



Our mission is to furnish high quality communications at competitive prices which will ensure long-term viability.

Dickey Rural Networks

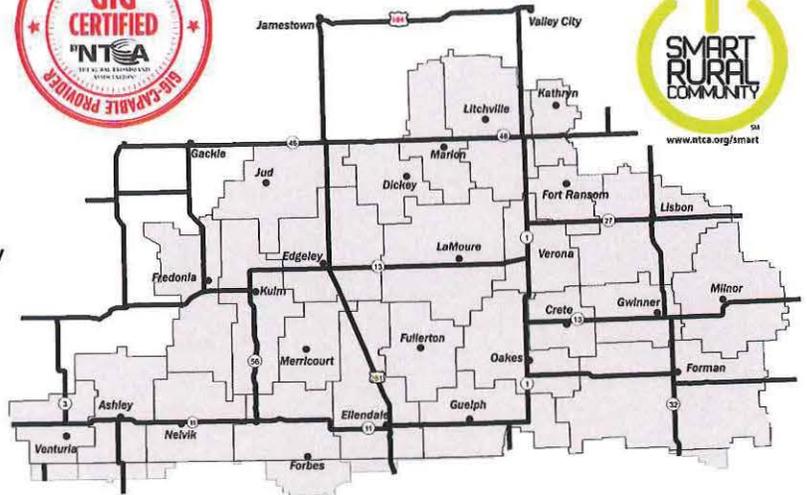
Founded in 1950, Dickey Rural Telephone was created to bring telephone service to rural southeastern North Dakota. Now, as Dickey Rural Networks, it offers state-of-the-art telecommunications, high speed Internet, and television services through two companies - Dickey Rural Telephone Cooperative (parent company) and Dickey Rural Services. These two companies are marketed as Dickey Rural Networks (DRN).

Today, DRN is working to add to the quality of life for our residential and business customers by offering advanced technologies and local customer service.

USF High Cost Program

The portion of the USF High Cost Program devoted to small, rural providers has been flat for the last six years while other programs within USF have received inflationary and/or budgetary increases. The FCC has continued to increase reporting requirements, build out obligations, and lowered our ability to earn on capital investment. Building and maintaining broadband networks in rural areas is costly, but the economic and social benefits to all Americans of universal access outweighs the costs.

The USF contributions factor (the percentage we all pay on our land-line and cell phone bills) continues to rise over time because of increased costs and a diminishing base of contributors. This trend is not expected to change. The contributions methodology needs to be updated for the 21st Century to include broadband connections so that all users of the network pay to build and maintain the network.



DRN is proud to be providing fiber-to-the-home in 100% of our service area.

Employees with Local Roots

DRN employs over 50 local residents providing competitive pay and comprehensive benefit packages. Our employees make significant contributions to our local and state economy. Our employees are also active in the communities in which they live by volunteering at fire departments, local ambulances, leading youth programs, active in civic and commerce events, and more.

Dedicated to Area Youth

DRN is committed to the giving back to the communities that we serve. Through DRN's scholarship program, we award up to two \$500 scholarships to students in each high school within our service territory along with a scholarship to a local career and technology center and local college. In addition to our scholarship, we participate in the National Telecommunications Cooperative Association's Foundation for Rural Service scholarship program.



FIBER^{100%}CONNECTED

Company Profile

Number of Access Lines

Residence	7,172
Business	2,524
Total	9,696

Access Line Data

Year end subscriber access line	9,696
Route miles - fiber	3,699
Subscriber access line per route mile	2.62
Square miles served	5,644
Subscriber access line per square mile	1.72
Operating revenue per sub access line	\$2,281.29
Debt per subscriber access line	\$81.18

DRN Services

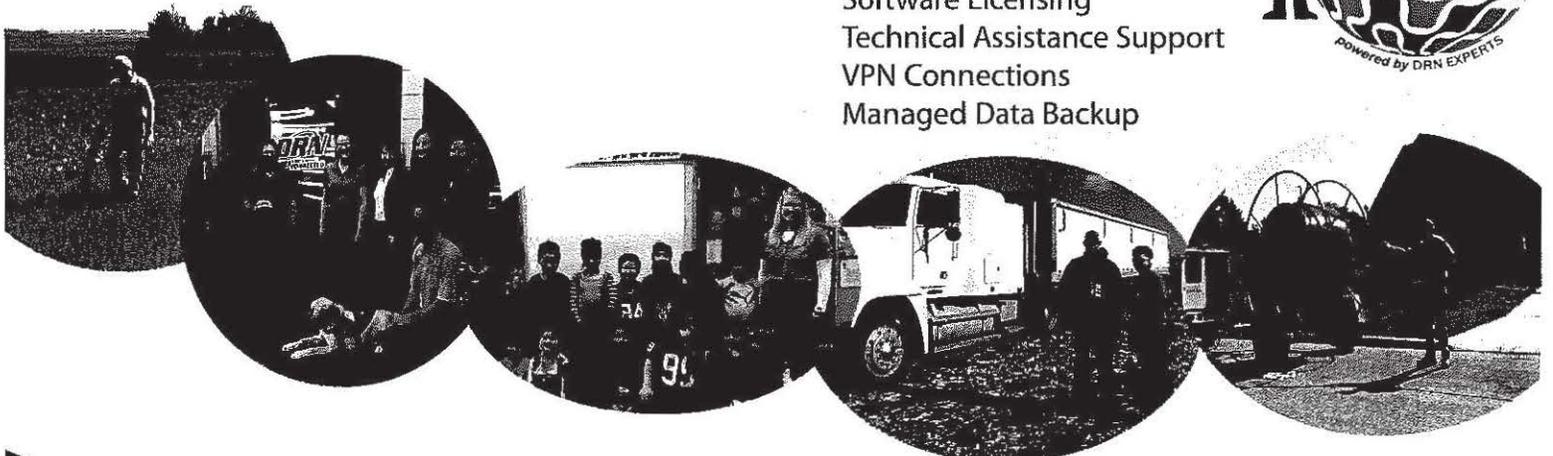
- High-Speed Internet
- Local Phone Service
- Television
- Computer & Mobile Device Repair
- Computer Sales & Specials
- Digital TV Boxes
- Hosted IP Phones Systems
- Managed Wi-Fi
- Over-the-Top Video, Skitter TV
- Personal Home Safety Systems
- Security Systems
- TiVo DVR
- Video Surveillance Systems
- WebGuardian Anti-Virus
- Wireless Mobile Phone Plans

For more information please contact:

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CEO/General Manager
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 701-344-5000 • www.drntel.com

Managed IT Services

- Bandwidth Management
- Hardware Purchasing
- Installation and Maintenance of Switching Networks
- Network Configuration
- Network Performance
- Network Security
- Managed Firewalls
- Server Management
- Software Licensing
- Technical Assistance Support
- VPN Connections
- Managed Data Backup





Valley Telephone Cooperative, Inc.

was established on April 22, 1952 to provide telephone service to rural communities in areas deemed unfeasible by the national companies. We were established on the principals of service, excellence and value to enable rural Texans to compete and produce such as the urban areas. Valley Telephone Cooperative and its subsidiaries known as the **VTX1 Companies**, provide copper, fiber, and fixed-wireless broadband access to enable Internet, television, and telephone services for homes, schools, and small businesses throughout South Texas – plus fiber transport services for carriers and universities.

Connectivity for Community Growth- VTX1's broadband network extends from south of San Antonio to the lower Rio Grande Valley. Serving members and customers in 10,000+ square mile service. Our clients range from locally own businesses, remote farms and ranches, to state of the art educational facilities, medical institutions, and world renowned integrated communications providers.

Employment Opportunities- VTX1 employs over 190 local residents providing competitive pay and comprehensive benefit packages. VTX1 is the third largest employer in Willacy County, Texas.

Education- VTX1 funds 20 Scholarships each year and supports other important programs and measures such as Teach for America and local Literacy Boards to help aid in the development of youth leadership

Capital Investments- VTX1 has invested \$10M+ annually in new capital investments to provide state of the art broadband, data, and telecommunications services and will continue to do so if the USF continues at current levels

Points of Interest:

Universal Service Support Mechanism

The portion of the USF High Cost Program devoted to small, rural providers **has been flat for the last 6 years**

Other programs within the USF have received inflationary and/or budgetary increases

The FCC has continued to increase reporting requirements, build out obligations, and lowered our ability to earn capital investment.

Building and maintaining broadband networks in rural areas is costly, but the economic and social benefits to all Americans of universal service access outweigh the costs.

The USF Contribution Factor (the % we all pay on our landline and cell phone bills) **continues to rise over time** due to increased costs and a slowly diminishing customer base of contributors.

This trend is not expected to change. **The contribution methodology needs to be updated for the 21st century** to include broadband connections so that all users of the network pay to build and maintain the network.

For more information please contact:

Dave Osborn, CEO, at

(800) 446-2031 or visit <http://www.vtx1.net>

