



CAPITAL CONNECTIONS

A Quarterly News Bulletin

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Web Site Attracting New Users, Making Work Easier

It's been two months since RTFC unveiled its new Web site, and members are quickly discovering how easy it is to access their loan information.

Members can view their loan history, review amortization schedules, check interest rates and print out audit confirmation reports right from the secure Member Center. Although some of these functions were available on the previous Web site, the new look and expanded features make using the current site much more appealing.

"It's been a lot easier to find what you need; everything's right there," said David Schmidt, general manager of Heart of Iowa Communications and newly elected RTFC District 2 director. "We mainly go to the site to take a look at our loans and how much we've reduced them when we make a payment. We then print that information and pass it along to the accounting department for their records."

Schmidt, who has two Member Center accounts so he can view information for his parent company and its subsidiary, also keeps a sharp eye on interest rates in case he wants to make the switch from a variable- to fixed-rate loan.

"I would definitely recommend using the site to other RTFC members. It's a great tool," Schmidt said.

For Gail Rainey, controller at Triangle Telephone Cooperative in Montana, the online access to information is making her job easier. "When our auditors were here, they came and sat beside me as I logged into the site, and we printed out the audit confirmation reports for them right then. It was great—very convenient."

The new Web functions are especially helpful for members faced with the challenge of calling RTFC during office hours in the Eastern time zone. "The site's very useful, and it's handy to have it accessible whenever we need it," said Brett Carter, controller for Interior Telephone Company in Alaska.

Of course, the online directory featuring phone numbers and e-mail addresses for key RTFC staff, is handy if members can't find the information they're seeking on the Web. In addition to financial information, the public side of the new site includes the latest RTFC news, answers to frequently asked questions and links to member Web sites.

The launch of the new site also coincided with the switch to a new Web address for RTFC—www.rtfccoop.org. While you can still visit the site at the old address—www.rtfcc.net—the new domain is easier to remember.

Meet Your Board

Bohnsack: Funding Improved Family Biz Orent Drawn by Unique Opportunity

Editor's Note: Seven new directors joined the RTFC board in February of this year. We'll be profiling these new directors in Capital Connections throughout this year. With this issue, we start with District 1 Directors Bruce Bohnsack and Robert Orent.

Bruce Bohnsack knows what a difference funding can make to a family business. When his grandfather upgraded the Germantown Telephone Company from magneto phones to dial, the only switching system he could afford was one he bought and dismantled off a decommissioned U.S. Navy battleship from the Brooklyn Naval Yard.



Purchased in 1951—including plenty of spare parts—the former Navy system served the utility until 1974. “Thank God for REA. They pulled us out of the doldrums of battleship switching, open wire and lead cable,” Bohnsack said.

Thanks to the REA loan, Germantown Telephone was upgrading from step-by-step switching to electronic switching when Bohnsack wrapped up a four-year Navy tour in 1974 and returned to Germantown, New York, to work in the family business. Bohnsack’s naval training as an electrician was just what the family business needed. He handled central office responsibilities and attended Stromberg Carlson switching school in Rochester. Bohnsack’s position was that of Central Office Supervisor until 1988 when the company converted to digital switching.

“The telephone business is in my blood,” Bohnsack said. “Some of my earliest memories are of riding with my father in a telephone truck to check open wire for crosses.” Decades later, as Germantown Telephone’s president and general manager, Bohnsack runs the company along with his brother Joel and daily visits from his now-retired father.

“I spent all my summers working at the company, first as a ‘gofer’ running errands and helping out, and later setting poles and working the lines,” said Bohnsack, who also can recall the long hours sitting on an oak stool cleaning the individual step-by-step line switches that came from that battleship so long ago.

“I look back at what my family went through before

Robert Orent was just out of the Navy and newly married. He envisioned moving west with his new wife to pursue a career in the aerospace or broadcasting industry. Instead, the flip of a coin took him east to a job with the Chesapeake and Potomac Telephone Company that launched his 37-year career in the telephone industry.

When Orent and his wife Joan married, she wanted to move east; he wanted to move west. They flipped a coin, and she won. They soon arrived in the Washington, D.C., area.

Orent’s new job as a frame man with the former Bell company took him to the Pentagon, helping to install and maintain what was at that time the world’s largest PBX system.

“I had no intention of ever working in telecom, but this was a good job because they allowed me to go to school and be flexible with my hours,” Orent said.



His career steadily advanced in various engineering, planning, regulatory and business relations positions with Chesapeake and Potomac, and then through 17 years with GTE. He joined Hiawatha Communications,

Inc., (HCI) 15 years ago and now serves as president and CEO of the company based in Munising, Michigan, where he lives with his wife. HCI is the parent company of Chippewa County, Hiawatha, Midway and Ontonagon County telephone companies.

“RTFC has been instrumental in helping HCI make the acquisitions we’ve made during the past five years, and working with the staff at RTFC left me with an insight about the quality of the organization,” Orent said. “When I heard about the reorganization [of the RTFC board], I thought the timing was right to turn some of my energy to RTFC, and do so at a time when the organization is at the beginning of a new governance process.”

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South Presents Check on Behalf of ITPA

RTFC President Gene South, CEO and general manager of Lakedale Communications, presents a check to a representative of The New York Police & Fire Widows' & Children's Benefit Fund. The check represents a portion of the funds raised at the 2001



R. Parker Sullivan Golf Tournament, hosted by the Independent Telecommunications Pioneer Association.

"This tournament has been held annually for the past 20 years to honor the memory of R. Parker Sullivan, an inspiring leader in the telecom

industry," South said. "After this extraordinary year for all Americans, it seemed especially fitting to donate a large portion of the proceeds from the tournament to the families of the incredible heroes in New York City who were killed in the line of duty."

RTFC Sponsors OPASTCO Keynote by Travelocity CEO Terry Jones

Travelocity CEO Terry Jones shared his predictions about the future of the Internet and keys to success in his keynote address at OPASTCO's 2002 Winter Convention in San Antonio, Texas. Pictured, from left, are Hank Buchanan, RTFC vice president of Industry Affairs, Jones, and RTFC vice presidents of Marketing Ellen Iversen and Larry Ware. Sponsored by RTFC, Jones' speech provided a first-hand perspective on the



rise and fall of the dot-com industry and the future of the digital world.

RTFC is pleased to once again sponsor the keynote during the Second General Session

at the OPASTCO Summer Convention in San Francisco this July. Political satirist Jim Morris will provide the address and is sure to also offer plenty of laughs.

Inside the Economy

Indicators Improving, Telecom Suffering

Recent economic indicators show the U.S. economy is still struggling to pull out of the mild recession that officially began in March 2001.

Most economists believe the Federal Reserve will leave overnight bank-lending rates unchanged at its upcoming May 7 meeting. The current rate of 1.75 is a 40-year low that has remained steady since December. Analysts predict the rate will not be raised until later in the year-giving the fledgling economic recovery time to grow stronger.

Economists had predicted summer increases in the overnight rate. But, rising fuel prices could delay any vote to raise the rate. If consumers need to spend more for fuel, they will have less to spend on other goods and services—impeding the recovery. Crude oil prices have risen as much as 40 percent this year due to escalating violence in the Middle East.

The U.S. economy added 58,000 jobs in March for the first increase in eight months, while the unemployment rate rose two ticks to 5.7 percent after a 5.5 percent rate in February. Expansion in the manufacturing and service economies is reinforcing expectations that the recession is over and growth is accelerating. Economy experts believe the job market is healing, but they don't expect it to return to instant health.

Unfortunately, in the telecom sector, the healing has not yet begun. Equipment makers and others are still reporting quarterly losses and job cutbacks. Giants like Lucent, Avaya, Ericsson, Nokia and WorldCom are struggling. In addition, Williams Communications recently joined Global Crossing in filing for Chapter 11.

Shortly after announcing it would shed 10,000 jobs this year, U.S. leader Verizon then unveiled a plan to cut capital spending by \$1 billion in 2002, though the company said it expects to increase advertising and promotional spending to fend off competition.



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the REA, and how difficult those times were without the proper funding for our business. Life was certainly very different, and the service was sadly affected,” Bohnsack said. “Rural LECs need a lending source we can rely on that will work with us, and that’s more important than ever with the changes going on today at the FCC and REA.”

Currently chairman of the New York State Telecommunications Association, chairman of an NTCA committee and serving on the board of the Foundation for Rural Service, Bohnsack said he ran for election to the RTFC board to lend his experiences as an ILEC to the organization. “I’m very pleased and proud to be a part of this new era that’s begun at RTFC. I believe adding more telco individuals to the board is very positive.

“We each bring distinct perspectives and represent different sizes of companies at the board table,” he said of the RTFC’s recent board restructuring.

“Each of us has a unique business and must deal with different issues on a state level, but the one thing we all have in common is the need to expand our services and technology, and to do that, we all need funding.”

Orent... *Continued from page 2.*

No stranger to leadership roles in the telecom industry, Orent previously spent nine years on the USTA board of directors, including serving as chairman of the organization. He also is currently on the OPASTCO board.

“I’m looking forward to learning as much as I can about RTFC, and then to start making contributions to help the organization prosper. This is a very unique one-time opportunity, and I think that’s part of what drew me to run for the board,” Orent said of the new structure of RTFC’s board that doubled the telco representation from five to 10.

“I think this new board will be looking at opportunities to make bigger and bolder changes with this turnover; and, looking at the caliber of the people involved, they also surely will be prudent changes in the best interest of the membership.”