

Exhibit No:  
Issue: Qualifications and Need for ETC  
Designation  
Witness: Nick Wright  
Type of Exhibit: Surrebuttal Testimony  
Sponsoring Party: U.S. Cellular  
Case No: TO-2005-0384

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO: TO-2005-0384**

**SURREBUTTAL TESTIMONY**

**OF**

**NICK WRIGHT**

**ON BEHALF OF**

**USCOC OF GREATER MISSOURI, LLC d/b/a U.S. CELLULAR**

**October 3, 2005**

**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 ) Case No. TO-2005-0384  
Eligible Telecommunications Carrier )  
Pursuant To The Telecommunications Act Of )  
1996 )

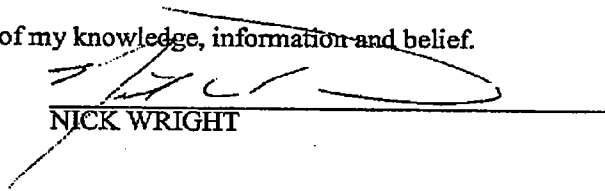
**AFFIDAVIT OF NICK WRIGHT**

I, Nick Wright, under penalty of perjury, affirm and state this 3rd day of October, 2005:

1. My name is Nick Wright. I am employed by United States Cellular Corporation as Vice President - West Operations. My office is located at 4700 S. Garnett Road, Tulsa, Oklahoma.

2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony on behalf of USCOC of Greater Missouri, LLC d/b/a U.S. Cellular, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby affirm that my answers contained in the attached testimony to the questions propounded, including any attachment thereto, are true and accurate to the best of my knowledge, information and belief.

  
\_\_\_\_\_  
NICK WRIGHT

1 **SURREBUTTAL TESTIMONY OF NICK WRIGHT**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Nick Wright. I am employed by United States Cellular Corporation and  
4 perform work for USCOC of Greater Missouri, LLC, (“U.S. Cellular”). My office is located at  
5 4700 S. Garnett Road, Suite 100, Tulsa, Oklahoma 74146.

6 **Q. ARE YOU THE SAME PERSON WHO HAS PREVIUOSLY TESTIFIED IN THIS**  
7 **CASE?**

8 A. Yes.

9 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY TODAY?**

10 A. To respond to rebuttal testimony of various witnesses in this proceeding and to make two  
11 changes to my direct testimony.

12 **Q. IS THERE A CHANGE YOU WISH TO MAKE TO YOUR DIRECT**  
13 **TESTIIMONY?**

14 A. There are two. First, on page 14, line 4, I stated that we intended to amend our  
15 application to add additional construction commitments. We have decided to not do that because  
16 we are advised that the amount of support we may actually receive may vary significantly and  
17 that the Commission may require submission of a five-year plan or another form of network  
18 improvement proposal following designation. I understand that our current commitment, sixteen  
19 cell sites, will cost approximately \$6 million, not including significant switch and capacity  
20 upgrades that will be required to integrate these cell sites into our network, and not including the  
21 ongoing cost of maintaining those sites and related infrastructure. Assuming a designation

1 occurs near January 1, 2006, we will receive three quarters of support by September 30, 2006,  
2 and we will be in a better position at that time to determine how much support we have at our  
3 disposal to expand and improve our network coverage. On or before that date, we will submit  
4 whatever the Commission requires in terms of plans for use of support, whether it be a more  
5 detailed 18-month plan or a five-year plan set forth by the FCC. To be clear, whatever the  
6 Commission requires with respect to plans for the use of support, we will submit.

7 **Q. WHAT IS THE SECOND CHANGE?**

8 A. On page 6, line 12, I misstated the company's local calling area for its lowest rated plans.  
9 Our Local Plan does not have a local calling area that is limited to our licensed service area. All  
10 consumers receive a local calling area that is the continental United States, no matter what rate  
11 plan they choose. That is consumers can terminate calls throughout the U.S. without incurring  
12 toll charges. The primary difference in our rate plans (Local, Regional, Span America) is the area  
13 within which a consumer can move the phone without incurring roaming charges - the local  
14 calling scope. I believe this correction resolves some of the Office of the Public Counsel's  
15 concerns about matching EAS boundaries of ILECs, as discussed in more detail below.

16 **Q. WITNESS STIDHAM SUGGESTS THAT OUR COMMITMENT TO USE**  
17 **SUPPORT PROPERLY IS NOT GOOD ENOUGH. DO YOU AGREE?**

18 A. No. Our commitment is very clear: we will use high-cost support to construct facilities  
19 and make other network improvements that we would not be able to undertake without high-cost  
20 support. In many areas, this means building facilities that, absent support, consumers would not  
21 see new or improved service for several years. We will use all support lawfully and we will be  
22 accountable to the Commission for whatever amount of support we actually receive. I don't

1 know how to be any more clear.

2 **Q. WITNESS MEISENHEIMER RECOMMENDS A NUMBER OF CONDITIONS**  
3 **FOR DESIGNATING U.S. CELLULAR AS AN ETC. THE FIRST IS THE SUBMISSION**  
4 **OF A FIVE-YEAR PLAN FOR USE OF AVAILABLE HIGH-COST SUPORT. WHY**  
5 **HAS U.S. CELLULAR NOT SUBMITTED A FIVE-YEAR PLAN IN THIS**  
6 **PROCEEDING?**

7 A. At the outset, let me be clear, U.S. Cellular does not oppose the submission of a five-year  
8 plan for use of high-cost support consistent with that required by the FCC, and as stated above,  
9 we would be pleased to prepare and submit one if required. We have not prepared one to date for  
10 one legal reason and one practical one. I am advised that, legally, the FCC's new rules for  
11 applications filed at the FCC do not require carriers with ETC petitions pending as of the  
12 effective date of those rules to file a five-year plan until October 1, 2006. If this Commission is  
13 going to follow the FCC's March 17 guidance, then U.S. Cellular should be treated the same  
14 way. I am also advised that this Commission has no rule in effect requiring petitioners for ETC  
15 status to make such a filing. What we have submitted in the record regarding our plans for the  
16 use of support is equal to or greater than what we have submitted in other proceedings where we  
17 have been designated. In addition, I am advised by counsel that it is greater than that which has  
18 been submitted in ETC (Eligible Telecommunication Carrier) petitions granted by the FCC,  
19 including those pending at the FCC on or before the effective date of those rules.

20 **Q. WHAT IS THE PRACTICAL REASON WHY A FIVE-YEAR PLAN HAS NOT**  
21 **BEEN SUBMITTED?**

22 A. From a very practical perspective, we believe that a five-year plan submitted on this date  
23 will be of very little use to the Commission. I am advised that the FCC is currently undertaking a

1 review of how all carriers receive high-cost support and we are advised by counsel that the  
2 amount of support that U.S. Cellular may receive over the next several years cannot be predicted  
3 with any certainty, and may vary significantly. Thus, we believe an alternative to a five-year plan  
4 will provide the Commission with better information.

5 **Q. WHAT ALTERNATIVE DO YOU PROPOSE TO PROVIDE THE COMMISSION**  
6 **WITH RELIABLE INFORMATION AND PROPER ACCOUNTABILITY?**

7 A. In my direct testimony, I explained that the better course is for U.S. Cellular to provide  
8 the Commission with an estimate of support each year, along with a plan for using that support in  
9 the next year. At the end of the year, U.S. Cellular would provide the Commission with a report  
10 as to how it has used the support. Year over year, the Commission will have a more accurate and  
11 useful picture of our use of support, and our estimates going out twelve to eighteen months will  
12 be based on plans that are much more likely to be realized than plans going out five years. Many  
13 factors, not the least of which is the state of new technology, change so fast that predicting  
14 investments more than a year down the road quickly become mere speculation.

15 **Q. IF THE COMMISSION REQUIRES A FIVE-YEAR PLAN AS A CONDITION OF**  
16 **GRANT, WILL U.S. CELLULAR PROVIDE IT?**

17 A. Yes. We note that such a plan may take more than a month to prepare, so we would ask  
18 for a liberal deadline. We believe we should be treated similar to applicants at the FCC, and be  
19 designated based on the law that was in effect when we filed our application, which would  
20 require the submission of a five-year plan in advance of our recertification deadline of October 1,  
21 2006. By then, we will have a better idea how much funding is actually provided by the high-  
22 cost system and we'll be able to adjust our plans to provide the Commission with information  
23 that is more reliable than what we could prepare today. We are doing this in other states where

1 we are a designated ETC, and it is a process that is now working well. In sum, I agree with  
2 Witness McKinnie that this issue would best be addressed in a rulemaking proceeding rather than  
3 in the course of this designation.

4 **Q. WILL THE COMPANY ADHERE TO THE REPORTING REQUIREMENTS AS**  
5 **REQUIRED BY THE FCC?**

6 A. As I understand Witness Meisenheimer's Rebuttal Testimony at pages 5 and 12-14, she  
7 refers to reporting requirements in Section 214(e)(6). I am advised that this is the federal statute,  
8 not the FCC's rules. If she is referring to reporting requirements established in the FCC's March  
9 17, 2005 order on universal service, the answer is yes. U.S. Cellular will adhere to those  
10 reporting requirements.

11 **Q. WILL THE COMPANY AGREE TO FILE AND MAINTAIN WITH THE**  
12 **COMMISSION A CURRENT COPY OF DETAILED SERVICE AREA MAPS, A LIST**  
13 **OF THE LOCAL TELEPHONE EXCHANGES IN WHICH SERVICE IS AVAILABLE,**  
14 **A DESCRIPTION OF ANY PORTIONS OF AN EXCHANGE WHERE IT IS**  
15 **INFEASIBLE FOR U.S. CELLULAR TO SERVE, AND AN ILLUSTRATIVE COPY OF**  
16 **CUSTOMER SERVICE AGREEMENTS?**

17 A. Yes, although the usefulness of some of these materials is unclear. For example,  
18 providing a list of local telephone exchanges where service is available can be done, but it is  
19 unclear what such information would be used for. Service availability at any particular point  
20 changes rapidly as new cell sites are constructed. A description of areas where it is infeasible to  
21 serve may not be possible to provide. When a customer requests service at a particular point,  
22 U.S. Cellular may not know it is infeasible to provide facilities-based service there until it sends  
23 a technician to the site to determine what needs to be done. Because U.S. Cellular can provide

1 universal service through a combination of its own facilities and resale of other carrier facilities,  
2 we ordinarily assume that there are very few, if any, areas where it is infeasible to serve. My  
3 sense of this requirement is it would be best addressed in a rulemaking where all carriers of all  
4 technologies can work with the Commission to develop a report that provides the Commission  
5 with what it needs in this area. Finally, we will provide an illustrative copy of our service  
6 agreement.

7 **Q. WILL THE COMPANY WAIVE ALL TOLL AND ROAMING CHARGES ON**  
8 **CALLS TO ANY TELEPHONE EXCHANGE AREA FOR WHICH THE CUSTOMERS**  
9 **BILLING ADDRESS WOULD OTHERWISE HAVE EAS IF SERVED BY THE**  
10 **INCUMBENT CARRIER?**

11 A. No. However, I believe this is a non-issue.

12 **Q. WHY IS THAT?**

13 A. As I discussed above, my Direct Testimony incorrectly characterized our local calling  
14 area as our regional footprint. This likely caused Witness Meisenheimer of the Office of the  
15 Public Counsel (OPC) in her Rebuttal Testimony at page 6 and pages 20-22, to compare our  
16 local calling areas to those of ILECs. In fact, all U.S. Cellular customers generally have calling  
17 areas where long distance/toll can be terminated throughout the continental United States, no  
18 matter what rate plan they choose. The differences in our rate plans (Local, Regional, Span  
19 America) is the area within which a consumer can move the phone without incurring roaming  
20 charges - the local calling coverage scope. Thus, I believe OPC's concerns about our matching  
21 EAS areas is really not an issue, as our customers can use their minutes to call throughout the  
22 state, indeed throughout the nation, without toll. For the Commission's convenience, I have  
23 attached to this testimony a copy of our rate sheet for Missouri customers as Schedule NW-3.



1 **Q. DO YOU BELIEVE U.S. CELLULAR SHOULD BE REQUIRED TO OFFER**  
2 **SMALLER LOCAL CALLING AREAS?**

3 A. No. The purpose of designating Eligible Telecommunications Carriers who will receive  
4 Universal Service Fund (USF) support is to encourage the construction of new and improved  
5 facilities. Consumers will therefore have access to more services in a greater area and with  
6 higher quality so that they can choose the service they want. We offer very simple rate plans  
7 where consumers can choose the number of minutes they wish to use each month, choose the  
8 area within which they want to move the phone without incurring roaming, choose other features  
9 they want, and choose the handset. The local calling area is the same for all plans. Everyone in  
10 the contiguous United States can be dialed without toll which is over 350 million numbers.

11 **Q. DOES U.S. CELLULAR INTEND TO USE SUPPORT TO SUBSIDIZE TOLL**  
12 **USAGE BY CONSUMERS?**

13 A. No. I disagree with Ms. Meisenheimer's Rebuttal Testimony on page 21, lines 21-22, that  
14 service over a larger area "does not count in the sense that high cost support is not designated to  
15 support toll usage." We don't intend to use support to subsidize toll. We intend to invest support  
16 to build and maintain facilities in rural high-cost areas. Our service is designed to provide broad  
17 local calling areas, which is a key benefit of wireless service, and I am advised that the FCC and  
18 many states have recognized this. The FCC did not license cellular and PCS carriers along  
19 exchange or EAS boundaries, and it makes no sense to force those wireline models on a very  
20 different business type and technological platform. It would be equally illogical, I believe, to  
21 force ILECs to waive toll charges for all calls that would be local calls on U.S. Cellular's  
22 nationwide plans.

23

1 **Q. ARE ROAMING CHARGES AN ISSUE THAT THE COMMISSION SHOULD BE**  
2 **CONCERNED ABOUT?**

3 A. No. The minimum local calling scope, the area within which a customer can place calls  
4 without incurring roaming charges, is enormous. In our Local Plan, which is the smallest local  
5 calling scope, it encompasses much of Missouri, including St. Louis, almost all of Oklahoma,  
6 almost all of Iowa, over two-thirds of Illinois, half of Wisconsin, and a third of Indiana. If a  
7 customer wants a wider local calling scope, he or she can sign up for our Regional Plan, which  
8 allows the phone to be moved within a ten state region, or our National Plan, which allows a  
9 consumer to place calls from anywhere within the continental United States without incurring  
10 roaming charges. 800 minutes on our ten state Regional Plan costs \$50.00, which is roughly  
11 equivalent to the total voice usage of the average landline customer. 400 minutes on our National  
12 Plan costs \$50.00, a far better value than using 400 minutes of ILEC service in a similar fashion.  
13 Therefore, Witness Meisenheimer's Rebuttal Testimony at page 21, lines 22-24, regarding  
14 roaming charges is somewhat misplaced because we offer consumers the ability to place and  
15 receive calls in an area that is much greater than that offered by ILECs.

16 **Q. IS OPC'S REQUEST IN WITNESS MEISENHEIMER'S REBUTTAL**  
17 **TESTIMONY AT PAGE 21, LINE 22 THAT U.S. CELLULAR PROVIDE ROAMING-**  
18 **FREE CALLING A FAIR REQUEST?**

19 A. No. It seems as though OPC wants the Commission to require us to give away some  
20 services that ILECs don't even offer. ILEC customers can't roam for free. A customer who  
21 walks one block to a grocery store must pay to use an ILEC-owned pay phone. In addition, I am  
22 advised that such a requirement would be contrary to principles of rate regulation, but that is for  
23 the attorneys to brief. To me, the most important fact to consider is this: If U.S. Cellular's

1 offerings are not competitive or affordable, consumers can switch carriers and we'll lose both  
2 their revenue and the USF support. Our entire business model is built on customer satisfaction.  
3 Our churn rate is one of the lowest among major carriers. We are in the business of getting  
4 customers and keeping them happy. Every day we assess and reassess our calling plans to  
5 respond to our competition. We deliver far more value than we did just a few years ago, and the  
6 trend is to lower prices and to provide bigger buckets of minutes. If you look at our service  
7 offerings, U.S. Cellular is already exceeding what OPC is asking for in terms of delivering value  
8 to the consumer.

9 **Q. IS THE COMPANY WILLING TO SUBMIT MORE DETAILED MAPS OF ITS**  
10 **SERVICE AREA OR COVERAGE AREA?**

11 A. Yes. If the Commission requires a more detailed map of our service area, which defines  
12 our local calling scope, we would do so. Moreover, if the Commission requires a map of our  
13 coverage area, we would work with the Commission to provide one that is acceptable.

14 **Q. WILL THE COMPANY AGREE TO WAIVE EQUIPMENT CHANGE FEES FOR**  
15 **LIFELINE CUSTOMERS?**

16 A. It is unclear to us whether this is a requirement that would be placed on all ETCs in  
17 Missouri as a condition of ETC status. If so, then we would obviously comply. If this is rather a  
18 proposal by OPC, then U.S. Cellular requests that the matter be the subject of a rulemaking, so  
19 that all affected carriers can have the same requirements.

20 **Q. OPC WITNESS MEISENHEIMER'S REBUTTAL TESTIMONY AT PAGE 6,**  
21 **LINE 15 PROPOSES THAT THE COMPANY DEVELOP AN ADEQUATE LIFELINE**  
22 **SERVICE OFFERING THAT IS COMPARABLE IN PRICE TO THE SERVICE**  
23 **OFFERING OF EACH ILECS' BASIC LOCAL SERVICE, NOT NECESSARILY**

1 **INCLUDING TOLL CALLING, BUT INCLUDING CALLS TO ANY TERMINATING**  
2 **EAS EXCHANGES ASSOCIATED WITH THE CUSTOMERS BILLING ADDRESS.**

3 **WHAT IS U.S. CELLULAR'S RESPONSE?**

4 A. I respectfully disagree with the premise of the question that our Lifeline service is  
5 somehow inadequate. U.S. Cellular should not be forced to duplicate fixed wireline service.  
6 The only way to match wireline service in price and features is to make it fixed, and we're not in  
7 the fixed business. Consumers who choose our service want mobility. As to price comparability,  
8 our average revenue per subscriber is below \$50 per month. I am advised that ILECs average  
9 over \$70. Instead of comparing the low base rate, the Commission should look at total consumer  
10 burden because many low-income rural wireline consumers incur long distance charges. Our  
11 way of doing business is very simple: the phone is mobile and our local calling areas are broad,  
12 including one that spans the lower 48 states. That's a huge value that wireline companies cannot  
13 deliver. If a low-income consumer chooses our \$40.00 offering, it will be because they find our  
14 service to be a better value than a comparable ILEC offering. Perhaps they need mobility.  
15 Perhaps they need a wide local calling area because of high toll rates on wireline networks. On  
16 the other hand, if a consumer wants a small local calling area, does not need mobility, and makes  
17 few long distance calls, then they should choose ILEC service. Some low-income consumers  
18 will find our service to be of greater value, while others may prefer ILEC service. The value that  
19 consumers get from our designation as an ETC are choices that they do not have today since we  
20 cannot offer Lifeline discounts unless we are an ETC. In sum, it is not necessary for our service  
21 to "match" ILEC's service any more than their service should be required to match ours.

22 **Q. WILL THE COMPANY REFRAIN FROM INCREASING THE RATE OR**  
23 **ADVERSELY ALTERING THE SERVICE ELEMENTS OF ITS LIFELINE**

1 **OFFERINGS WITHOUT PRIOR APPROVAL OF THE COMMISSION, AS**  
2 **SUGGESTED BY OPC WITNESS MEISENHEIMER AT PAGE 6, LINE 21?**

3 A. We advertise two Lifeline rate plans, as described in more detail below. Any qualifying  
4 low-income consumer can take our lowest-priced rate plan without having to meet our credit  
5 criteria. We do a credit check for Lifeline customers only to determine whether to permit  
6 roaming and international calling on the account. We do not deny our lowest priced rate plan to  
7 any Lifeline customer irrespective of their credit score. If an otherwise qualifying consumer  
8 believes that a higher-priced rate plan will be more economical (because, for example, of high  
9 ILEC toll charges), they may choose it and we would then apply the federal discounts.  
10 Therefore, U.S. Cellular will not agree to submit all of its rate plans to Commission regulation.

11 **Q. WHAT IS U.S. CELLULAR WILLING TO DO WITH RESPECT TO ALTERING**  
12 **LIFELINE CUSTOMER RATES AND TERMS?**

13 A. We will agree not to increase the rate or adversely alter the service elements of any  
14 Lifeline customer's plan for as long as they are a Lifeline-eligible customer. This is another  
15 issue where the Commission may wish to conduct a rulemaking because we think it is better to  
16 have rules applicable to all eligible carriers.

17 **Q. CAN YOU PROVIDE MORE DETAIL AS TO WHAT U.S. CELLULAR'S**  
18 **LIFELINE OFFERING IN MISSOURI WOULD LOOK LIKE IF THE COMPANY IS**  
19 **DESIGNATED AS AN ETC?**

20 A. Yes. We will offer Lifeline consumers two basic choices. Our Local Plan with either 125  
21 minutes or 700 anytime minutes. The 125 minute plan is \$25.00 and the 700 minute plan is  
22 \$35.00. The available federal Lifeline discount is \$8.25, which we apply to either plan the  
23 customer chooses. Thus, the end price to consumers for these two rate plans is \$16.75 and

1 \$26.75, respectively. As stated above, the Local Plan allows the customer to move throughout  
2 our licensed service area in the states of Missouri, Wisconsin, Iowa, Illinois, Indiana, Nebraska,  
3 Oklahoma, Kansas, and Texas without incurring roaming charges. The local calling area is the  
4 continental U.S., that is, no long distance charges for plan minutes. These plans include a  
5 number of advanced features that ILECs charge extra for, such as call waiting, three-way calling,  
6 and call forwarding. Voice mail and caller ID are included on the 700 minute plan. Unlimited  
7 night and weekend minutes can be added to the 700 minute plan for \$4.95. We waive our  
8 activation fee and charge no deposit for Lifeline customers. These two plans provide substantial  
9 value and a real choice to rural Lifeline consumers who are today limited to very small local  
10 calling areas from wireline companies. However, even if they have access to our service, we  
11 cannot offer Lifeline benefits unless we are an ETC.

12 **Q. WILL THE COMPANY INFORM LIFELINE CUSTOMERS OF THE LOWEST-  
13 PRICED HANDSET AVAILABLE?**

14 A. Yes. We offer Lifeline-eligible customers a basic handset for one cent (\$0.01) as part of  
15 our commitment to serve low income consumers. They may also choose other handsets on the  
16 same terms as other customers.

17 **Q. DO YOU BELIEVE U.S. CELLULAR SHOULD BE REQUIRED TO MIMIC  
18 ILEC OFFERINGS FOR LIFELINE CONSUMERS?**

19 A. No. We offer mobile service, not fixed. I am advised that the basic purpose of  
20 designating competitive ETCs is to enable newcomers to offer consumers new services and  
21 choices. Criticism that our lowest-priced plan does not offer enough minutes fails to take into  
22 account that a wireline company offers more minutes to only a few numbers. For many  
23 consumers, including those who are Lifeline-eligible, our service costs less than wireline service.

1 We intend to compete for consumers at every price point and firmly believe that for \$26.75, a  
2 Lifeline-eligible consumer will find our offering a very attractive alternative to unlimited local  
3 calling for a few thousand numbers.

4 **Q. WILL THE COMPANY ACT AS A CARRIER OF LAST RESORT?**

5 A. As it has been explained to me, we are already a carrier of last resort under federal law  
6 which requires all carriers to respond to all reasonable requests for service. If that is what  
7 Witness Meisenheimer means in her Rebuttal Testimony at 6, the answer is yes. Please see my  
8 Direct Testimony at page 18, lines 8-20.

9 **Q. WILL THE COMPANY PRODUCE RESALE AGREEMENTS IN ADVANCE OF**  
10 **BECOMING AN ETC?**

11 A. No. This has never been required of U.S. Cellular in any other state, and I'm advised that  
12 neither the FCC nor any other state has issued such a requirement. Entering into resale  
13 agreements in advance would be counterproductive for the following reasons. Wireless signals  
14 do not "propagate" throughout a homogenous area. Many factors, including terrain, foliage, and  
15 blockages (such as large buildings or silos) can interrupt service in small areas. It is thus  
16 impossible for a wireless carrier to determine with precision where its service is high-quality  
17 throughout the entirety of a large area. But it is not necessary to do so. When a consumer tells us  
18 that our service does not work at their home or business, we will promptly determine how to  
19 provide service to them. We may be able to provide service through an existing roaming  
20 arrangement, which is a form of resale. We may need to resell from an ILEC or a wireless  
21 carrier, of which there are dozens in our service area. It is impossible to determine exactly where  
22 a request will come from that will require a resale agreement, but we know from experience that  
23 it will be very few. In the states where we are an ETC, we have had to use traditional resale

1 agreements only a handful of times to meet a request for service. Almost all requests are handled  
2 through our own facilities or existing resale arrangements. For these reasons, entering into resale  
3 agreements with dozens of carriers would be wasteful and represents a barrier so high that no  
4 competitive carrier would likely attempt to be an ETC in this state.

5 **Q. WHAT CAN THE COMPANY PROMISE WITH RESPECT TO PROMPTLY**  
6 **RESPONDING TO REQUESTS FOR SERVICE?**

7 A. When a customer lives in an area where we do not provide facilities-based service, we  
8 promise to move quickly to complete the six-step process for providing service. Although the  
9 FCC did not place a time limit, we can move through the process within 30 days for even  
10 difficult cases. The overwhelming majority of our customers have service within minutes of  
11 entering our stores. In the few cases where a phone does not work where a customer lives, we  
12 can dispatch a technician and analyze our network to find ways to get signal in there. Most times,  
13 the process is completed within one to three days. Difficult cases may require network analysis,  
14 altering equipment or power levels at a cell site, or installing ancillary equipment such as a cell  
15 extender, or in rare cases, offering resold service from another carrier.

16 **Q. HOW DO YOU RESPOND TO WITNESS BROWN'S ASSERTION (REBUTTAL**  
17 **TESTIMONY AT 35-36) THAT THE SIX-STEP PROCESS 'DOES NOT PROVIDE**  
18 **COVERAGE'?**

19 A. The six-step process will provide coverage to consumers who otherwise could not receive  
20 our service. I am advised that U.S. Cellular will not receive high-cost support for customers  
21 served via resale. Thus, we have every incentive to improve and expand our network so we can  
22 transition any resale customers to facilities-based service. To the extent Witness Brown is  
23 suggesting the adoption of another service provisioning standard, we believe the Commission



1 should hear from all carriers on this issue in a rulemaking proceeding, rather than making an ad  
2 hoc decision in this case.

3 **Q. WITNESS MEISENHEIMER STATES IN HER REBUTTAL TESTIMONY AT**  
4 **PAGE 18, LINE 22 THAT U.S. CELLULAR HAS COMMITTED TO PROVIDE THE**  
5 **COMMISSION WITH SUFFICIENT INFORMATION TO DETERMINE IF USE**  
6 **SUPPORT WOULD BE USED FOR THE INTENDED PURPOSE “ONLY IF**  
7 **ORDERED.” PLEASE COMMENT.**

8 A. All carriers must be accountable for their use of support. We will abide by whatever  
9 requirements this Commission adopts to determine whether support dollars U.S. Cellular  
10 receives are being used lawfully. We are an ETC in several states now, and we are providing to  
11 other states information to enable them to certify to the FCC each year that we are using support  
12 only for the intended purposes. We will provide sufficient information to make that  
13 demonstration in Missouri.

14 **Q. WILL U.S. CELLULAR MAKE THE COMMITMENT REQUIRED BY THE FCC**  
15 **REGARDING EQUAL ACCESS?**

16 A. Yes. It was my intention in direct testimony to state this unequivocally, however,  
17 Witness Meisenheimer seems to think otherwise in her Rebuttal Testimony at page 19, line 19  
18 through page 20, line 11. She is correct that access to interexchange service is the supported  
19 service, not equal access to interexchange service. My understanding is that a state cannot  
20 impose equal access as a condition of ETC status. From a practical perspective, we don't  
21 understand why the Commission would impose a regulation that would give consumers the  
22 ability to buy interexchange service from us when it would likely cost a great deal more than our  
23 own rate plans. To be clear, we will commit to provide equal access under the circumstances set

1 forth by the FCC.

2 **Q. WHAT IS YOUR RESPONSE TO BROWN'S CRITICISM (REBUTTAL**  
3 **TESTIMONY AT PAGE 17) THAT U.S. CELLULAR HAS ONLY CONSTRUCTED IN**  
4 **LOW-COST AREAS?**

5 A. We have initially constructed in the areas that present the best revenue opportunities.  
6 Without high-cost support, that's all any carrier will do. This case is about whether we will  
7 properly use high-cost support to build out to more remote areas. We have begun with a  
8 commitment to construct 16 cell sites which we estimate to cost \$6 million, and that is just the  
9 beginning.

10 **Q. WITNESS BROWN IN HIS REBUTTAL TESTIMONY AT PAGES 38**  
11 **THROUGH 41 IS CONCERNED ABOUT THE CUSTOMER EXPERIENCE AS A**  
12 **RESULT OF NEW TOWER CONSTRUCTION. IS THAT CONCERN RELEVANT**  
13 **HERE?**

14 A. No. Mr. Brown's professed concerns are disingenuous. Unlike ILECs, we cannot get  
15 support unless we get a customer. Thus, it is in our interest to get and keep customers by  
16 delivering to them high-quality service. He speculates, without any evidence, that our business  
17 plan may be to offer only fixed service through a roof-mounted antenna. That is not our business  
18 plan. We are not a wireline company. We offer mobile services. His concern about having  
19 high-quality service on roads is perplexing, in that wireline companies offer zero service outside  
20 of the home or business. Of course, we will construct facilities on roads. As a competitor, Mr.  
21 Brown's client should be pleased if we offer poor service because we won't get customers and  
22 we won't get support, all to his client's benefit. We know that we do not currently offer high-  
23 quality service in many parts of our proposed ETC service area which is why we need USF

1 support. Even with the initial addition of 16 towers, we will still have gaps to fill in to provide  
2 consumers. All we ask is the opportunity to use all available support to expand our network and  
3 improve service to rural consumers who want our service.

4 **Q. DO YOU AGREE WITH WITNESS SCHOONMAKER'S STATEMENT THAT**  
5 **GRANT OF U.S. CELLULAR'S APPLICATION WILL NOT BRING COMPETITIVE**  
6 **BENEFITS BECAUSE "THERE IS CONSIDERABLE WIRELESS COMPETITION IN**  
7 **MISSOURI ALREADY"?**

8 A. No. Contrary to Witness Schoonmaker's assertion at page 51 of his Rebuttal Testimony,  
9 we are not arguing "that there is no wireless competition in rural Missouri." Undoubtedly, some  
10 wireless carriers are providing some level of service in some rural areas in Missouri, especially  
11 in the major towns and along major roads. What Witness Schoonmaker wishes to ignore, and  
12 what his maps completely fail to show is that rural consumers do not have access to wireless  
13 service of the quality and reach that is available in urban areas. We know this because we  
14 operate in these markets. Based on our analysis of wireless service needs in Missouri, I can state  
15 that there are countless areas in rural Missouri where consumers receive poor wireless service.  
16 Mr. Schoonmaker also ignores the fact that since none of the wireless carriers in Missouri have  
17 undertaken the federal carrier of last resort obligation, consumers do not get the benefit of a six-  
18 step response to requests for service. If the Commission designates U.S. Cellular as an ETC, we  
19 have committed to bring improved service to 16 communities in just the first 18 months.

20 **Q. DO YOU FIND WITNESS SCHOONMAKER'S MAPS TO BE USEFUL TO**  
21 **HELPING THE COMMISSION UNDERSTAND WHERE WIRELESS SERVICE IS**  
22 **AVAILABLE IN RURAL MISSOURI?**

23 A. No I do not. The ALLTEL, Cingular, Dobson and Verizon Wireless marketing materials

1 attached to his rebuttal testimony are misleading because they all omit one crucial fact: where  
2 each carrier actually provides facilities-based coverage. With respect to his Verizon Wireless  
3 map, he has shown a marketing map of Verizon's "America's Choice" rate plan (Schedule RCS-  
4 13), not Verizon Wireless's actual coverage map. Had he simply chosen the Verizon Wireless  
5 network map on their web site, he would have seen a very different picture. Attached as  
6 Schedule NW-6 is the Verizon Wireless network map available from its web site, which shows  
7 very little coverage in the state. Likewise, we know that ALLTEL is not licensed throughout the  
8 state of Missouri, yet Mr. Schoonmaker's map of ALLTEL's service in Missouri depicts almost  
9 seamless coverage. See Schedule RCS-10. Since that map has no legend, we must assume it is,  
10 at best, a marketing tool that does not depict their actual facilities in Missouri. Attached as  
11 Schedule NW-7 is the ALLTEL network map available from its web site, which shows far less  
12 network coverage than Mr. Schoonmaker's marketing map. We also know that Cingular does  
13 not serve throughout the state. The map supplied by Mr. Schoonmaker contains a disclaimer on  
14 its face that says: "Map may contain areas served by unaffiliated carriers and may depict their  
15 licensed area rather than an approximation of the coverage there." See Schedule RCS-11. Thus,  
16 that map is a marketing tool and not a depiction of where facilities are available. Finally, Mr.  
17 Schoonmaker's map of Dobson's service area shows the company as having a very small local  
18 presence in Missouri. See Schedule RCS-12. Virtually all of Dobson's purported coverage in  
19 the state is through another carrier. We have tried to use the Dobson web site to order service  
20 and the site reports that Dobson does not offer service in much of the state. The "home" areas  
21 depicted on Mr. Schoonmaker's Dobson site are likely "home" calling areas for consumers with  
22 service in Dobson's home markets in Oklahoma, other states, and the northwestern corner of  
23 Missouri.

1 **Q. DO YOU HAVE ANY OTHER COMMENTS ABOUT SHORTCOMINGS IN MR.**  
2 **SCHOONMAKER'S PRESENTATION?**

3 A. Yes. The maps shown by Mr. Schoonmaker do not appear to show dead zones and are of  
4 a very small scale that could not show actual coverage. The maps certainly do not demonstrate  
5 that high-quality wireless service is available throughout rural Missouri. They in no way  
6 diminish the need for high-cost funding to make improved and expanded wireless service  
7 available to rural consumers.

8 **Q. IS THERE ADDITIONAL INFORMATION THAT YOU BELIEVE THE**  
9 **COMMISSION WOULD FIND USEFUL IN CONSIDERING U.S. CELLULAR'S**  
10 **APPLICATION?**

11 A. Yes. U.S. Cellular's responses to the STCG Data Requests 1.02, 1.08, 1.22, 1.27, 1.33,  
12 1.34, 1.38 and 1.39 are relevant to the tests that the Commission should apply in reviewing U.S.  
13 Cellular's application. See Schedule NW-4. The "highly confidential" maps and related  
14 information provided in August 2005 to the parties relating to U.S. Cellular's cell sites and  
15 coverage will be presented at the hearing (responsive to CenturyTel's Data Requests 4-5), as  
16 well as the company's Quarterly E911 Implementation Report filed with the FCC on August 1,  
17 2005, and excerpts from a 2002 NECA report entitled "Trends in Telecommunications Cost  
18 Recovery: The Impact on Rural America," also provided to the parties in response to Staff's  
19 Data Requests DR-0001(2) and (7). See Schedule NW-5.

20 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

21 A. Yes.