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November 29, 2004

Judge Steven F. Goodwill
Administrative Law Judge
Utah Public Service Commission
Heber M. Wells Building
160 East 300 South
Salt Lake City, Utah 84111

Re: In the Matter of the Application of Uintah Basin Telecommunications Association, Inc., and UBET Telecom, Inc., for an Order of the Commission Approving the Combination, Merger and Consolidation of UBET Telecom, Inc., and Uintah Basin Telecommunications Association, Inc., Docket No. 04-053-03.

Honorable Steven F. Goodwill:

Uintah Basin Telecommunications Association, Inc. ("UBTA") and UBET Telecom, Inc. ("UBET") (collectively, "UBTA-UBET") would like to respond to those issues raised by the Commission which you have detailed in your November 17, 2004 correspondence in advance of the hearings scheduled for November 22, 2004, in order to assure that those hearings are as productive as possible.

The first issue raised concerning the one board member per district representation on the Board of Directors is one which the Board of Directors and Members of UBTA have carefully considered. While the representation is not based on population, it is consistent with the manner of representation for boards of directors for all other cooperatives in the State of Utah. In addition, representation on a per district basis rather than on the basis of population appears to be a consistent form of corporate governance for cooperatives throughout the nation.

In addition, although representation is based on one board member per district, each member votes for all Board members in all of the UBTA-UBET districts. For example, while Roosevelt would have one Board member, the members living in Roosevelt would each have the right to vote for not only the Roosevelt Board member but all of the Board members for the other districts.

By so doing, the members in the more heavily populated districts will, collectively, have the ability to influence the outcome of elections for board members from all of the districts, not just the district in which they reside.

The second issue raised by the Commission involves the appointment of the initial directors from the Vernal, Roosevelt and Duchesne districts. The Board of Directors of UBTA determined that an orderly transition of the consolidation of the two companies would best be served by appointing the initial directors representing those districts with elections for those positions to be held on a staggered basis in accordance with the Bylaws of the company. The first election for a director from the Duchesne exchange will be held in April 2005. Each of the directors to be appointed have been attending UBET Board meetings as members of the Board since the Qwest acquisitions were closed in 2001. They are familiar with the issues involved in integrating the UBET subscriber base and operations into UBTA-UBET, have participated in developing the Plan of Merger, and feel that it is fair and equitable and, as a result, the Board of UBTA determined that it is in the best interests of the combined company to continue their involvement during the initial, transitional phase. It should be noted that when South Central Utah Telephone Association, Inc., acquired Qwest exchange's in 1992 and 1996 that directors from the acquired exchanges were appointed by the Board and served as appointees until the next election held on a rotational basis for board members from each of those districts.

The Board of UBTA firmly believes that the advantages of membership in UBTA-UBET being extended to UBET subscribers clearly outweighs any concerns about proportional representation on the UBTA-UBET Board, particularly in light of the right of all members to vote for directors from all districts, or the appointment of the initial directors representing the Vernal, Duchesne and Roosevelt districts. Currently, UBET subscribers have no vote in the governance of the local exchange carrier that provides them telecommunications services nor do they share on the operating margins of that carrier. With membership the UBET subscribers will not only have the right to participate in the governance of the corporation but also enjoy the benefits of patronage.

The Plan of Merger that was approved by the Board of Directors of UBTA and its members specifically provides for one board member per district representation and the appointment of the initial directors of the Vernal, Roosevelt and Duchesne districts. It is the opinion of the General Counsel for UBTA, Clark Allred, that any departure from the Plan of Merger would require not only the approval of the Board of Directors, but also the membership of, UBTA.

The members of UBTA, by approving the consolidation in accordance with the Plan of Merger, have already made substantial concessions. The most evident is that by inviting 17,000 new members into the cooperative that each member's, including that of the UBTA members, percentage of the patronage pool is substantially diluted. Instead of dividing the patronage available by 4,000 members, it will now be divided by 21,000 members. In addition, the UBTA have given the 17,000 subscribers of UBET who previously had no voting rights to opportunity to vote in the cooperative's elections. By so doing, the UBTA have drastically diluted their voting power.

The Board of UBTA submits that, with the obvious advantages of membership in UBTA-UBET, the public interest requirement under Utah Code Anno. § 54-4-28 is clearly met and, further, that the imposition of any conditions to the Commission's approval of the consolidation which vary from the express authority granted by the Board and the members of UBTA will only serve, at the very least, to delay the proceedings and, at most, will jeopardize the merger and consolidation.

If you have any questions concerning the above, please feel free to contact me at your convenience.

Very truly yours,

BLACKBURN & STOLL, LC

Stanley K. Stoll

CERTIFICATE OF DELIVERY

I hereby certify that on this 19th day of November, 2004, I caused to be hand-delivered a true and correct copy of the foregoing **Letter to the Honorable Steven F. Goodwill** to:

Michael Ginsberg
Assistant Attorney General
Division of Public Utilities

Paul Proctor
Assistant Attorney General
Committee of Consumer Services

Stanley K. Stoll