

CELLULARONE

January 8, 2011

State of Montana - 62nd Legislature - Jobs Listening Session

Technology, Retail, Manufacturing Session

Room 137

8:30AM

Good morning. My name is Chuck Hollis and I am the Executive Vice President and Chief Operating Officer of Montana PCS, otherwise known as CellularOne of Montana. On behalf of MTPCS, we thank the legislators for this opportunity to be heard this morning and becoming a part of the solution to create jobs in Montana.

Our company is a leading Regional Wireless Carrier offering wireless telecommunications services, such as mobile phones, mobile data products and other wireless services such as home phones, Internet access cards and accessories. We began operations in 2005 in Great Falls, MT with about 40 employees. Since then, we've expanded service throughout Montana and our network now covers over 800,000 people of the total Montana population, we have a direct retail presence in every major city, we have an extensive dealer network and in totality have invested over \$100,000,000 to begin and improve our business over the last 5 years in Montana. Our current employee base in or directly serving Montana now exceeds 150.

In addition, we've grown from our Montana roots to serve four other states and own the only wireless network in the Gulf of Mexico. We are now generating revenues in excess of \$165 million dollars and have 500 employees nationwide.

Since 2005, we've made a number of attempts to do business with the State of Montana. We've given presentations and proposals multiple times only to be completely shut out of proposing and providing wireless services to any State agency. We are a "born in Montana" company who has invested significant capital dollars in the State and created many high quality jobs, only to be repeatedly denied without explanation, the opportunity to bid for providing wireless telecommunications services to the State of Montana.

We can not understand how it serves the interests of the people of Montana that the State has had the same contracts for wireless voice and data services since July 1, 2002 with Verizon and Alltel and these contracts have been automatically renewed each year without bids and are on their 9th year.

Can you imagine the millions of dollars the State spends on providing wireless telecommunication services and none of that goes to a Montana company?

We all know the wireless industry has rapidly changed in the past and continues to do so, particularly in the cost of services. Pricing for at least one of the aforementioned carriers has not been updated for years. Does this mean the State is still paying 2002 rates for wireless service?

We ask for legislation that requires wireless telecommunication services for the State of Montana to be put out for bid, just as most other services are required to be.

We are confident with your help and support, we will have the opportunity to provide services for the State that will create jobs for Montanans.

Thank you for listening.