

WTS CONNECTION/Hereford

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Vital rural telcos truly too small to fail

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We're all familiar with the term "too big to fail," which generally came into wide usage during the 2008 near-meltdown of the economy following fast and loose play with mortgages etc. by financial institutions. The term refers to large corporations or organizations that are

so large and intertwined within an industry, their failure would be catastrophic to that industry and/or the overall economy. The economic downturn of 2008 featured many too big to fail financial institutions, hence government bailouts were common for banks and some other businesses, despite apparent mismanagement. But what about companies that are closely managed and too small to fail?

That interesting concept was introduced by Steve Gleave, SVP for marketing at Metaswitch, on a panel at

the Pivot Group annual client conference, Pivot Forward. The panel focused on the ongoing evolution of telcos, which is currently underway in the telecom industry, and an issue that Gleave follows closely. His Telco Americana website highlights the rural telecom industry.

Gleave made the point that we hear so much about firms that are too big to fail, but the opposite may be true for many rural telcos in the U.S. It was an interesting and provocative statement. Are some rural telcos too small to fail?

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United Way campaign boosted by WTS, WTRT

WTRT and WT Services employees and their employers have done their parts to assist the 2016 fund raising campaign of the United Way of Deaf Smith County.

Pledges and outright donations to the United Way campaign for 2016 from WTRT employees totaled \$2,839, slightly more than the \$2,442 given last year.

WTRT also matched last year's effort with an additional \$300 donation.

WT Services employees logged total giving and pledges of \$1,182.08, down

slightly from last year, and WT Services matched the 2015 gift of \$300. Donations to United Way of Deaf Smith County benefit local agencies including Deaf Smith County Crisis Center, Great Plains CASA for Kids, Salvation Army, YMCA, Snack Pack for Kids, Hereford Day Care, Hereford Satellite Center, the Home Delivered Meals program through Hereford Senior Citizens, Big Brothers/Big Sisters, Hereford Regional SportsPlex, The BRIDGE, Panhandle Mental Health/Mental Retardation, and Hereford Food Pantry.

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RURAL TELCOS
ARE SMALL
BUT VITAL

WTS HELPS BOOST
UNITED WAY
CAMPAIGN

PAGE 2
GIFT YOURSELF
WITH SERVICES

1% DISCOUNT

WT Services Hereford customers can get a one percent discount by paying their bill by bank draft.

Customers who authorize draft payment agree to have their bank account drafted for the amount of their outstanding balance on their account with WT Services. Drafts will occur between the 20th and 23rd of each month.

To arrange for payment of your WT Services bill via bank draft and net the one percent savings, contact the WT Services office in Hereford at 119 East 4th to obtain the necessary authorization form that includes bank routing and account information.

LATER HOURS

To better accommodate the needs of customers the WT Services office at 119 East 4th in Hereford is expanding its weekday hours from 8 a.m. to 5:30 p.m. Monday through Friday, allowing extra weekday time to pay bills and conduct business.

Switch to WT Services and save \$50

Switch your cable, phone, or internet services--or all three-- to WT Services in Hereford, Friona, or Bushland and receive a \$50 credit on your first bill.

Some restrictions apply. The offer is limited to where services are available. This offer is good now through January 31, 2016.

For superior broadband Internet, home phone or cable TV, you'll find WT Services a committed provider for individual or money-saving bundled service.

Take advantage of this great opportunity. Call WT Services in Hereford at 360-9000, Friona at 250-5555, or Bushland at 349-1000.

Hereford: A Smart Community—with Fiber to the Premise—by WT Services.

Gift yourself with these services this holiday season

HLD Calling Plans come in four options

Hereford Long Distance, your full-service long-distance provider offering regional, nationwide, and international calling, is now offering new Calling Plans that are available if you are not on a bundle.

Residential and business

customers alike can take advantage of these four new plans for nationwide and domestic calling.

Among calling plan options available are:

- 200 minutes for \$8 monthly.
- 400 minutes for \$15 monthly.
- 1,000 minutes for \$35 monthly.
- 2,000 minutes for \$65 monthly.

Additional minutes above the plan limits are available at 5 cents per minute.

Call WT Services in Hereford at 360-9000. Call WT Services Friona at 250-5555, or West Texas Rural Telephone at 806-364-3331 to take advantage of these plans today!



Smart Bundles for savings

New cost saving streamlined bundle options for combinations of Telephone, TV and lightning fast Internet Service from WT Services, Inc. are available for customers in Bushland and most areas of Hereford.

In addition to top grade phone and cable TV services via fiber optic cable, fiber customers in Hereford and Bushland on a bundle can upgrade to 50 meg Internet for just \$20 a month!

Call the WT Services office at 360-9000 or come by at 119 East 4th in Hereford to avail yourself of the savings available from these bundle plans.

Too small to fail...continued from Page 1

The point is, many rural telcos serve sparsely populated markets. This is the 'real' rural America, where often times, there is 1 home or less than 1 home per square mile. Competitive dynamics so desired by regulators don't apply in many of these territories – there simply aren't enough people to economically support competing service providers. The one service provider that is there, wouldn't be there either, if not for universal service support.

But if that one carrier fails, there will be rural Americans without phone, Internet, or wireless service. And in a country as large and as vast as the U.S., that's potentially millions of citizens.

There's an ongoing, passionate debate within the

telecom industry on how best to support these 'service providers of last resort.' The Universal Service Fund (USF) system that has prevented many of these rural providers from failing is in transition.

The FCC is transitioning the program into a broadband-focused Connect America Fund. The emergence of (CAF) has implications for the rural industry. USF was once the exclusive domain of rural telcos, but in a CAF environment, that may be changing. Non-telco service providers are now in the mix to serve rural America as well, with CAF support.

It's creating an interesting competitive dynamic. Not in the market for rural customers, but for funding support through CAF to serve those

rural customers.

It's a complex issue, and the concept of too small to fail is a viable argument.

Reforming how the Universal Service program is funded is critical at a time when a wide range of reforms have been made to how Universal Service funding is spent.

Since 2006 the FCC has expanded permissible uses of universal service funds to include support of broadband Internet access service, but such services were exempt from contribution to the Universal Service Fund.

As a result, the entire burden of subsidizing both telecommunications and information services falls on voice customers, with others getting a free ride. That iniquity has to be addressed accordingly.

