

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

REBUTTAL TESTIMONY
OF
BARBARA MEISENHEIMER
CASE NO. TO-2005-0384
APPLICATION OF USCOC OF GREATER MISSOURI, LLC, D/B/A/ U.S.
CELLULAR CORPORATION FOR ETC STATUS

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.

A. Barbara A. Meisenheimer, Chief Utility Economist, Office of the Public Counsel,
P. O. 2230, Jefferson City, Missouri 65102.

Q. PLEASE SUMMARIZE YOUR EDUCATIONAL AND EMPLOYMENT BACKGROUND.

A.I hold a Bachelor of Science degree in Mathematics from the University of Missouri-Columbia (UMC) and have completed the comprehensive exams for a Ph.D. in Economics from the same institution. My two fields of study are Quantitative Economics and Industrial Organization. My outside field of study is Statistics. I have taught Economics courses for the following institutions: University of Missouri-Columbia, William Woods University, and Lincoln University. I have taught Economics courses at both the undergraduate and graduate level. I have also taught undergraduate level Mathematics for the University of Missouri-Columbia and undergraduate level Statistics for William Woods University.

Q. PLEASE SUMMARIZE YOUR EXPERIENCE RELATED TO UNIVERSAL SERVICE AND WIRELESS ISSUES.

1 A. I served on the Federal/State Universal Service Joint Board Staff for a number of
2 years. In this capacity, I reviewed information on various issues related to the
3 Federal Universal Service Fund including, but not limited to, carrier eligibility,
4 federal high cost support, and the federal Lifeline and LinkUp programs. I have
5 assisted the Federal/State Joint Board in preparing recommendations for the FCC
6 in implementing the Universal Service related provisions of the 1996
7 Telecommunications Act. As a Federal/State Joint Board staff member, I also
8 reviewed Joint Board Monitoring Reports and FCC Telephone Penetration
9 Reports designed to evaluate the performance of the federal and state programs in
10 assisting low-income customers. I also participated in a national forum on
11 Universal Service issues sponsored by the Consumer Energy Council of America
12 (CECA) and contributed income-based subscribership data compiled by the U.S.
13 Census Bureau under contract with the Missouri Public Counsel's Office. I am
14 also a past member of the North American Numbering Council. The North
15 American Numbering Council advises the FCC on numbering issues related to
16 both wireline and wireless services. At the State level, I participated in industry
17 workshops to develop recommendations on components of the Missouri Universal
18 Service Fund. I currently assist the Public Counsel in his duties as a member of
19 the Missouri Universal Service Board. I have regularly submitted testimony on
20 behalf of Public Counsel since 1996 on various issues, including universal
21 service, numbering, calling scopes, rate cases, price caps, and other competitive
22 issues.

23 **Q. WHAT INFORMATION DID YOU REVIEW IN PREPARATION OF YOUR TESTIMONY?**

1 A. I reviewed the Application and the direct testimony of Kevin Lowell, Nick Wright
2 and Don Wood filed on behalf of USCOC of Greater Missouri, LLC, d/b/a/ U.S.
3 Cellular Corporation (U.S. Cellular or Company), portions of the Missouri Public
4 Service Commission rules, the Federal Communications Commission (FCC) rules
5 and Report and Orders, related to Universal Service.

6 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

7 A. The purpose of my testimony is to respond to U.S. Cellular's Application and
8 supporting testimony.

9
10 ***II. SUMMARY OF POSITION IN RESPONSE TO THE APPLICATION AND***
11 ***SUPPORTING TESTIMONY***

12 **Q. WHAT IS YOUR GENERAL RESPONSE TO THE COMPANY'S APPLICATION?**

13 Although Public Counsel recognizes the potential benefits of competitive
14 expansion in Missouri, we do not support the Application in its present form. The
15 Application is incomplete and lacks a number of fundamental consumer
16 protections. Designating a wireless ETC in Missouri raises unique considerations
17 related to the jurisdictional oversight of supported service offerings in Missouri as
18 well as the Commission's responsibility to verify that federal universal service
19 support is used only for the purposes set forth in the 1996 Telecommunications
20 Act.

21 With respect to the availability of supported services, the Company has
22 provided incomplete information on its planned offerings and future expansion
23 plans for Missouri. The Company currently serves throughout a significant
24 portion of Missouri and possesses substantial technical and financial resources.

1 However, the Company should provide more evidence that it can reasonably serve
2 ubiquitously and on a timely basis throughout the requested designated areas
3 including areas currently subject to “spotty” service. Further, the Application and
4 supporting testimony should be supplemented to include a five-year plan detailing
5 specifically how it intends to use USF support to expand and enhance the
6 availability of supported services in each geographic area for which it receives
7 support.

8 With respect to the price, terms and conditions of service, the Company
9 already provides its customers with many of the services identified for Federal
10 Universal Service support and has committed in its Application and testimony to
11 offer the remaining supported services. However, based on information available
12 on the Company’s website and discussions I had with personnel in the Company’s
13 customer service department I am concerned that the characterization of Lifeline
14 offerings provided in the Company’s testimony does not provide a clear picture of
15 the cost or terms and conditions of receiving service at the on set of its
16 designation as an ETC or provide assurance that reasonably priced service will be
17 available to Lifeline customers on an ongoing basis. To ensure adequate
18 Commission access to and monitoring of the Company’s supported services, the
19 company should also commit to file basic information on an ongoing basis with
20 the Commission.

21 Finally, a Company seeking substantial monetary support which will allow
22 it to grow and enhance its service offerings in Missouri should be forth coming in
23 voluntarily providing evidence and assurances to the Missouri Commission that
24 such support will result in the intended benefits to Missouri consumers. In its

1 testimony, the company identifies a list of information and commitments that it
2 indicates are acceptable if the Commission orders the Company to adhere to each
3 item. I hope that in the filing of surrebuttal testimony, the Company will
4 voluntarily accept that listed conditions as well as the additional information and
5 commitments that I recommend throughout the rest of this testimony.

6 **Q. HAS PUBLIC COUNSEL DEVELOPED A FINAL POSITION ON THE REDEFINITION OF**
7 **INCUMBENT STUDY AREAS?**

8 A. Not at this time. Public Counsel has reviewed the Applicant's position on this issue
9 and recommends certain conditions to address local calling scope issues but also
10 wishes to review the evidence submitted by the incumbent carriers prior to taking
11 a final position.

12 **Q. WHAT CONDITIONS DO YOU RECOMMEND IN THE EVENT THAT THE COMMISSION**
13 **IS INCLINED TO APPROVE THE APPLICATION?**

14 A. If the Commission is inclined to approve the Company's Application for ETC status
15 in order to receive Federal Universal Service support, the Commission should
16 require that at a minimum:

- 17 ➤ The Application and supporting testimony be supplemented to
18 adhere to the requirements established by the FCC for carriers
19 certified under section 214(e)(6) including but not limited to the
20 submission of a five year plan detailing specifically how it intends
21 to use USF support to expand and enhance the availability of
22 supported services in each geographic area for which it receives
23 support.
- 24 ➤ The Company adhere to each of the annual reporting requirements
25 established by the FCC for ETCs designated under section
26 214(e)(6);
- 27 ➤ The Company file and maintain with the Commission a current
28 copy of detailed service area maps, a list of the local telephone
29 exchanges in which service is available, a description of any
30
31

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46

portions of an exchange where it is infeasible for U.S. Cellular to serve and an illustrative copy of customer service agreements;

- The Company waive any equipment change fees for Lifeline customers. Specifically, the Company should not charge the \$15 equipment change fee that applies to service offerings under \$35 but not to service offerings over \$35. (*This is a different fee than the service activation fee discussed in the company's testimony.*);
- The Company provide service and waive all toll and roaming charges on calls to any telephone exchange area for which the customers billing address would otherwise have EAS if served by the incumbent carrier;
- The Company develop an adequate Lifeline service offering comparable in price to the service offering of each ILECs' basic local service. Such an offering need not include toll calling but should include calling to any terminating EAS exchanges associated with the customers billing address;
- The Company refrain from increasing the rate or adversely altering the service elements of the approved Lifeline offerings without prior approval by the Commission;
- The Company inform prospective Lifeline customers of the price of the lowest cost handset available. This would not limit the Company's ability to inform a prospective Lifeline customer of other available handsets;
- The Company act as a "carrier of last resort" throughout the requested service territory; and
- The Company disclose all its current resale agreements that may be used as an additional method of serving customers that request service in areas where customers have access to telephone service but the Company is unable to provide facilities-based service using its own facilities or those of another carrier with which it has partnered to provide wireless service. To the extent that the Commission determines that the current resale agreements are inadequate to cover gaps in the Company's coverage, the company should be required to seek such agreements and report on its progress to the Commission as an element of its annual reporting requirements.

1 **Q. IS U.S. CELLULAR SEEKING SUPPORT FROM THE MISSOURI UNIVERSAL**
2 **SERVICE FUND?**

3 A. Based on the Company's application, it appears that the Company is not seeking
4 support from the Missouri Universal Service Fund at this time.

5 **Q. DO U.S. CELLULAR'S PROPOSED SERVICE OFFERINGS SATISFY THE CRITERIA**
6 **FOR STATE USF SUPPORT?**

7 A. No, setting aside the threshold legal issue of whether a wireless carrier can receive
8 MoUSF support, U.S. Cellular does not satisfy a number of criteria for receiving
9 current State low-income support or high cost support if Missouri provided it.

10

11 ***III. BACKGROUND ON UNIVERSAL SERVICE PROVISIONS***

12 **Q. WHAT ARE THE RELEVANT PROVISIONS OF THE 1996 TELECOMMUNICATIONS**
13 **ACT THAT THAT THE COMMISSION WILL CONSIDER IN THIS CASE?**

14 A. The relevant provisions are contained in Section 254 and Section 214 of the 1996
15 Telecommunications Act.

16

17 Section 254(e) mandates that:

18

19 • Only an eligible telecommunications carrier designated under section
20 214(e) shall be eligible to receive specific Federal universal service
21 support.

22

23 • A carrier that receives such support shall use that support only for the
24 provision, maintenance, and upgrading of facilities and services for which
25 the support is intended.

26

27 Section 254(f) allows:

28

29 • A State may adopt regulations not inconsistent with the Commission's
30 rules to preserve and advance universal service.

31

1 Section 214(e)(1) defines eligible carriers and establishes minimum service and
2 advertising requirements:
3

- 4 • A common carrier designated as an eligible telecommunications carrier
5 under paragraph (2) or (3) shall be eligible to receive universal service
6 support in accordance with Section 254 and shall, throughout the service
7 area for which the designation is received.
8
- 9 • A common carrier designated as an eligible telecommunications carrier
10 under paragraph (2) or (3) shall, throughout the service area for which the
11 designation is received, offer the services that are supported by Federal
12 universal service support mechanisms under section 254(c), either using
13 its own facilities or a combination of its own facilities and resale of
14 another carrier's services (including the services offered by another
15 eligible telecommunications carrier.)
16
- 17 • A common carrier designated as an eligible telecommunications carrier
18 under paragraph (2) or (3) shall, throughout the service area for which the
19 designation is received, advertise the availability of such services and the
20 charges therefor using media of general distribution.
21

22 Section 214(e)(2) establishes the Missouri Commission's authority to designate
23 eligible telecommunications carriers:
24

- 25 • A State commission shall upon its own motion or upon request designate a
26 common carrier that meets the requirements of paragraph (1) as an eligible
27 telecommunications carrier for a service area designated by the State
28 commission.
29
- 30 • Upon request and consistent with the public interest, convenience, and
31 necessity, the State commission may, in the case of an area served by a
32 rural telephone company, and shall, in the case of all other areas, designate
33 more than one common carrier as an eligible telecommunications carrier
34 for a service area designated by the State commission, so long as each
35 additional requesting carrier meets the requirements of paragraph (1).
36
- 37 • Before designating an additional eligible telecommunications carrier for
38 an area served by a rural telephone company, the State commission shall
39 find that the designation is in the public interest.
40

41 Section 214(e)(3) establishes the Missouri Commission's authority to designate
42 eligible telecommunications carriers for unserved areas. This is currently not an
43 issue in this proceeding.
44

45 Section 254(5) defines the service area for the purpose of universal service:
46

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

- The term 'service area' means a geographic area established by a State commission for the purpose of determining universal service obligations and support mechanisms.
- In the case of an area served by a rural telephone company, 'service area' means such company's 'study area' unless and until the Commission and the States, after taking into account recommendations of a Federal-State Joint Board instituted under section 410(c), establish a different definition of service area for such company.

Q. WHAT SERVICES HAS THE FCC DETERMINED WILL BE SUPPORTED?

A. The FCC's supported services are set forth in 47 C.F.R. § 54.101(a):

- a. voice grade access to the public switched telephone network;
- b. local usage;
- c. dual tone multi-frequency signaling or its functional equivalent;
- d. single-party service or its functional equivalent;
- e. access to emergency services;
- f. access to operator services;
- g. access to interexchange service;
- h. access to directory assistance;
- i. toll limitation for qualifying low-income consumers.

In addition, ETCs must provide Lifeline and LinkUp services to qualifying low-income consumers¹, must offer toll limitation to Lifeline customers at the time such consumers subscribe to Lifeline service² and may not collect a service deposit in order to initiate Lifeline service, if the qualifying low-income consumer voluntarily elects toll blocking from the carrier, where available³.

Q. HAS THE FCC ESTABLISHED REQUIREMENTS FOR CARRIERS SEEKING ETC STATUS?

A. Yes, 47 C.F.R. § 54.202 the FCC established rules that apply to carriers seeking ETC status in proceedings before the FCC pursuant to section 214(e)(6) of the 1996 Telecommunications Act. However, the FCC encouraged the state

¹ 47 C.F.R. § 54.405 and 47 C.F.R. § 54.411(a)
² 47 C.F.R. § 54.401(3)
³ 47 C.F.R. § 54.401(4)

1 commissions to at a minimum adopt similar requirements when designating ETC
2 status to carriers pursuant to section 214(e)(2).

3 **§ 54.202 Additional requirements for Commission designation of**
4 **eligible telecommunications carriers.**

5
6 (a) On or after the effective date of these rules, in order to be
7 designated an eligible telecommunications carrier under section
8 214(e)(6), any common carrier in its application must:

9
10 (1) (A) commit to provide service throughout its proposed designated
11 service area to all customers making a reasonable request for service.
12 Each applicant shall certify that it will (1) provide service on a timely
13 basis to requesting customers within the applicant's service area where
14 the applicant's network already passes the potential customer's
15 premises; and (2) provide service within a reasonable period of time, if
16 the potential customer is within the applicant's licensed service area but
17 outside its existing network coverage, if service can be provided at
18 reasonable cost by (a) modifying or replacing the requesting customer's
19 equipment; (b) deploying a roof-mounted antenna or other equipment;
20 (c) adjusting the nearest cell tower; (d) adjusting network or customer
21 facilities; (e) reselling services from another carrier's facilities to
22 provide service; or (f) employing, leasing or constructing an additional
23 cell site, cell extender, repeater, or other similar equipment; and
24

25 (B) submit a five-year plan that describes with specificity proposed
26 improvements or upgrades to the applicant's network on a wire center-
27 by-wire center basis throughout its proposed designated service area.
28 Each applicant shall demonstrate how signal quality, coverage or
29 capacity will improve due to the receipt of high-cost support; the
30 projected start date and completion date for each improvement and the
31 estimated amount of investment for each project that is funded by high-
32 cost support; the specific geographic areas where the improvements
33 will be made; and the estimated population that will be served as a
34 result of the improvements. If an applicant believes that service
35 improvements in a particular wire center are not needed, it must explain
36 its basis for this determination and demonstrate how funding will
37 otherwise be used to further the provision of supported services in that
38 area.
39

40 (2) demonstrate its ability to remain functional in emergency situations,
41 including a demonstration that it has a reasonable amount of back-up
42 power to ensure functionality without an external power source, is able
43 to reroute traffic around damaged facilities, and is capable of managing
44 traffic spikes resulting from emergency situations.
45

46 (3) demonstrate that it will satisfy applicable consumer protection and
47 service quality standards. A commitment by wireless applicants to
48 comply with the Cellular Telecommunications and Internet
49 Association's Consumer Code for Wireless Service will satisfy this

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46

requirement. Other commitments will be considered on a case-by-case basis.

(4) demonstrate that it offers a local usage plan comparable to the one offered by the incumbent LEC in the service areas for which it seeks designation.

(5) certify that the carrier acknowledges that the Commission may require it to provide equal access to long distance carriers in the event that no other eligible telecommunications carrier is providing equal access within the service area.

(b) Any common carrier that has been designated under section 214(e)(6) as an eligible telecommunications carrier or that has submitted its application for designation under section 214(e)(6) before the effective date of these rules must submit the information required by paragraph (a) of this section no later than October 1, 2006, as part of its annual reporting requirements under section 54.209.

(c) *Public Interest Standard.* Prior to designating an eligible telecommunications carrier pursuant to section 214(e)(6), the Commission determine that such designation is in the public interest. In doing so, the Commission shall consider the benefits of increased consumer choice, and the unique advantages and disadvantages of the applicant's service offering. In instances where an eligible telecommunications carrier applicant seeks designation below the study area level of a rural telephone company, the Commission shall also conduct a cream skimming analysis that compares the population density of each wire center in which the eligible telecommunications carrier applicant seeks designation against that of the wire centers in the study area in which the eligible telecommunications carrier applicant does not seek designation. In its creamskimming analysis, the Commission shall consider other factors, such as disaggregation of support pursuant to § 54.315 by the incumbent local exchange carrier.

(d) A common carrier seeking designation as an eligible telecommunications carrier under section 214(e)(6) for any part of tribal lands shall provide a copy of its petition to the affected tribal government and tribal regulatory authority, as applicable, at the time it files its petition with the Federal Communications Commission. In addition, the Commission shall send the relevant public notice seeking comment on any petition for designation as an eligible telecommunications carrier on tribal lands, at the time it is released, to the affected tribal government and tribal regulatory authority, as applicable, by overnight express mail.

47
48

Q. ARE STATE COMMISSIONS PRECLUDED FROM ESTABLISHING ADDITIONAL REQUIREMENTS FOR ETCS?

1 A. No. In fact the FCC specifically declined to mandate that state commissions adhere
2 to the FCC requirements in order to preserve the discretion of state commissions
3 to adopt additional requirements.

4 We decline to mandate that state commissions adopt our requirements
5 for ETC designations. Section 214(e)(2) of the Act gives states the
6 primary responsibility to designate ETCs and prescribes that all state
7 designation decisions must be consistent with the public interest,
8 convenience, and necessity. We believe that section 214(e)(2)
9 demonstrates Congress's intent that state commissions evaluate local
10 factual situations in ETC cases and exercise discretion in reaching their
11 conclusions regarding the public interest, convenience and necessity, as
12 long as such determinations are consistent with federal and other state
13 law. States that exercise jurisdiction over ETCs should apply these
14 requirements in a manner that is consistent with section 214(e)(2) of the
15 Act. Furthermore, state commissions, as the entities most familiar with
16 the service area for which ETC designation is sought, are particularly
17 well equipped to determine their own ETC eligibility requirements.
18 Because the guidelines we establish in this Report and Order are not
19 binding upon the states, we reject arguments suggesting that such
20 guidelines would restrict the lawful rights of states to make ETC
21 designations. We also find that federal guidelines are consistent with
22 the holding of United States Court of Appeals for the Fifth Circuit that
23 nothing in section 214(e) of the Act prohibits the states from imposing
24 their own eligibility requirements in addition to those described in
25 section 214(e)(1). Consistent with our adoption of permissive federal
26 guidelines for ETC designation, state commissions will continue to
27 maintain the flexibility to impose additional eligibility requirements in
28 state ETC proceedings, if they so choose.... (Paragraph 61, Report &
29 Order FCC 05-46)

31 **Q. HAS THE FCC ESTABLISHED ONGOING REPORTING REQUIREMENTS FOR**
32 **CARRIERS THAT IT DESIGNATES AS ETCs UNDER SECTION 214(E)(6) OF THE**
33 **1996 ACT?**

34 A. Yes. On an annual basis carriers designated as ETCs under section 214(e)(6) are
35 required to submit;

36 (1) progress reports on the ETC's five-year service quality
37 improvement plan, including maps detailing progress towards
38 meeting its plan targets, an explanation of how much universal
39 service support was received and how the support was used to
40 improve signal quality, coverage, or capacity; and an explanation
41 regarding any network improvement targets that have not been

- 1 fulfilled. The information should be submitted at the wire center
2 level;
- 3 (2) detailed information on any outage lasting at least 30 minutes, for
4 any service area in which an ETC is designated for any facilities
5 it owns, operates, leases, or otherwise utilizes that potentially
6 affect at least ten percent of the end users served in a designated
7 service area, or that potentially affect a 911 special facility (as
8 defined in subsection (e) of section 4.5 of the *Outage Reporting*
9 *Order*). An outage is defined as a significant degradation in the
10 ability of an end user to establish and maintain a channel of
11 communications as a result of failure or degradation in the
12 performance of a communications provider's network.
13 Specifically, the ETC's annual report must include: (1) the date
14 and time of onset of the outage; (2) a brief description of the
15 outage and its resolution; (3) the particular services affected; (4)
16 the geographic areas affected by the outage; (5) steps taken to
17 prevent a similar situation in the future; and (6) the number of
18 customers affected;
- 19 (3) the number of requests for service from potential customers
20 within its service areas that were unfulfilled for the past year.
21 The ETC must also detail how it attempted to provide service to
22 those potential customers;
- 23 (4) the number of complaints per 1,000 handsets or lines;
- 24 (5) certification that the ETC is complying with applicable service
25 quality standards and consumer protection rules, *e.g.*, the CTIA
26 Consumer Code for Wireless Service;
- 27 (6) certification that the ETC is able to function in emergency
28 situations;
- 29 (7) certification that the ETC is offering a local usage plan
30 comparable to that offered by the incumbent LEC in the relevant
31 service areas; and
- 32 (8) certification that the carrier acknowledges that the Commission
33 may require it to provide equal access to long distance carriers in
34 the event that no other eligible telecommunications carrier is
35 providing equal access within the service area.

36 **Q. DO STATE COMMISSIONS HAVE FLEXIBILITY IN ADOPTING ONGOING**
37 **REPORTING REQUIREMENTS FOR CARRIERS DESIGNATED AS ETCs UNDER**
38 **SECTION 214(E)(2)?**

1 A. Yes. As is true for the initial certification, the FCC encourages state commissions to
2 at a minimum adopt the requirements that apply to carriers certified by the FCC
3 but neither mandates or limits a state commission's authority with respect to
4 establishing ongoing reporting requirements.

5 ***IV. RESPONSE TO THE APPLICATION***

6 **Q. ARE YOU SATISFIED THAT THE COMPANY'S APPLICATION DEMONSTRATES THAT**
7 **IT CAN PROVIDE THE SUPPORTED SERVICES NECESSARY TO MEET THE ETC**
8 **OBLIGATIONS?**

9 A.I accept that for purposes of federal high cost support the Company is already
10 capable of providing many of the supported services or a functional equivalent to
11 customers it serves. These services include;

- 12 a. voice grade access to the public switched telephone network;
- 13 b. local usage;
- 14 c. dual tone multi-frequency signaling or its functional equivalent;
- 15 d. single-party service or its functional equivalent;
- 16 e. access to emergency services;
- 17 f. access to operator services;
- 18 g. access to interexchange service;
- 19 h. access to directory assistance;

20
21 Together, the Company's testimony and brochures available on the
22 Company website identify two types of Lifeline service offerings that would
23 likely be advertised to Missouri customers. The brochures from other states are
24 attached as Schedule 1. The first Lifeline service plan provides up to only 125
25 minutes of local calling per month with additional local minutes at 40 cent per
26 minute, roaming at 69 cents per minute and nation wide calling in several cases at
27 30 cents per minute⁴, a \$30 service activation fee, a \$15 equipment change fee, a

⁴ The 30 cent rate is described in the Lifeline brochures for the states of Oklahoma, Oregon and Washington. No 30 cent rate is reported for Iowa and Wisconsin.

1 two-year contract, an early termination fee (of some unspecified amount), a
2 regulatory cost recovery fee (not imposed by government), subject to a credit
3 check, not available in all areas, for a limited time only and may take two weeks
4 to get a phone in the mail. Contrary to the Company witness claims this is not
5 comparable to the basic local service offered by Missouri incumbent carriers rural
6 or nonrural. The second plan mimics the first with the exception of a higher
7 price, more minutes, and additional custom calling and billing features. While the
8 ancillary services may be desirable, they are not supported services and should
9 not be tacked on as mandatory components of the minimum cost service package
10 available to low-income consumers. The Company should be required to design a
11 service package comparable in price to the incumbent carriers' lifeline rates with
12 substantially more than 125 local minutes.

13 **Q. IN A PREVIOUS PROCEEDING BEFORE THE COMMISSION YOU RECOMMENDED**
14 **THAT A WIRELESS APPLICANT BE REQUIRED TO COMPLY WITH CERTAIN**
15 **STANDARDS EQUIVALENT TO WIRELINE SERVICE PROVIDERS. PLEASE DISCUSS**
16 **THOSE STANDARDS.**

17 **A.** Generally the standards were designed to ensure that all the supported services
18 would be provided and to address customer protection issues. Specifically, I
19 asked that the applicant:

- 20 ➤ Provide specific details regarding the proposed lifeline offerings;
- 21
- 22 ➤ Demonstrate sufficient financial and technical resources to provide
- 23 adequate service;
- 24
- 25 ➤ Provide exchange-specific service area maps;
- 26
- 27 ➤ Provide information related to the terms and conditions of service;
- 28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

- Commit to provide sufficient information to the Commission for it to fulfill its obligation in certifying that USF support would be used for the intended purpose;
- Adhere to minimum billing disclosures, service quality standards, a formal complaint process and other customer relations procedures, such as snap-back.

Q. HAS U.S. CELLULAR PROVIDED SUFFICIENT DETAIL REGARDING ITS PROPOSED LIFELINE AND LINKUP OFFERINGS?

A. No, the Company's application does not provided a full description of the terms and conditions associated with the Lifeline and Link Up services it intends to offer if it receives ETC status. Further, the disclaimer in the Lifeline brochures which indicates that the service is available for a limited time only raises concerns that what the Commission initially approves may be susceptible to change. The Company should be required not increase the rate or adversely alter the service elements of a minimum Lifeline offering without Commission approval that the new service and rate continue to satisfy the Company's ETC obligation. I view this as a significant safeguard for low-income consumers and key in promoting the public interest.

While buying a handset can be an expensive component of subscription, the federal Universal Service mechanism does not allow carriers to recover any cost associated with the handset from the Fund. The Company should inform prospective Lifeline customers of the price of the lowest cost handset available provided it retains the ability to inform a perspective Lifeline customer of other available handsets.

Q. DO YOU HAVE CONCERNS REGARDING THE APPLICANT'S FINANCIAL AND TECHNICAL ABILITY TO SERVE?

1 A.No. The Applicant has an established and significant presence in Missouri that
2 indicates a financial and technical ability to provide the required services.

3 **Q. HAS THE COMPANY PROVIDED OR COMMITED TO PROVIDE ON AN ONGOING**
4 **BASIS MAPS OF ITS SPECIFIC COVERAGE IN THE RELEVANT AREAS?**

5 A.No, while the Application provides a map of the exchanges where the Company
6 seeks designation, it does not appear to give complete information on the
7 Company's "local" calling area. I contacted U.S. Cellular and was told that if I
8 subscribed to the \$25 plan southeast of Mexico Missouri is an area subject to
9 roaming fees. The Company's exchange boundary map does not appear to show
10 this. The CTIA Consumer Code for Wireless Service proposes that maps be
11 provided of a carrier's general service area which is also inadequate. The
12 Company should be required to maintain detailed maps on file with the
13 Commission on an ongoing basis.

14 **Q. SHOULD THE COMMISSION REQUIRE ONGOING SUBMISSION OF INFORMATION ON**
15 **SPECIFIC SERVICE OFFERINGS AND THE TERMS AND CONDITIONS OF SERVICE?**

16 A.Yes. The CTIA Consumer Code for Wireless Service requires the Company to
17 disclose to customers service terms and conditions. The Company should also be
18 required to maintain illustrative customer agreements containing the terms of
19 service on file with the Commission on an ongoing basis so that the Commission
20 Staff and Public Counsel will have access to them.

21 **Q. HAS U.S. CELLULAR COMMITED TO TERMS THAT WILL PROMOTE THE**
22 **UNIVERSAL AVAILABILITY OF SERVICE IN ITS TERRITORY?**

23 A.It has in part. In its Application, the Company committed to serve to the extent
24 feasible through various methods including resale and to act as carrier of last

1 resort in the event that the Commission requires it to. The Application outlines
2 five methods for serving a customer that requests service. However, it is unclear
3 from the application the extent to which U.S. Cellular will be able to serve
4 throughout the requested area without the use of resale and the extent to which the
5 Company needs to establish resale agreements to provide service in a timely
6 manner. I believe it is not unreasonable that the Company is required to submit
7 an analysis of the need for resale in order to serve currently served locations
8 within 10 working days. I would not oppose shortening this timeframe based on
9 appropriate evidence provided by other parties in this proceeding. Upon the
10 review of the Company's analysis the Commission may need to require the
11 Company to pursue resale agreements as a condition of receiving and retaining
12 ETC status.

13 **Q. DO YOU HAVE ADDITIONAL CONCERNS REGARDING THE COMPANY'S PRACTICES**
14 **THAT AFFECT THE UNIVERSAL AVAILABILITY OF SERVICE IN ITS TERRITORY?**

15 A. Yes. The Company brochures indicate that Lifeline customers as well as other
16 prospective customers will be subject to credit checks. The Company should be
17 required to provide service to all customers that do not have a past unpaid account
18 with the Company.

19 **Q. HAS THE COMPANY COMMITTED TO PROVIDE SUFFICIENT INFORMATION TO THE**
20 **COMMISSION, ON AN ONGOING BASIS, TO EVALUATE IF USF SUPPORT WOULD BE**
21 **USED ONLY FOR THE INTENDED PURPOSE?**

22 A. Only if ordered by the Commission to do so. This information is essential in the
23 Commission's ability to ensure the availability of supported services and to fulfill
24 its certification duties under the 1996 Act and FCC rules. I recommend that the

1 Commission require the Company to provide at a minimum the information
2 required by the FCC for carriers it certifies under Section 214(e)(6) as well as any
3 additional information required of landline ETCs.

4 **Q. HAS THE COMPANY COMMITTED TO MINIMUM BILLING DISCLOSURES AND**
5 **SERVICE QUALITY STANDARDS, A FORMAL COMPLAINT PROCESS OR OTHER**
6 **CUSTOMER RELATIONS PROCEDURES, SUCH AS SNAP-BACK?**

7 A. The company if ordered to do so by the Commission, has committed to comply with
8 the CTIA Consumer Code for Wireless Service. The Consumer Code sets forth a
9 list of information that will be provided on a customer's bill as well as minimum
10 quality of service standards. The FCC requires carriers certified under section
11 214(e)(6) to adhere to the CTIA standards. While I believe that it would be
12 desirable and would further the public interest for the Commission to establish
13 more detailed and state specific billing disclosures, quality of service standards, a
14 formal complaint process and other customer relations procedures, such as snap-
15 back for wireless ETCs, those issues may be best addressed in the context of a
16 rule making.

17 **Q. SHOULD THE COMMISSION REQUIRE THE COMPANY TO OFFER EQUAL ACCESS**
18 **UNDER CERTAIN CIRCUMSTANCES?**

19 A. Yes. In Missouri, all landline basic local service providers are required to provide
20 equal access. Equal access allows customers to reach alternative service
21 providers in the same manner without advantage to any one carrier or group of
22 carriers. Providing "access to" but not "equal access to" interexchange carriers is
23 currently allowed for wireless carriers under the 1996 Telecommunications Act.
24 However, it is not mandatory under the 1996 Telecommunications Act that

1 wireless carriers provide equal access. Since wireless carriers can choose whether
2 or not to seek universal service funding, I believe that the Commission could
3 condition approval of ETC status on a carrier's willingness to provide equal
4 access. In this case, the Company has indicated that if ordered by the
5 Commission it will offer equal access if no other carriers serving the area provide
6 equal access. I view the Company's commitment as somewhat different from the
7 FCC's requirement which requires certification that a carrier acknowledges that
8 the FCC may require it to provide equal access to long distance carriers in the
9 event that no other **eligible** telecommunications carrier is providing equal access
10 within the service area. I recommend that the Commission require a like
11 commitment to the FCC's.

12 **Q. HAS YOUR REVIEW OF THIS APPLICATION RAISED ANY NEW CONCERNS THAT**
13 **ARE RELEVANT TO DESIGNATING CARRIERS AS ETCs?**

14 A. Yes. The multi-company service area for which U.S. Cellular seeks ETC status has
15 unique impacts in Missouri due to the existence and prevalence of EAS routes in
16 Missouri. EAS is a mandatory one-way or two-way local calling plan that links
17 communities of interest. It is my understanding that EAS is a supported service
18 with respect to incumbent carriers. Further, the Commission has long recognized
19 the public interest aspect of local calling between communities of interest. The
20 Company's Application does not specifically address EAS issues but based on the
21 Company's description of its service offering, I believe that at least for some
22 communities, the U.S. Cellular "local" calling scope will exclude EAS points that
23 landline customers can currently call on a local basis. An example is the SBC
24 Trenton Exchange. In the wireline environment, customers in the exchanges of

1 Brimson and Galt can call Trenton on a local basis. Likewise, Trenton customers
2 can return calls to both communities on a local basis. Trenton, however, is
3 excluded from the area for which U.S. Cellular seeks ETC status. It is my
4 understanding that the more basic “local” U.S. Cellular offerings will not allow
5 calling between Galt and Trenton or Brimson and Trenton without roaming or toll
6 charges. For Lifeline customers that elect toll blocking, calling would be
7 precluded all together. There are a number of issues I believe the Commission
8 should consider with respect to this issue. The first is that although U.S. Cellular
9 may offer a larger toll free calling area, for customers in some exchanges the
10 service will not be comparable in terms of the ability to connect to the
11 communities that they call the most. Second, based on U.S. Cellular’s
12 generalized service area maps it may not be clear to customers prior to receiving
13 service that they will not be able to call communities of interest without roaming
14 or toll charges if at all. Third, it does not appear that customers in exchanges like
15 Trenton will be able to continue placing toll-free calls to U.S. Cellular customers
16 in exchanges that they previously reached on an exclusively toll-free basis.
17 Fourth, current dialing arrangements (7-digit local EAS; 10-digit wireless) may
18 create significant customer confusion about why calls are not completed. Finally,
19 U.S. Cellular will receive high cost support based on the incumbent’s cost
20 although it will not offer comparable local service. The fact that U.S. Cellular
21 may offer termination of calls to more exchanges does not count in the sense that
22 high cost support is not targeted to support toll usage. U.S. Cellular should be
23 required to provide toll-free and roaming-free calling from the exchange
24 associated with a customers billing address to any terminating EAS points

1 associated with that exchange. Further, if possible U.S. Cellular, in cooperation
2 with other associated EAS carriers should be required to ensure that 7-digit dialed
3 landline calls from an EAS originating exchange will be delivered to its customers
4 on a toll-free, roaming-free, minute free basis.

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

6 A. Yes, it does.