts

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Who are our Members?

- Diversity in size and services
 - Customer base ranges from <100 to more than 50,000
 - Staffs range from 2 to 400
 - Revenues range from \$100k to \$40M
- Average member:
 - 5,344 subscribers
 - 31 employees
 - Revenue between \$1M - \$5M annually



Why do they matter?

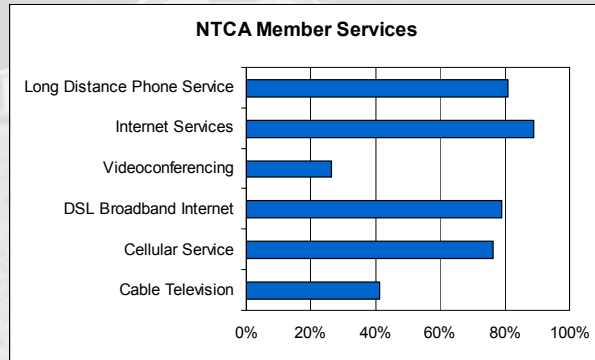
- Service areas encompass more than 40% of the nation's land mass
- Small and rural telcos provide rural America with an efficient, technologically advanced telecommunications capability
- Play an essential role in maintaining the nation's economy
- Efficient telecommunications are essential in remote regions
- Produce and deliver local content

The challenge of convergence in rural areas

- Rural customers benefiting from single voice-video-data provider
- Rural companies adapting to competitive environment
- Universal service still needed to support high-cost of service
- Comparability and affordability written in Telecom Act

What are NTCA's members doing?

In addition to traditional local phone service, NTCA members offer a wide range of advanced telecommunications services delivering invaluable access to rural areas.



2004 Broadband Survey Results

- 92% offer Broadband to at least some part of their customer base (dramatic increase from 58% in 2000)
- 44% of respondents offer video services: 42% HFC (Hybrid fiber coax), 25% DSL and 4% Wireless
- <1% offer VoIP

2003 Wireless Survey Results*

- 59% respondents hold at least one wireless license
- 56% are providing wireless
- 46% of those providing wireless service offer mobile voice, 32% broadband, 31% data and 29% paging
- 52% of those respondents not offering wireless are considering it

- Rural telecommunications is our business.**
- We are more than 550 community-based, locally owned carriers.**
- Visit us at <http://www.ntca.org>.**