



CAPITAL CONNECTIONS

RTFC MOURNS PASSING OF CHARLIE ZINSNER



Charles Zinsner

▶ RTFC regrets to announce the death of Vice President of Marketing Charlie Zinsner. A true legend and friend to everyone in the telecommunications industry for more than 30 years, Zinsner died of cancer at his home on April 10, 2000.

Zinsner joined RTFC in 1988 and was, for many, the face of RTFC. Much of the organization's success can be attributed to his tireless efforts. As vice president of marketing, he was primarily responsible for establishing and maintaining relationships with rural telephone systems. Zinsner's knowledge of the telecommunications industry and personal relationships with a network of contacts at telcos across the country will be irreplaceable.

Zinsner joined RTFC in 1988. Prior to that, he was with John Staurulakis, Inc., one of the nation's leading telecommunications consulting organizations. He also was vice president and secretary of Communications General, Inc.

Before these positions, Zinsner spent 18 years with Contel, beginning his career there as a controller and assistant vice president in 1966. In 1976, he was named vice president and financial manager of international projects.

Zinsner, a U.S. Army veteran, held a bachelor's of science degree in business administration from Grove City College in Pennsylvania. He continued his graduate studies in finance and accounting at the New York University. He also was a Certified Public Accountant in Pennsylvania. ■

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RTFC COMMITMENT TO MEMBERS CONTINUES; FY 2000 ON TRACK FOR STRONG SUCCESS

▶ RTFC's commitment to rural telecommunications companies goes beyond dollars; it reaches into the very communities where members and their customers live and work. That was the message at RTFC's 2000 annual meeting.

RTFC 1999 President Mickey Sims told member-owners that "the commitment continues" at RTFC's 12th Annual Meeting Business Session, held February 16 in New Orleans.

"Our commitment to you is that RTFC will never stand still. We will continue to roll out the financial products and services necessary to help you succeed in this ever-changing environment," Sims told the more than 100 members in attendance.

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RTFC COMMITMENT CONTINUES

From traditional wireline infrastructure upgrades and fiber network buildouts to wireless system expansions and new acquisitions, RTFC financings have run the gamut in the past year. And while these loans ranged from several hundred thousand dollars to several hundred million, RTFC strived to make them as fiscally attractive as possible.

“As interest rates have risen, RTFC has worked hard to hold the line and ensure that it operates as ‘lean and mean’ as it can,” Sims said. “We do that to remain competitive and to pass on the benefits of our economy to you.”

The commitment RTFC has to its members also is illustrated through the “diligence, creativity and prudence” exercised in financing loans while protecting members’ investment risk, Sims said.

FY 2000 on Track for Success

Director Paula Eller, RTFC’s 1999 secretary-treasurer, told meeting attendees that the financial results for the first seven months of FY 2000 show that the growth RTFC experienced in FY 1999 continues, and the organization appears to be on track to make FY 2000 at least as successful.

“In the face of RTFC’s loan volume growth, the portfolio has remained stable and well-diversified, both geographically and across business lines,” Eller said. “This reflects the strength of your businesses and your ongoing success in this time of increasing competition. Your financial strength is the bedrock of RTFC’s solid portfolio.”

Sims Recognized for Service

Sims, as outgoing board president, was recognized and thanked during the meeting for his leadership and support of RTFC by CEO Sheldon Petersen and Larry Zawalick, RTFC senior vice president. Sims was presented with a clock for his hard work over the last two years as board president and for his six-year tenure on the board.

Director Election Results Announced

Members also cast ballots for two contested elections. Paul Violette, president of MCT Telecom in Contoocook, N.H., was elected director of District 1, and the District 5 winner was Bill Hegmann, general manager of Southwest Arkansas Telephone Cooperative in Texarkana, Ark. ■

2000 RTFC Board

Paul Violette – District 1
General Manager
MCT Telecom
Contoocook, New Hampshire

Curley P. Huggins – District 2
Manager
Horry Telephone Cooperative
Conway, South Carolina

Gene Ray South – District 3
CEO & General Manager
Lakedale Telephone Company
Annandale, Minnesota

Paula Eller – District 4
President
Yukon Telephone Company
Wasilla, Alaska

Bill Hegmann – District 5
Southwest Arkansas Telephone
Cooperative
Texarkana, Arkansas

Alden J. Flakoll – District 6
Director
FEM Electric Association
Ipswich, South Dakota

Benson Ham – District 6
Director
Central Georgia EMC
Forsyth, Georgia

Wade Hensel – District 6
General Manager
BENCO Electric Cooperative
Mankato, Minnesota

Robert Occhi – District 6
Manager
Coast Electric Power Association
Bay St. Louis, Mississippi

Eugene Meier – District 6
Director
Pierce-Pepin Electric Cooperative
Ellsworth, Wisconsin

R.B. Sloan – District 6
Manager
Energy United EMC
Statesville, North Carolina

2000 RTFC Board Officers



President
Paula Eller

Vice President
R. B. Sloan

Secretary/Treasurer
Paul Violette

MEMBER ADVISORY COMMITTEE UPDATE

► Capital market activity and the trend toward mergers and acquisitions topped the agenda when RTFC's 2000 Member Advisory Committee (MAC) met March 23-24 to hear from finance and telecom industry leaders about current topics of importance.

MAC members were focused on how these discussion points may affect RTFC member revenues, new business opportunities and capital requirements.

Steve Lilly, RTFC senior vice president and chief financial officer, updated the committee on activity in the capital markets. Lilly covered the prospects for continuation of the business expansion, noting the continued increase in productivity. He also noted the strong market acceptance of RTFC and its affiliate National Rural Utilities Cooperative Finance Corporation (CFC) as an indicator of the financial markets' confidence in rural utilities.

'Year of the Deal'

Bill King of JSI Capital Advisors gave the group an overview of merger and acquisition activity. He termed 1999 the "year of the deal" and said he thinks 2000 will be the "year of paying for the deal."

He reviewed most of the wireline acquisitions that closed or were announced in 1999, and provided background on the fundamentals of these deals, including identifying the key players in each. King also covered several wireless deals, including DBS transactions, as well as discussed several CLEC players. He concluded by forecasting a significant drop-off in the volume of deals made in 2000, citing the fact that aggregators will be busy integrating 1999 acquisitions into their operations and achieving operating economies.

Case Study in Success

MAC member Rick Vergin, manager of Chibardun Telephone Cooperative (CTC), reviewed with the committee CTC's entry into the CLEC business. Vergin covered the CTC's community and business environment, including a look at the towns in which CTC competes; the development of CTC's business plan; the services and strategy the cooperative employs; and the technologies they use to achieve success.

Vergin's first-hand account of the issues and obstacles a competitive local exchange provider faces was extremely useful to MAC members and RTFC staff, especially as it related to judging market penetration estimates in future business plans. ■

RTFC, CFC SPONSOR INTERNET GUIDE FOR RURAL LEADERS

► There's a digital divide, and some rural Americans are isolated on the wrong side of it – denied the local, speedy access to the Internet that their urban friends take for granted. Many RTFC members are working hard in their communities to bridge this gap, bringing not only Internet access to their citizens but also high-speed digital links and the latest fiber optic connections to telecommunications.

RTFC's commitment to its members and the communities they serve continues through its recent sponsorship of a publication created by the National Center for Small Communities. RTFC, along with its affiliated organization, the National Rural Utilities Cooperative Finance Corporation (CFC) sponsored the printing of a new guidebook titled "Getting Online – A Guide to the Internet for Small Town Leaders."

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MAC MEMBERS FOR 2000

RICHARD D'ANTONIO

President

Bentleyville Telephone Company
Bentleyville, Pennsylvania

WILLIAM BIERE

General Manager

Chariton Valley Telephone
Corporation
Bucklin, Missouri

MATTHEW BOOS

General Manager

Ponderosa Telephone Company
O'Neals, California

ROBERT DUDNEY

Manager

Twin Lakes Telephone
Corporation
Gainesboro, Tennessee

ALLEN R. HOOPES

CEO

Silver Star Telephone Company
Freedom, Wyoming

EARL OWENS

General Manager

Blackfoot Telephone Cooperative
Missoula, Montana

RICK VERGIN

General Manager

Chibardun Telephone Cooperative
Dallas, Wisconsin

*RTFC Board Representative and
MAC Chairperson*

PAULA ELLER

General Manager

Yukon Telephone Company
Wasilla, Alaska



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Internet Guide

This booklet offers practical advice for organizations working together with community leaders and one another to bring Internet access to their communities. The publication covers:

- ▶ An overview of the Internet and its uses, as well as hardware and software requirements.
- ▶ A how-to guide for putting local government online, including Web site development, domain registration and marketing.
- ▶ Guidance on promoting public access to computers and the Internet through local schools, libraries and other public places.
- ▶ Strategic planning on evaluating the local market, community leadership, existing opportunities and potential technology applications.

- ▶ Web sites of interest to small communities.
- ▶ A glossary of terms associated with the Internet.

Many rural telephone companies are working together, as community leaders, to bring high-quality, competitively priced Internet services to rural communities nationwide, and RTFC believes “Getting Online” can be a useful publication. That’s why more than 500 copies of the guide were mailed to RTFC members in April.

If you are interested in additional copies, contact the National Center for Small Communities at 202-624-3550. ■