

Rural Communications to offer new phone service in St. Joe County

Monday, May 2, 2005 - MiBizSouthwest

By Jessica English
MiBiz Network

THREE RIVERS-Officials at Rural Communications are set to launch an Internet-based telephone service they claim will offer an unprecedented combination of features and quality.

Rural Communications President and CEO Jerry Ludwick told *MiBiz* that his company would launch its Voice over Private Network telephone service to residential customers in St. Joseph County June 1, with business services to follow in mid-July. Ludwick believes that his system will be the first of its kind in the nation.

Consumers have become familiar in recent years with Voice over Internet Protocol, or VoIP, telephone services offered by companies like Vonage. VoIP technology allows people to make telephone calls using a broadband Internet connection instead of an analog phone line. In addition to standard features like call waiting and caller ID, users can choose their area code and have voice mail messages sent to them by e-mail.

Perhaps even more appealing is the fact that VoIP services often cost less than traditional phone service. The tradeoff, Ludwick says, is quality. VoIP telephone users can experience fading, echoes or even be disconnected if someone else is surfing the Web, or if the Internet just happens to be slow that day.

"With our system, we're going to bypass all of those issues, but still offer all the benefits," said Ludwick.

Rural Communications' VoPN service will piggyback on the company's existing wireless network, which covers all of St. Joseph County. Instead of using the Internet to relay the voice signal, VoPN uses an actual wireless telephone network. Calls travel through the private network to Rural Communications, which switches them to a gateway carrier that in turn connects to the Verizons and SBCs of the world.

The technological details are perhaps not as important as the promise: cheaper, more reliable, more feature-packed service.

Ludwick said this private network approach is particularly suited to rural communities. In urban areas, the major phone companies and cable providers are bundling phone, Internet and cable services at competitive prices, with marketing power that Rural Communications would be hard pressed to match.

However, in more rural areas, those services either aren't available or are priced much higher. Customers see national advertising for bundled services and are disappointed to find that the best rates don't apply to them. Ludwick expects to offer those bundled services to rural clients at big-city low prices.

"People in these areas still see the national advertising," Ludwick said. "Ameritech and Comcast are spending millions of dollars telling people they should be able to get these services for X dollars. If I can provide it at X dollars in St. Joseph County and they can't, then I can use their advertising to help my business."

The VoPN services are currently in beta testing. When the full service launches in June, Rural Communications will offer residential customers a 128K Internet connection, local phone service and 60 minutes of long distance for \$42.99 a month. Broadband users will be able to connect to the Internet and local telephone service for \$59.99.

Business service costs will be customized based on the number of lines and the Internet bandwidth required.

Rural Communications currently has more than 500 miles of wireless network that covers all of St. Joseph County and parts of Branch and southern Kalamazoo counties. In addition to its 750 broadband and 1,000 dial-up customers, the company already provides phone service to 3,000 voice customers using Verizon's analog network.

Over the next two years, Ludwick plans to expand wireless and VoPN service to neighboring Branch and Cass counties. Parts of Northern Indiana are also possible targets, he said.

He'll work to export the Rural Communications model of heavy community involvement and technological investment in rural areas that are traditionally underserved or overcharged.

"We're targeting areas that aren't going to be as attractive to the bigger companies," said Ludwick. "As long as we abide by our model, I don't see why we couldn't take this across the state or even across the country."

MiBiz Network

<http://www.mibiz.com/>

Please read the following information if you are interested in publishing a MiBiz article on your Web site. The following verbage must be included with the article:

COPYRIGHT 2004. MIBIZ NETWORK.
ALL RIGHTS RESERVED.

This article appeared in the [issue date] issue of MiBiz, read by upper management executives in West and Southwest Michigan. Print subscriptions are free to qualified individuals who do business in West and Southwest Michigan. For further information about MiBiz Network, visit www.mibiz.com. (A link to MiBiz's Web site is required).

PLEASE NOTE: Since MiBiz Network retains the copyright for the article, it must be published AS IS, with no revisions unless you receive permission from the publisher.