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Issue February 2011



For the Members of Farmers Mutual Telephone and Federated Telephone

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Local Commitment. Global Solutions.

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Current Topics

National Broadband Plan

It is imperative that rural America makes its voice heard before it's too late. **Farmers Mutual & Federated Telephone** urge you to contact your representative and senators and tell them you **DON'T** support the FCC National Broadband Plan and the digital divide it creates.

Share with them the impact the plan will have on rural America and ask they take action to prevent it immediately.

See Page 2 for more info.

It's Cold Outside... but the Deals are Heating Up at Federated Telephone!

New HSD Customers

Fiber Optic Internet Service is the #1 Choice for High-Speed Internet. It's fast, doesn't tie up your phone line and you can bundle with your other services from Federated Telephone.

Sign Up for Fiber Fast Internet before March 31, 2011 and get one month of 1.5M Internet FREE

* Offer applies to new residential 1.5M High-Speed Internet customers only. You must sign up during the promotion to receive credit. Promotion ends 3/31/11. High-Speed Internet may not be available in all areas. Please contact our office for details.

Federated Fiber Fast Internet

- Always On
- Bundle with Your Other Services
- Doesn't Tie Up Your Phone Line
- Fiber Fast Speeds
- 24 Hour - 7 Days a Week Help Desk
- Virus Protection Available Only \$4.95 /month
- Local Customer Service

New & Current HSD Customers

Increase Your Internet Speed!

There are so many devices in your household today that use your High-Speed Internet. You can have multiple devices using the connection at the same time which can cause your Internet to seem slow at times. We have a solution for you! Upgrade to 5M or 10M internet service to get the most from your Internet connection.

5M Upgrade = \$10
10M Upgrade = \$20

- In addition to your current monthly 1.5M HSD rate.

* Speed Upgrade may not be available in all areas. Upgrade applies to Residential service only. Please contact our office for details.



Directory additions

- Big Bend**
Michelle Kranz..... 793-6716
- Cerro Gordo**
Corey Reiffenberger..... 752-4746
- Chokio**
Heather K Feldick 324-7381
Kelly Garoutte..... 324-7591
- Danvers**
Michael Langan 567-2219
- Hancock**
Darren L Schaefer 392-5326
Wade & Steph Johnson 392-5840
Scott & Jenny Ver Steeg..... 392-5843

- Morris**
Mrs. Wallace (Della) Cin 585-6658
Clint Warzecha Construction 287-2298
Lila Estenson..... 585-6622
Lynn A. Gades..... 589-3127
Rita Gust 585-6465
Kevin Hawkinson..... 585-5595
G. Koebernick 585-6436
Paul & Sarah Mattson 589-1237
Bill Myers 585-6702
Stephanie Foto 287-1701
David & Peggy Rinckenberger 589-3593
C. VanHorn..... 585-6472
- Odessa**
Tim McMahon 273-2153

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www.fedtel.net

Satellite Office:
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508 Atlantic Ave.
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320-585-4875
morrisftc@fedtel.net
www.fedtel.net

Office Hours:
Monday - Friday
8:00 a.m. - 4:30 p.m.

Calendar

- Feb 2: Ground Hog Day
- Feb 14: Valentine's Day
- Feb 21: President's Day



National Broadband Plan Causes Uncertainty for Minnesota Cooperatives, Like Farmers Mutual Telephone and Federated Telephone

As a part of the America Recovery and Reinvestment Act (ARRA) passed by the US Congress in February of 2009, Congress mandated that the Federal Communications Commission (FCC) develop a National Broadband Plan (NBP) to make broadband Internet service available nationwide, much like telephone service and electricity. In March of 2010 the FCC published to Congress the plan which is designed around, among other things, the use of the existing Universal Service Fund (USF) cost support mechanism, which is vital to the financial health of most rural telephone cooperatives, like Farmers Mutual and Federated Telephone. This plan compromises the future of all rural communications cooperatives including Farmers Mutual and Federated Telephone.

Second-Class Citizens

The most disturbing part of the NBP is that it discriminates against the entire rural population of the country. The FCC Chairman outlined one objective of this plan in a news release, which is to provide 100 Mbps to 100 million homes (all cities) by 2020. This is an exciting goal, but this goal excludes the remaining 36 million rural homes, like yours. In the NBP it states that the rural homes will not be funded to support Internet speeds of 100 Mbps, but will only be funded to support Internet speeds of 4 Mbps. It seems to me that the rural homes, those that are the furthest distance from the conveniences of the cities, are in greater need of high speed Internet, than those who live within the conveniences of the cities, especially for rural businesses, schools and farms.

Policy

Decades ago, Congress established a universal service policy for telephone communications, which required rural areas have access to communications services at prices that are affordable and reasonably comparable to those available in urban areas. Farmers Mutual Telephone and Federated Telephone Cooperative have fulfilled these obligations and completed its Fiber to the Home project based on assumptions that the regulators would support this same universal service philosophy for broadband. Should the policies contained in the NBP come to pass, all rural communities (including those served by Farmers Mutual and Federated Telephone) will find themselves on the slow side of the broadband digital divide in the future. This in turn will raise the cost of your communications tremendously, which will be devastating to our economies, quality of life and economic opportunities.

Take Action Now

Please contact your congressional representatives and urge them to support regulatory action that ensures that Universal Service Funds will be available to High Cost areas, comparable service speeds will be available at comparable market prices and equal access to broadband for all Americans. Urge them to support the Universal Service Reform Act of 2010. You will find a sample letter on our websites (www.farmerstel.net or www.fedtel.net) which can be downloaded and sent to our congressional representatives.

Visit www.broadband.gov to learn more about the plan and review it in its entirety. For your convenience, we have also created a sample letter on our websites www.farmerstel.net or www.fedtel.net that you can complete and mail.

Capital Credit Refunds and Income Tax Forms

Customers who received a capital credit refund check from Farmers Mutual Telephone Company or Federated Telephone Cooperative in 2010 may be wondering if they will need to include it when completing their Federal Income Tax Forms.



In all cases, please consult a tax accountant for your specific requirements.

For General Refunds of Capital Credits, you do not need to report the income you received from your capital credit refund check if you use your telephone only for non-business purposes. The refund is subject to taxation if all or a portion of your telephone bill was deducted as a business expense the year the credit was allocated. The amount reported would be proportionate to the amount that was previously deducted as a business expense for the corresponding year.

For Estate Refunds of Capital Credits, please consult with a tax accountant for your specific requirements.

Farmers Mutual Telephone Company and Federated Telephone Cooperative are required to provide 1099 forms based on Internal Revenue Service regulations.

Deadline Reminder

FRS Youth Tour:

Applications for the trip to Washington, D.C. are due March 1, 2011. FMTC & FTC will each sponsor one high school student from their respective service areas to attend. Student must be age 16 or 17 at the time of the Youth Tour and must have at least one parent who is a Farmers Mutual or Federated Telephone customer at the time they submit their application and at the time of the trip. Student must submit a 500 word essay detailing their interest in the telecommunications industry, how their future career plans could benefit from this trip, and why you would like to visit Washington, D.C. The essay must include the student's name, address and the student must be able to travel June 4-8, 2011.

College Scholarships:

FRS Scholarship Applications must be postmarked no later than March 1, 2011. Interested seniors may obtain an application from their high school or download an application from the FRS website at www.frs.org. **Application needs to be signed by Kevin Beyer, General Manager of FMTC & FTC.**

MTA Scholarship

Applications must be postmarked no later than March 4, 2011. Interested seniors may obtain an application from their high school or mnta.org.

CREDIT & DISCONNECT GUIDELINES

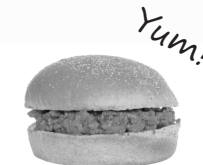
Farmers Mutual Telephone (Farmers) and Federated Telephone (Federated) value our subscribers. Your business is important to us. As with any business, NSF checks and non-payment accounts are difficult situations and must be carefully monitored so that all subscribers are treated fairly and consistently, Farmers and Federated have adopted the following guidelines:

- These guidelines may be modified as necessary to comply with Minnesota Public Utilities Commission and/or public law.
- Monthly bills are mailed each month and are due upon receipt. Payment in full is expected in our business office by the due date each and every month.
- A deposit is required from any subscriber who has not established satisfactory credit/payment history with a utility company in the last six months, including Farmers or Federated. The deposit is held until the subscriber has established a satisfactory credit/payment history with Farmers or Federated, at which time the deposit is applied as a credit to the subscriber's account with interest.
- Satisfactory credit/payment history is defined as one year of consistent and complete monthly payments.
- If payment has not been received, a FINAL NOTICE will be sent advising the subscriber that unless payment in full is received on the past due balance or other suitable arrangements are made with our office before the time of disconnection, the subscriber's services will all be subject to disconnection. This will be the only notice sent before disconnection of some or all services.
- Farmers and Federated are willing to work with our subscribers to establish suitable payment arrangements, who because of an emergency, cannot pay their bill in full. Suitable payment arrangements are not intended to exceed a 60-day time period or be allowed more than 2 times in a calendar year. The account will become subject to disconnection if scheduled payments are not received.
- Disconnection may also occur when a subscriber issues a NSF check. The subscriber will be mailed a notice of the receipt of the NSF check. The subscriber will have 5 business days to cover the check and NSF check charge with cash or money order. If payment has not been received, the subscriber's account will be subject to disconnection.
- Disconnection will not occur on a Friday, Saturday, or legal holiday, but will occur on the next business day.
- Once service is disconnected, payment in full along with the reconnect and late fees must be paid before service is reconnected.
- If the disconnected nonpay account has not been reconnected or paid after 10 days, it becomes a permanent disconnect, removing the telephone number from the directory, closing the account, and turning the bill over to a collection agency.
- If the subscriber wishes to reconnect after 10 days, a new application must be completed, the old bill paid in full along with the service charges for a new subscriber and a deposit before service will be reinstated.
- Service charges, as listed in the Cooperative's tariff and approved by the Minnesota Public Utilities Commission, are assessed for reconnection of each service and/or upon the receipt of a NSF check.
- Subscribers must have established a satisfactory credit/payment history before additional services or features are provided.

Cheesy Chicken Sandwiches

Ingredients:

6 Cups Cooked & Diced Chicken
1 lb. Velveeta Cheese
1 1/2 Cups Miracle Whip
Small Hamburger Buns



Mix all the ingredients together and put in a crock pot for 2-4 hours on the Low setting.

Reminder: SecureIT Subscribers

If you use SecureIT Plus for you antivirus protection, remember to call **SecureIT Plus FIRST** before you take your computer to a repair office.

SecureIT Plus Contact #:
1-877-373-3320