EXHIBIT 13
DATE 2.14.05
HB539

February 14, 2005

Rep. Alan Olson, Chair
Federal Relations, Energy and
Telecommunications Committee
Montana House of Representatives

RE: Opposition to HB539

Dear Chairman Olson and Members of the Committee:

Blackfoot Communications, a small facilities-based competitive local telephone company based in Missoula, Montana, respectfully urges you to oppose HB539. Regrettably I am not able to appear personally before your Committee at the hearing on this bill scheduled for Monday, February 14, 2005. However, I do want our strong objections to this bill to become part of your Committee's record and deliberations.

Blackfoot Communications is one of only a small handful of facilities-based local exchange competitors in Montana. Our company has invested millions of dollars in state-of-the-art fiber communications services in Missoula, and provides strong employment, including competitive salaries and full medical coverage, to our local employees. We have managed to gain a very tenuous toe-hold in competing against Qwest in Missoula, fueled largely by our ability to provide local service and a "face" to our customers' communications company. However, there can be no doubt that Qwest is still largely the monopoly provider in our markets. We purchase services from Qwest on a wholesale basis <u>at a price higher than Qwest currently charges it's residential retail customers</u>. Under HB539, all but the first line to a home or business would be completely deregulated, providing Qwest with the opportunity to offer such retail services at even a lower price while still charging wholesale rates to Blackfoot Communications at significantly higher levels. This will have a chilling impact on competition, and could mean the end of our competitive business.

Alan Olson, Chair
Federal Relations, Energy
& Telecommunications Committee
February 14, 2005

Please make no mistake about the intent of this bill, no matter how that intent may be veiled. This bill marks almost complete deregulation of Qwest in Montana, the impacts of which bring back all too familiar memories of prior deregulation. This bill offers absolutely no consumer protection, nor protection of competitors against Qwest's predatory pricing practices. Qwest gives lip service to such predatory pricing practices, arguing that current state and federal laws would prohibit such action. While that may be true, the reality is that such laws are rarely enforced by the Department of Justice, and small competitors like Blackfoot Communications do not have the financial wherewithal to battle such a large company on antitrust claims.

Qwest certainly is not currently loosing out to competition. As you will undoubtedly hear from representatives of the Montana Public Service Commission, HB539 will only serve to exacerbate Qwest's stifling of Competition in Montana.

I urge you to turn back Qwest's attempts to continue its monopoly hold in Montana, and vote "NO" on HB539.

Sincerely,

Bill Squires
Sr. Vice President