SENATE NATURAL RESOURCES
EXHIBIT NO. 1
DATE 3-28-07
BILL NO. HB 611

Testimony of Ron Bibler regarding HB 611 on Wednesday March 28, 2007

Mister Chairman, members of the committee, Thank you for this opportunity to speak to you. I'm Ron Bibler, from Great Falls, a Montana native and Bobcat Alumni. I'm a Certified Financial Planner with my own practice. I'm a long time committee member of the Montana Telecommunications Access Program, and I assisted Representative Jacobson in drafting this bill. I'm here today as a proponent of this bill and as a member of the public.

Here in Montana we have a rather unique and progressive program. That's the Montana Telecommunications Access Program, which has been around since 1989. It's progressive because we were one of the first states to implement such a program before the Federal Communications Commission began to mandate these programs. Even today, MTAP continues to be innovative and progressive. For example, the telephone that I use through the program is a type of, for the want of a better term, a captioned telephone. Very similar to the closed captions on your television at home. I can answer my own phone and make my own calls. A technology miracle. Montana was one of the first five states to go on-line with this equipment in 2004, and even today, not all 50 states offer this. New York just went on-line last month.

Now, this program is unique because it has never asked for a fee increase. Imagine that. The program has evolved to where it is today and has never asked for an increase from that dime-a-month-a-line. Not many government programs can say that. Our revenue structure is very similar to the 911 folks, and they've gone from $0.25 to $0.50 a line a month over the years.

Having served on this committee a long time and being a bit of a pack rat, I was able to go thru my old papers and do some research. I noted that in 1994, fee collections were $495,000. Also:

Year	Revenue Collected
1997	$ 698,081
2006	$1,520,000

This program was fortunate in that the number of telephone lines contributing to the program increased in proportion with the program growth. Obviously, as more people learn about relay and make more calls and talk more minutes, the program expenditures increased. We were lucky that about the time the program started, the fax machine became more popular and affordable. So businesses were adding extra lines which benefited the program. Next came the cell phone. Our original statue was lucky, or perhaps it was foresight, in that a cell phone was still considered a 'telephone' by the statue definition for revenue purposes. Interestingly enough, not all states collect their cell phone revenue, but Montana does. As you can imagine, this was a tremendous growth.

And what came next? Dial up! Everybody loved the new Internet and wanted access. Hundreds of lines were now added to businesses and homes, so our revenue continued to increase. However, as you know, dial up is dinosaur-like; it's being replaced by faster broadband connections. Broadband, while wonderful, poses a problem for MTAP.

Here's why I want you to support this bill. People are not getting rid of their telephones. No; that's not happening. But there is a definite migration to the Internet for telephone service. I don't know if you have heard of Vonage, which advertises on television quite a bit, or Skype which is a subsidy of eBay, but these are Internet telephone services. Now you can use your computer, or it's broadband access line, as a telephone, giving you a reason to drop your land-line. Today, you can even use wi-fi to substitute for your cell phone service and eventually, when the service and coverage improves, people will migrate to these carriers. Skype has over 100 million registered users and is only three years old. Verizon recently announced that they lost 3.1 million residential phone customers in 2006. Those people were landline phone customers who are disconnecting in favor of wireless and Internet phone service. Our current statute does not allow us to collect our dime from these telephones, yet they are behaving exactly as a telephone. This legislation is an issue of equity and fairness for both the program and traditional providers.

One of the provision of HB611 says "Hey, you want to switch to an Internet based phone, or a prepaid wireless phone, Fine. But you still pay your dime" It doesn't require the dime for every Internet access line...just the ones that become 'telephone type' service. It's a good bill that closes a loophole caused by technology advances and protects the MTAP revenue stream. This is a bill that gives the Department of Revenue some teeth in enforcing the collection that they have been doing for some time. This is a bill that will allow the program and Montana to continue to be progressive and innovative. Please support it. Thank you for your time.

Ron Bibler
518 Deer Drive
Great Falls, MT 59404
406-727-7851