

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of the Application of USCOC )  
Of Greater Missouri, LLC for Designation )  
As an Eligible Telecommunications Carrier ) Case No. TO-2005-0384  
Pursuant to the Telecommunications Act of )  
1996. )

**STATEMENT OF POSITION OF  
SPECTRA/CENTURYTEL**

COME NOW Spectra Communications Group, LLC d/b/a Century Tel and CenturyTel of Missouri, LLC (collectively “CenturyTel”), by and through counsel, and for their *Statement Of Position* in the above-captioned cause, respectfully state as follows:

**Issue 1.** Telecommunications companies seeking eligible telecommunications carrier (“ETC”) status must meet the requirements of Section 214(e)(1) throughout the service area for which designation is received. Section 214(e)(1) requires a carrier to offer the services that are supported by Federal universal service support mechanisms either using its own facilities or a combination of its own facilities and resale of another carrier’s services (including the services offered by another eligible telecommunications carrier); and to advertise the availability of such services and the charges therefore using media of general distribution. Does U.S. Cellular meet the requirements of Section 214(e)(1) throughout the service area for which it seeks ETC designation?

**CenturyTel Position:**

No. Section 214(e)(1) of the Federal Act must also be read in the context of Section 254(b)(3), as well in the context of 4 CSR 240-3.570, which state that the

purpose of high-cost support is to provide consumers in *rural, insular and high-cost areas* with telecommunications services and prices reasonably comparable to those in urban areas. Urban consumers receive high quality wireless service at a high level of signal quality and strength. Incumbent ETCs in high-cost rural areas receive the support they do today because they have made the infrastructure investment in high-cost facilities necessary to serve ubiquitously throughout their ETC service areas. Under current USF support mechanisms, incumbent ETCs receive support some two years *after* they have made rural high-cost infrastructure investment, while under current FCC rules new wireless ETCs receive USF dollars prior to actually making their high-cost infrastructure investment. If US Cellular is to receive high-cost support at the same per-line level of the incumbent, it must make a meaningful demonstration to the Commission that they will use high-cost USF dollars to provide high quality service throughout their requested ETC service area within a reasonable time frame.

US Cellular provides high-quality wireless signal coverage *predominantly in the more densely populated and low-cost portions of their service area*, and not in the sparsely populated and high-cost areas. The coverage maps provided by US Cellular clearly show that major portions of the population, service territory, and highway network in the requested ETC service area remain uncovered by US Cellular's network. US Cellular has made no commitment, or adequate demonstration that it would add new facilities to provide high-quality wireless signal coverage *throughout* the service area for which it had requested ETC designation, as required by federal law and the Commission's new ETC designation rule.

**Issue 2.** ETC designations by a state commission must be consistent with the public interest, convenience and necessity pursuant to Section 214(e)(2). Section 214(e)(2) provides: A State commission shall upon its own motion or upon request designate a common carrier that meets the requirements of paragraph (1) as an eligible telecommunications carrier for a service area designated by the State commission. Upon request and consistent with the public interest, convenience, and necessity, the State commission may, in the case of an area served by a rural telephone company, and shall, in the case of all other areas, designate more than one common carrier as an eligible telecommunications carrier for a service area designated by the State commission, so long as each additional requesting carrier meets the requirements of paragraph (1). Before designating an additional eligible telecommunications carrier for an area served by a rural telephone company, the State commission shall find that the designation is in the public interest. 4 CSR 240-3.570(2)(A)(5) provides that an application for designation as an ETC include a demonstration that the commission's grant of the applicant's request for ETC designation would be consistent with the public interest, convenience and necessity. Is granting ETC status to U.S. Cellular consistent with the standards set forth in Section 214(e)(2) and 4 CSR 240-3.570(2)(A)(5)?

**CenturyTel Position:**

No. While the Commission's new rule provides a listing of the minimum factual showings that an ETC applicant must make in order for the Commission to grant ETC designation, the rule does not provide any specifics on exactly how the ultimate public interest determination will be made. Simply providing a two-year plan and a few coverage maps does not mean the requested ETC designation necessarily is in the public

interest. The public interest is only served when an ETC applicant clearly shows that the incremental public benefits created by supporting multiple ETC carriers exceed the increased costs that will be created by supporting multiple networks and infrastructure in high-cost rural areas. The designation of US Cellular would create significant new public costs and deliver relatively few incremental public benefits. As a result, this designation does not pass the cost/benefit test outlined in the *Virginia Cellular* Order, and thus cannot reasonably be found to be in the public interest. Furthermore, US Cellular had provided none of the “fact-specific” data that is required by the FCC’s March 17, 2005 Order providing public interest guidelines for ETC designation, and therefore the Commission could not find the application to meet the standards of being in the public interest.

Section 214(e) of the Communications Act, and the Commission’s ETC Rule, both stress that the purpose of USF funding is to provide service *throughout* the entire service area. Even a cursory examination of the coverage maps filed by US Cellular, as well as those in the attached Schedules to the Supplemental Rebuttal Testimony of Glenn H. Brown, indicates that there is significant “white areas” on the maps indicating areas where US Cellular currently does not serve and has no committed plans to serve. If US Cellular is not willing to enter into an enforceable commitment with the Commission to eventually provide service throughout the service territory, then the Commission cannot find approval of its ETC status request to be in the public interest.

**Issue 3.** The Commission has promulgated rules to be used in evaluating ETC applications. Commission Rule 4 CSR 240-3.570, Requirements for Carrier Designation as Eligible Telecommunications Carriers, effective June 30, 2006. Does U.S. Cellular meet the requirements of the Commission’s ETC rules?

**CenturyTel Position:**

No. Following is a synopsis of a number of the sections of the Commission's ETC designation rule that US Cellular's showings in this case fails to address:

**Section 2(A)1 – Intended use of the high-cost support including detailed descriptions of any construction plans with start and end dates, populations affected by construction plans, existing tower site locations for CMRS cell towers, and estimated budget amounts.**

US Cellular provides very few details about their construction plans, and only provides aggregate budget amounts for all towers, with no specific description of equipment or services that the budget amounts purport to represent. The Commission will recall that in both the MO5 and NWMC cases, the review of the initial plan proposals by the Staff and intervenors revealed significant areas where funds were proposed to be spent for inappropriate purposes that were subsequently addressed in the Commission's Orders. The limited showing made by US Cellular precludes this type of review, and is clearly inconsistent with the plain language of the Commission's Rule.

**Section 2(A)2, - A two-year plan demonstrating, with specificity, that high-cost support shall only be used for the provision, maintenance and upgrading of facilities and services for which the support is intended. The concept of "support is intended" is defined more specifically to mean:**

- **Quality services should be available at just, reasonable and affordable rates;**
- **Access to advanced telecommunications and information services should be provided in all regions of the state; and**
- **Consumers in all regions of Missouri, including those in rural, insular and high cost areas will have access to telecommunications and information services that area reasonably comparable to those services provided in urban areas.**

The level of detail provided in US Cellular's filing does not allow for the Commission to conduct a specific review of US Cellular's build-out plans to assure that funds will only be used for their intended purposes. Furthermore, US Cellular does not

propose plans that would result in service *throughout* the proposed ETC service area as required by the Section 214(e) of the Communications Act and the Commission's ETC designation Rule.

**Section 2(A)3. – The two-year plan shall include a demonstration that universal service support shall be used to improve coverage, service quality or capacity on a wire center-by-wire center basis throughout the area where the carrier seeks ETC designation including:**

Even a cursory review shows that numerous wire centers within the CenturyTel/Spectra study areas where US Cellular has requested ETC status will receive no improvement in coverage, service quality or capacity under US Cellular's plan.

- **A detailed map of coverage before and after the improvements;**

The "before" coverage map filed by US Cellular on August 11, 2006 lacks necessary detail, and there remain unanswered questions as to why the most recently indicated signal coverage is significantly larger than the signal coverage shown on similar maps previously filed in this proceeding. As CenturyTel witness Brown's Schedule GHB-15 which combines these maps to indicate aggregate coverage clearly shows, virtually all of the "improvements" occur within areas that US Cellular *currently serves*, and there will be very little expansion of signal coverage into currently un-served high-cost rural areas of the requested ETC service area.

- **A statement as to how the proposed plans would not otherwise occur absent the receipt of high-cost support and that such support will be used in addition to any expenses the ETC would normally incur.**

Not only does US Cellular fail to demonstrate that these investments would not be made absent the receipt of high-cost support, but evidence obtained during the discovery process indicates that US Cellular already added a significant number of new towers in the proposed service area without the benefit of high-cost support. Should the

Commission choose to grant ETC status to US Cellular, it is essential that support only be used for tower construction above this benchmark level of towers added in the absence of high-cost support.

**Issue 4.** AT&T proposes the following issue: Is U.S. Cellular’s proposed use of federal Universal High-Cost support with respect to its network improvement plans in AT&T Missouri’s wire center areas consistent with the requirements to use support only for the purpose “for which the support is intended.” 47 U.S.C. § 254(e); 4 CSR 240-3.570(2)(A)(2).

**CenturyTel Position:**

Two of the study areas for which US Cellular has requested ETC status are, like AT&T’s Missouri study area, non-rural under the definitions in the 1996 Act. In the *Virginia Cellular* order, the FCC found that granting ETC status in a non-rural study area was not always in the public interest. It only stands to reason that scarce public support funds should be used for their intended purpose as defined in Section 254 of the Act and the Commission’s new Rule.

**Issue 5.** CenturyTel, STCG and AT&T propose the following issue: The Commission recently approved ETC status for Missouri RSA No. 5 Partnership in Case No. TO-2006-0172 and for Northwest Missouri Cellular Limited Partnership in Case No. TO-2005-0466. The ETC service areas granted by the Commission for these new ETCs overlap portions of U.S. Cellular’s proposed ETC service area. Is granting ETC status to multiple wireless carriers in wire centers, also currently served by the incumbent ETC, in the public interest?

**CenturyTel Position:**

No. In Rebuttal Testimony previously submitted in this proceeding by witness Brown, CenturyTel provided a clear demonstration of how supporting multiple networks, wireline or wireless, in high cost rural areas can result in inefficiencies and increase the likelihood that no carrier will have sufficient resources to serve throughout the proposed ETC service area. Such concerns are not unique to CenturyTel. In comments recently filed in the Federal-State Universal Service Joint Board's inquiry in the potential use of reverse auctions for the distribution of high cost support, this Commission also expressed concern about supporting multiple carriers with high-cost universal service support stating "the USF is experiencing significant strain," and that "only one recipient should receive support at any given time and in any given study area if an auction process is implemented." The Commission in this proceeding must necessarily and carefully consider whether it is in the public interest to have multiple wireless carriers receiving support in the same high-cost rural service area.

Respectfully submitted,

/s/ **Charles Brent Stewart**

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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the foregoing document was sent to counsel for all parties of record in Case No. TO-2005-0384 by depositing same in the U.S. Mail, first class postage prepaid, by hand-delivery, or my electronic mail transmission, this 11<sup>th</sup> day of December, 2006.

**/s/ Charles Brent Stewart**

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Charles Brent Stewart