

Exhibit No: 5
Issue: Qualifications and Need for ETC
Designation
Witness: Nick Wright
Type of Exhibit: Direct Testimony
Sponsoring Party: U.S. Cellular
Case No: TO-2005-0384

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MISSOURI PUBLIC SERVICE COMMISSION

CASE NO: TO-2005-0384

DIRECT TESTIMONY

OF

NICK WRIGHT

ON BEHALF OF

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

July 12, 2005

Exhibit No. 5
Case No(s) TO-2005-0384
Date 10-26-05 Rptr RF

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
Pursuant To The Telecommunications Act Of
1996

Case No. TO-2005-0384

AFFIDAVIT OF NICK WRIGHT

I, Nick Wright, under penalty of perjury, affirm and state this 12th day of July, 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 Direct 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 **DIRECT 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. WHAT IS YOUR POSITION WITH U.S. CELLULAR?**

7 A. I am the company's Vice President of West Operations.

8 **Q. HOW LONG HAVE YOU HELD THAT POSITION?**

9 A. Since July of 2004. I have worked with the company since 1993, serving in a variety of
10 leadership roles until July of 2004, at which time I was promoted to Vice President - West
11 Operations.

12 **Q: PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND**
13 **EXPERIENCE.**

14 A: I received a bachelor of science degree in business administration and criminal justice
15 from Central Missouri State University. I have been employed by U.S. Cellular for the past 12
16 years in a variety of executive positions. I am currently responsible for sales, operations and
17 engineering for U.S. Cellular's customers in Oklahoma, Oregon, Washington, California, Idaho,
18 Missouri and Texas.

19 **Q. WHAT ARE YOUR BASIC RESPONSIBILITIES ON BEHALF OF U.S.**
20 **CELLULAR?**

21 A. I provide general active management of U.S. Cellular's Western regions. My

1 responsibilities include overseeing the key division and departmental operations of the company
2 including Construction, Finance and Accounting, Technical Operations, Sales, Service, and
3 Marketing. In addition to overseeing the company's operations, I am personally involved in the
4 annual business plan design and implementation, including prioritization of the business issues
5 and needs that face all divisions, managing our priorities and growth so as to balance financial
6 capability with market demands; assuring the quality of the network as we expand our subscriber
7 base; assuring the quality of the service to maximize a positive customer experience; and
8 assuring that the U.S. Cellular vision and principles are sustained.

9 **Q. PRIOR TO YOUR CURRENT POSITION, WHAT OTHER POSITIONS HAVE**
10 **YOU HELD IN THE TELECOMMUNICATIONS FIELD?**

11 A. Prior to working at U.S. Cellular I served in management positions for Household
12 Finance Corporation.

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

14 A. My testimony discusses U.S. Cellular's qualifications to be designated as an Eligible
15 Telecommunications Carrier ("ETC") by this Commission, and why such designation will serve
16 consumers and the public interest generally. I also set forth specifics concerning the services and
17 rate plans that U.S. Cellular will offer if it receives ETC status.

18 **Q. PLEASE DESCRIBE U.S. CELLULAR.**

19 A. U.S. Cellular is a commercial mobile radio service ("CMRS") provider licensed by the
20 Federal Communications Commission ("FCC").

21 Unlike many national wireless carriers, U.S. Cellular is invested in serving consumers in
22 rural areas, not only in large metropolitan areas and along highways. I believe a great deal of our
23 success in doing so results from our commitment to superior customer service and our dedication

1 to communities within our service area.

2 U.S. Cellular's business model is built on customer satisfaction. Nationwide, U.S.
3 Cellular has half the churn rate of our competitors because we deliver a high-quality product,
4 excellent customer service, and competitive pricing. We can deliver high-quality product in
5 every place where we have a high-quality network.

6 **Q. WHERE DOES U.S. CELLULAR CURRENTLY PROVIDE SERVICE IN**
7 **MISSOURI?**

8 A. The area where we currently provide service and a summary of available calling plans are
9 shown in the coverage map attached as Schedule NW-1.

10 **Q. WHERE IS U.S. CELLULAR SEEKING ETC DESIGNATION IN MISSOURI?**

11 A. With few exceptions, we are requesting designation as an ETC in our entire licensed
12 service territory. We request designation in every area where we are licensed to serve in areas
13 served by SBC Missouri or CenturyTel, which are classified as non-rural telephone companies.
14 In some cases, where our FCC-licensed service area does not cover a complete wire center, we
15 request designation in that portion of a wire center where we are licensed. I am advised that this
16 is consistent with designations made by the FCC and by other state commissions. Should the
17 Commission decide that designations in non-rural areas can be made only in complete wire
18 centers, then we request designation in every wire center where we are licensed to serve. In
19 Exhibit C attached to the Application, U.S. Cellular has set forth the list of wire centers for
20 CenturyTel and SBC Missouri where we request designation and indicate for each wire center
21 whether we provide complete or partial coverage.

22 In areas served by rural telephone companies, we request designation in wire centers
23 where we are either licensed to serve, or where we can commit to offer service to requesting

1 consumers. To be clear, in areas served by rural telephone companies we only request
2 designation as an ETC in entire wire centers. We are requesting ETC status for that portion of the
3 Burlington, Iowa BTA that is within Missouri. In Exhibit D to the Application, we have listed
4 those rural Incumbent Local Exchange Carriers ("ILECs") where we are licensed to serve
5 throughout their entire study area. In Exhibit F to the Application, we have listed those rural
6 ILECs where we are licensed to serve less than the entire study area. Included with that exhibit
7 is a list of wire centers for each company, with an indication whether USCOC seeks designation
8 throughout the entire wire center.

9 A map showing our requested ETC service area is attached to the Application as Exhibit
10 A.

11 **Q. HOW DOES U.S. CELLULAR'S PERFORMANCE IN OTHER STATES BEAR**
12 **ON THIS PROCEEDING?**

13 A. This Commission must decide whether U.S. Cellular has the capability and commitment
14 to serve throughout its proposed ETC service area, and whether a grant by the Commission of
15 ETC status would serve the public interest.

16 U.S. Cellular has a record to support the commitments it makes in Missouri. We have
17 been designated as an ETC in Washington, Iowa, Wisconsin, Oregon, and Oklahoma, and have
18 used high-cost support to accelerate the construction of new network facilities and to upgrade our
19 technology.

20 We believe that our success in other states provides this Commission with strong
21 evidence that U.S. Cellular lives up to its promises and will keep the commitments it is making
22 here.

1 Q. PLEASE PROVIDE AN EXAMPLE OF WHAT U.S. CELLULAR HAS DONE IN
2 OTHER STATES WITH THE FEDERAL HIGH-COST SUPPORT IT HAS RECEIVED
3 TO DATE.

4 A. In Washington, U.S. Cellular has used Universal Service Fund ("USF") high-cost support
5 to make over 200 separate investments that include new cell sites, an overlay of existing cell
6 sites with new digital technology to deliver improved voice services, and significant upgrades to
7 the U.S. Cellular switch. None of these improvements would have occurred without USF
8 support. The investments we have made to date with high-cost support set the stage for newer
9 data services that will give rural consumers choices in advanced services similar to those
10 available in urban areas.

11 Q. HAVE YOU OFFERED AND ADVERTISED U.S. CELLULAR'S SERVICE
12 THROUGHOUT THE ETC SERVICE AREA IN OTHER STATES?

13 A. Yes. Since becoming an ETC, we have offered our services throughout our ETC service
14 areas in other states and advertise in media of general circulation (newspapers, flyers, radio) so
15 that any customer within our ETC service area can understand that we offer telephone service.

16 Q. IS U.S. CELLULAR WILLING TO ADVERTISE THE AVAILABILITY OF ITS
17 SERVICES IN MISSOURI, INCLUDING THE AVAILABILITY OF LIFELINE AND
18 LINKUP?

19 A. Yes. In Missouri, we will not only advertise the availability of our services throughout
20 our proposed service area, but we will include in our advertising periodic notices of the
21 availability of Lifeline and Link-up discounts to eligible consumers so that low-income families
22 understand that they have the opportunity to obtain mobile wireless service at a discount.

1 Q. WHAT LIFELINE AND LINK-UP DISCOUNTS WILL CONSUMERS RECEIVE
2 IN MISSOURI?

3 A. For Link-up, we will offer consumers 50% off our activation fee, up to a maximum \$30
4 discount. On Lifeline, we will offer the full Tier 1 discount, the amount of which depends on the
5 subscriber line charge for each ILEC. We will offer the full Tier 2 discount of \$1.75.

6 Thus, for a Lifeline consumer in an area with an ILEC that has a subscriber line charge of
7 \$6.50, this would mean a total of \$8.25 of available discounts from U.S. Cellular. We fully
8 intend to ensure our compliance with the federal low-income rules in Missouri if we are
9 designated an ETC.

10 Q. DOES U.S. CELLULAR'S SERVICE PROMOTE AFFORDABLE TELEPHONE
11 SERVICE?

12 A. Yes. After applying Lifeline discounts, qualifying consumers will be able to have service
13 for under \$18 per month with no connection fee by taking our \$25.00 local plan, which offers
14 125 anytime minutes and a local calling area (i.e., no toll charges apply to calls originating and
15 terminating within the area, and no roaming charges apply to calls originating in the area)
16 encompassing our Missouri licensed service area and portions of Illinois, Indiana, Iowa,
17 Nebraska, Oklahoma, Texas, and Wisconsin. Our \$39.95 local plan offers 1,000 anytime
18 minutes, and the same local calling area described above. Our \$49.95 per month national plan
19 includes 800 anytime minutes and a local calling area consisting of the contiguous United States
20 (i.e., no long distances charges for calls originating anywhere in contiguous United States).

21 Our prices are comparable with those available to consumers in urban areas. All of our
22 rate plans offer consumers wider local calling areas and the ability to use their phones in a wide

1 area without having to use pay phones, hotel phones, or calling cards, which can be very
2 expensive. A copy of our service agreement is attached hereto as Schedule NW-2.

3 **Q. DOES U.S. CELLULAR HAVE A RATE PLAN THAT IS COMPARABLE TO**
4 **THAT OFFERED BY ILECS IN MISSOURI?**

5 A. Yes. Each of the rate plans described above are comparable to or better than those
6 offered by ILECs in that each delivers the same or superior value to consumers. The rate plans
7 are comparable to ILEC rate plans in terms of price, plus they all offer mobility and wider local
8 calling areas. They include a number of vertical features for which ILECs normally charge
9 consumers an extra fee. These rate plans offer toll-free calling to several hundred thousand
10 numbers in Missouri. If a consumer uses his or her phone to make intra-LATA and inter-LATA
11 calls, the \$39.95 rate plan is a much better value than basic ILEC service. Most ILEC service
12 restricts unlimited toll-free calling to only a few hundred or few thousand access lines within an
13 exchange or a group of related exchanges, and imposes toll charges for all other calls.

14 **Q. FEDERAL LAW REQUIRES A CARRIER TO OFFER ITS SERVICE**
15 **THROUGHOUT A PROPOSED ETC SERVICE AREA IN RESPONSE TO ALL**
16 **REASONABLE REQUESTS FOR SERVICE. HOW DOES U.S. CELLULAR PROPOSE**
17 **TO ACCOMPLISH THIS IN MISSOURI?**

18 A. U.S. Cellular's commitment is to respond immediately to all reasonable requests for
19 service and to offer its services throughout its proposed ETC service area. We have done so in
20 other states and will do so in Missouri. I understand that the best way to meet a reasonable
21 request for service is to follow the process for provisioning service set forth in the FCC's
22 Virginia Cellular case and its recent Report and Order.

23 In Missouri, U.S. Cellular will similarly follow the FCC's model for provisioning service.

1 Specifically, when a customer requests service, U.S. Cellular commits to provide service
2 immediately if its network already covers the potential customer's premises. In those instances
3 where a request comes from a potential customer within U.S. Cellular's ETC service area but
4 outside its existing network coverage, U.S. Cellular commits to provide service within a
5 reasonable period of time if service can be provided at reasonable cost by: (1) modifying or
6 replacing the requesting customer's equipment; (2) deploying a roof-mounted antenna or other
7 equipment; (3) adjusting the nearest cell tower; (4) adjusting network or customer facilities; (5)
8 reselling services from another carrier's facilities to provide service; or (6) employing, leasing,
9 or constructing an additional cell site, cell extender, repeater, or other similar equipment. We
10 will report to the Commission those cases where we cannot serve a consumer on any reporting
11 schedule that the Commission adopts for ETCs.

12 **Q. HOW LONG DO YOU EXPECT IT TO TAKE TO PROVISION SERVICE TO A**
13 **CUSTOMER?**

14 A. Every situation is unique and must be handled on a case-by-case basis. In remote areas
15 where a customer requests service beyond our network, U.S. Cellular can work through the first
16 five steps within one week. It may take three additional weeks or more to determine the costs
17 and technical feasibility of constructing an entirely new cell site in a particular area.

18 **Q. WHY DOES U.S. CELLULAR NOT ENTER INTO RESALE AGREEMENTS**
19 **NOW?**

20 A. The simple reason is that it would not be efficient. Until a customer requests service, a
21 carrier has no way of knowing where the request comes from, what facilities are nearby, or
22 which other carriers provide service there. Thus, a potential resale or roaming partner cannot be
23 identified until each circumstance is examined. If we cannot provision service in a particular

1 area, we will immediately identify the carriers who are capable of delivering service to the
2 consumer, including an ILEC, and then negotiate a resale arrangement with that carrier. Long-
3 term resale arrangements are not profitable generally and companies like U.S. Cellular receive
4 no USF high-cost support for such arrangements. Thus, U.S. Cellular has every incentive to
5 provision service with its own facilities. Finally, I understand that neither the FCC nor any other
6 state has required a new ETC to enter into resale agreements in advance of being designated.

7 **Q. IF U.S. CELLULAR IS ONLY LICENSED TO SERVE A PORTION OF A WIRE**
8 **CENTER, HOW DOES IT PROPOSE TO PROVISION SERVICE TO REQUESTING**
9 **CONSUMERS LIVING IN THE PORTION WHERE U.S. CELLULAR IS NOT**
10 **LICENSED TO SERVE?**

11 A. U.S. Cellular already handles this situation in other states by using its roaming relationships
12 with other wireless carriers to provide service to requesting customers located outside of its
13 licensed ETC service area. In Missouri, there are some rural ILEC wire centers where we wish to
14 be designated, but are not licensed throughout the entire wire center. If we receive requests from
15 consumers in the portion of these wire centers where we are not licensed to serve, we will
16 provide service in one of several ways. First, U.S. Cellular will determine whether its coverage
17 is available to that consumer from a nearby cell site. Radio waves do not respect political
18 boundaries and we have found many cases where our network is available to consumers living
19 outside our licensed service area. Second, U.S. Cellular can negotiate contour extension
20 agreements with neighboring carriers to enable it to add a cell-extender or other facility to serve
21 a customer. Third, we can attempt to purchase the spectrum licensed to serve that area, although
22 that option is dependent upon finding a willing seller. Fourth, we can offer customers a phone,
23 and a rate plan, and they can receive service from the carrier operating on our frequencies in that

1 market pursuant to a roaming agreement. Fifth, U.S. Cellular can offer consumers a resale
2 arrangement with another wireless carrier or an ILEC. We would not likely find either of the last
3 two options profitable and would not receive USF high-cost support for them. However, the
4 consumer would receive service and this outreach would enable U.S. Cellular to offer service
5 throughout the ILEC wire center to dispel any "cream skimming" concerns.

6 **Q. WHAT FACTS SUPPORT A FINDING THAT U.S. CELLULAR HAS THE**
7 **CAPABILITY AND COMMITMENT TO OFFER AND ADVERTISE ITS SERVICES**
8 **THROUGHOUT ITS PROPOSED ETC SERVICE AREA?**

9 A. Please let me respond by describing in detail U.S. Cellular's record and its team of
10 wireless specialists:

11 1. The U.S. Cellular Record.

- 12 • U.S. Cellular has been operating in Missouri since 1989, growing the business
13 from start-up to its current level of over 105,000 subscribers.
- 14 • We offer a reliable network so that when there is an emergency, consumers in our
15 service area can depend on us. Almost all failures to complete a call on our
16 network are due to problems with connecting carrier facilities to other carriers,
17 such as ILECs or interexchange carriers. Even with problems from connecting
18 carrier networks, our customers enjoy a call completion rate over 98%.
- 19 • We have made specific commitments in other states to use all available high-cost
20 support to improve our network and we have kept those promises. We have
21 worked closely with other state commissions to ensure that consumers receive the
22 benefits of universal service that they deserve. U.S. Cellular wishes to work with

1 this Commission to bring those same deserved benefits to the rural residents of
2 Missouri.

- 3 • We have constructed sites in communities in other states that would not have
4 received new cell sites without USF funding. Consumers in these areas are seeing
5 new and vital mobile voice services. Earlier in my testimony I provided an
6 example of how we have improved service in Washington in ways that would not
7 have been accomplished without high-cost support.
- 8 • Despite the fact that the FCC has authorized eight wireless licensees throughout
9 Missouri, U.S. Cellular believes that it has a leading market share in areas where
10 it serves. Our success is the result of a superior competitive business plan and the
11 implementation of high-quality networks in the company's service area.
- 12 • In areas where we have high-quality network facilities, rural consumers enjoy
13 reliable voice service and a number of new digital services, such as caller ID,
14 voice call notification, short digit dialing, short messaging services ("SMS"),
15 Internet browsing, content download (games, ring tones, wallpaper, logos), multi-
16 media picture and large text file transfer, and e-mail to the wireless handset.
- 17 • U.S. Cellular keeps long office hours and maintains a 24/7 hotline for customers
18 to reach the company when they need service after hours. Work crews respond
19 immediately to outages 24/7. If a service-affecting alarm is activated at a cell site
20 at 2:00 AM, the technician on call is paged immediately and automatically, and
21 teams are dispersed to correct the problem.

1 • U.S. Cellular has implemented E-911 Phase II in Missouri, where requested. U.S.
2 Cellular is prepared to roll out Phase II in every area where a PSAP formally
3 requests such service in Missouri. U.S. Cellular has received 38 requests for
4 Phase II service in Missouri. U.S. Cellular is fully prepared to provide Phase II
5 functionality in accordance with applicable law and rules.

6 • We have invested \$160 million in our Missouri network to date to construct cell
7 sites and to tie the system together with T-1, microwave, switching, and trunking
8 facilities, which brings rural consumers the benefits of modern digital technology.
9 We have opened over 70 retail locations in Missouri (both company owned and
10 agent operated) and will launch several more when we begin offering service in
11 the St. Louis area. We now employ over 100 Missouri citizens, and, again, that
12 number will grow with the launch of our St. Louis market.

13 • We are committed to grow beyond low-cost areas to the high-cost areas. High-
14 cost support will only accelerate our ability to construct additional facilities in
15 high-cost areas of rural Missouri.

16 2. The U.S. Cellular Team.

17 • Senior Management of U.S. Cellular has significant experience in operating
18 wireless communications systems. As Vice President - West Operations, I have
19 spent over 12 years in the telecommunications industry as a manager of
20 telecommunications services that are at the core of our current business.

21 • U.S. Cellular has a variety of highly trained wireless engineering and operational
22 specialists who have designed and who maintain the U.S. Cellular network. We
23 employ our own personnel in our customer service call centers, and manage our

1 billing system platform with our own IT and billing department personnel.

2 In sum, we have offered and advertised our services throughout our ETC service areas in other
3 states, and we have rapidly rolled out service to a substantial portion of rural Missouri in a very
4 short time. U.S. Cellular's track record of providing superior service to consumers, its low churn
5 rate, its success in operating wireless networks, and our investment to date of \$160 million in
6 Missouri all support our claim that we have the capability of offering the nine supported services
7 throughout the requested ETC service area.

8 **Q. EXACTLY WHAT IS U.S. CELLULAR'S COMMITMENT REGARDING THE**
9 **USE OF FEDERAL HIGH-COST FUNDS IN MISSOURI?**

10 A. U.S. Cellular agrees to use all available USF high-cost support to improve its network
11 infrastructure to offer Missouri's rural consumers the highest possible service quality. In the
12 Application, U.S. Cellular committed that during the first 18 months as an ETC in Missouri, it
13 would construct 16 new cell sites that would not otherwise be constructed in the absence of high-
14 cost support. The sites are to be located within U.S. Cellular's proposed ETC service area in the
15 communities listed in Exhibit E of the Application.

16 **Q. HOW MUCH SUPPORT DOES U.S. CELLULAR EXPECT TO RECEIVE IF IT IS**
17 **DESIGNATED AS AN ETC?**

18 A. Based on the available projections from USAC at the time the Application was filed, U.S.
19 Cellular would receive roughly \$200,000 per quarter. Given that the average cost to construct a
20 new cell site typically exceeds \$250,000, our proposal to construct 16 new cell sites within six
21 quarters is an ambitious commitment.

22 Since filing the Application, USAC has released additional projections for high-cost

1 support that U.S. Cellular would receive in the third quarter of 2005 if it were an ETC. These
2 new projections show that U.S. Cellular would receive roughly \$2 million per quarter. As a
3 result, we are reassessing our earlier commitment and intend to increase it commensurate with
4 the projected increase in support. We intend to amend the Application to include additional
5 construction commitments to demonstrate to the Commission that U.S. Cellular intends to use all
6 available support as required by law to improve its facilities and services in the proposed ETC
7 service area.

8 Longer term, I understand that the amounts U.S. Cellular actually receives can vary
9 significantly due to many factors, including possible FCC rule changes, fluctuation in support
10 drawn by ILECs, disaggregation of support by ILECs where applicable, and our ability to attract
11 new customers. For example, if support is cut by two-thirds as a result of a regulatory change, it
12 is reasonable to assume U.S. Cellular will not be able to construct new facilities at the rate it
13 projects, and may have to cancel construction in some areas. All ETCs, including ILECs, face
14 challenges to constructing new facilities if sufficient capital is not available. We can only plan
15 based on today's facts and adjust accordingly as technology or the regulatory environment
16 changes.

17 **Q. WHAT IS A REASONABLE TIME FOR U.S. CELLULAR TO OFFER AND**
18 **ADVERTISE ITS SERVICE THROUGHOUT ITS PROPOSED ETC SERVICE AREA?**

19 A. Our commitment to do so is immediate. We will advertise as required and respond to all
20 reasonable requests for service immediately. Our goal is to offer facilities-based services
21 throughout our proposed ETC service area at the earliest possible date.

22 **Q. HOW WOULD THE PUBLIC INTEREST BE SERVED BY A GRANT OF ETC**
23 **STATUS TO U.S. CELLULAR?**

1 A. U.S. Cellular's track record, network quality, service quality, commitment to serve rural
2 areas, historical use of high-cost support funds, its managerial and technical team, and its overall
3 performance provide compelling evidence that the company is today providing superior service
4 to rural areas it serves. Our customer service is superior, and our market share is significant in
5 every place where we compete. Our network is technically sound. Consumers are loyal, as our
6 churn rate of 12-24% per year is lower than all major carriers. If all these facts are considered,
7 consumers and the public interest will be well served if U.S. Cellular is permitted to use high-
8 cost support to construct new facilities in rural Missouri.

9 **Q. WHAT ARE THE PUBLIC INTEREST BENEFITS TO BE ACHIEVED BY U.S.**
10 **CELLULAR'S DESIGNATION?**

11 A. The health and safety benefits that mobile wireless communications can deliver
12 are obvious. Every time U.S. Cellular adds a cell site or increases channel capacity, the number
13 of completed calls, including important health and safety calls, increases. This is particularly
14 important in many areas that are sparsely populated but heavily used by persons in cars, on
15 farms, at hunting camps, and others who are beyond the reach of landline phones. It is one thing
16 to build service to a main road or large town, however, only when a company is committed to the
17 individuals that do business on the remote gravels roads and fields, does a consumer have
18 reliable and safe service. E-911 technology permits a caller using a wireless phone to be located
19 and tracked; however, this technology cannot help anyone in areas where RF is weak or non-
20 existent. Thus, for every cell site that U.S. Cellular constructs, the availability of emergency
21 services, 911 and E-911 will improve. It is difficult to overstate the important public interest
22 benefit that will be realized by supporting improvement to critical wireless infrastructure.

23 Sheriffs, emergency medical technicians, and local police increasingly rely on cellular

1 telephones. For example, a deputy sheriff presented with a domestic disturbance can call ahead
2 and assess the situation to determine whether anyone is armed, intoxicated, or injured. Local
3 police use digital wireless phones for undercover work because police radios are not always
4 secure. Customers have reported incidents where emergency medical technicians who work in
5 areas where their radios cannot function rely on commercial wireless service as a substitute.

6 There are also economic development opportunities. The quality of telecommunications
7 services, including mobile wireless service, is an important driver of business and job growth.
8 When a company decides where to locate a business, or whether to move, it considers whether
9 wireless service is adequate for its needs. From my personal experience in Missouri, there is no
10 question but that high-quality wireless service in rural areas is limited to the state's highways and
11 major towns. Used properly, USF high-cost support will drive infrastructure development and
12 opportunities for people who live in smaller towns and on secondary roads to conduct business
13 they way they want to. With outsourcing to foreign countries affecting small town America, it is
14 critical for rural areas to have telecommunications facilities that offer consumers the same kinds
15 of choices that are available in urban areas. If U.S. Cellular's construction contributes to
16 improving infrastructure, and if ILECs continue to improve their services, rural consumers will
17 see these benefits.

18 Consumers who choose U.S. Cellular's service because we improve our network with
19 high-cost support will benefit by having a higher-quality and more competitive system. In
20 addition, wireless users who are not U.S. Cellular customers (such as customers of Verizon
21 Wireless, Sprint, and Alltel, who also use CDMA) will benefit from a more robust network that
22 allows those users roaming on U.S. Cellular's network to make emergency and other important
23 calls. Finally, the value of the entire telephone network in Missouri will be increased by each

1 person being able to communicate with wireless users in more areas.

2 There are also benefits that arise from improving customer choice. Everywhere that U.S.
3 Cellular constructs new facilities in areas that are underserved, consumers will have new choices
4 in both voice service and advanced services that will flow from the initial construction. It is a
5 simple fact that the FCC licensed two cellular carriers to serve rural Missouri around 1990 and
6 there are six additional PCS licensees, plus an SMR license, that could provide high-quality
7 service to this area. After fifteen years, it has not happened and it will not happen until USF
8 high-cost support is made available for carriers such as U.S. Cellular who commit to construct
9 facilities beyond the major roads and cities.

10 There are also competitive benefits to designating a new ETC. As U.S. Cellular expands
11 its services in Missouri, ILECs will have an incentive to improve their facilities, cut costs,
12 streamline operations, and to provide new and innovative services. If U.S. Cellular's ETC
13 designation accelerates this process, consumers will enjoy increased customer service, lower
14 prices, new rate plans and product features, and new technologies.

15 An ancillary benefit of building the wireless network infrastructure necessary to deliver
16 voice traffic to U.S. Cellular's customers is that the same wireless network infrastructure can be
17 utilized to provide high-speed wireless Internet access. Therefore, if U.S. Cellular is designated
18 as an ETC in the proposed service area, residents and businesses in that area will have increased
19 availability of high-speed Internet access, both from ILECs (DSL) and from U.S. Cellular (3G).
20 U.S. Cellular plans to equip all of its new cell sites to be data-capable.

21 Designation of U.S. Cellular as an ETC will provide Missouri's rural residents and
22 businesses with access to new and innovative services not available from ILECs today, including
23 SMS, emergency roadside assistance 24 hours a day, multimedia messaging (pictures and large

1 text) e-mail to the handsets, Internet web access, content download, high-speed gateways to other
2 data services, handset insurance, the future potential for "push-to-talk", and employee location-
3 based services. Like E-911 services, however, these services are not available where U.S.
4 Cellular has no RF signal. If U.S. Cellular constructs new cell sites with USF high-cost support,
5 consumers will see these benefits.

6 **Q. IF A RURAL ILEC WITHDRAWS AS AN ETC, IS U.S. CELLULAR PREPARED**
7 **TO OPERATE AS A CARRIER OF LAST RESORT?**

8 A. I am advised by counsel that U.S. Cellular is a Carrier of Last Resort ("COLR")
9 for federal purposes because our obligation as an ETC is to respond to all reasonable requests for
10 service, just as ILECs are.

11 I understand that if an ILEC in Missouri withdraws as a COLR, the Telecommunications
12 Act requires the state commission to provide sufficient notice (up to one year) to the remaining
13 ETC so that it can construct or purchase the facilities needed to ensure continued service. Thus,
14 should an ILEC withdraw as an ETC, U.S. Cellular will work with the Commission to ensure
15 that the ILEC's customers will continue to be served with facilities that U.S. Cellular constructs
16 or purchases.

17 In the near term, it is highly unlikely that an ILEC will withdraw in any area where U.S.
18 Cellular's network is not sufficiently constructed. Once facilities are more fully constructed,
19 U.S. Cellular will be better positioned to use its facilities to serve as a COLR or purchase
20 facilities from the ILEC should it withdraw.

21 **Q. RECENTLY, THE FCC RELEASED A RULEMAKING ORDER THAT APPLIES**
22 **TO PETITIONS FOR ETC STATUS FILED AT THE FCC. FOR SUCH PETITIONS,**
23 **THE FCC WILL EXPECT PETITIONERS TO COMPLY WITH CERTAIN**

1 **CONDITIONS BEGINNING IN OCTOBER 2006. IF THIS COMMISSION ADOPTS**
2 **THOSE CONDITIONS AND APPLIES THEM TO ETCs IN MISSOURI, WOULD U.S.**
3 **CELLULAR BE ABLE TO COMPLY WITH THEM?**

4 A. Yes.

5 **Q. IF REQUIRED TO DO SO, WILL U.S. CELLULAR ANNUALLY SUBMIT A**
6 **FIVE-YEAR SERVICE QUALITY IMPROVEMENT PLAN, AT THE WIRE CENTER**
7 **LEVEL, INCLUDING MAPS DETAILING PROGRESS TOWARDS MEETING ITS**
8 **PLAN TARGETS; AN EXPLANATION OF HOW MUCH UNIVERSAL SERVICE**
9 **SUPPORT WAS RECEIVED; HOW THE SUPPORT WAS USED TO IMPROVE**
10 **SIGNAL QUALITY, COVERAGE, OR CAPACITY; AND AN EXPLANATION**
11 **REGARDING ANY NETWORK IMPROVEMENT TARGETS THAT HAVE NOT BEEN**
12 **FULFILLED?**

13 A. Yes. Although I believe that this Commission would be better served by an annual plan
14 rather than a five-year plan. Since the Commission must recertify U.S. Cellular's eligibility on
15 an annual basis, the company can provide much more accurate and reliable data each year,
16 permitting a proper accounting of its activities. However, if required, U.S. Cellular will submit a
17 five-year plan for the use of USF high-cost support.

18 **Q. IF REQUIRED TO DO SO, WILL U.S. CELLULAR ANNUALLY SUBMIT**
19 **DETAILED INFORMATION ON ANY OUTAGE LASTING AT LEAST 30 MINUTES,**
20 **WITHIN ITS ETC SERVICE AREA FOR ANY FACILITIES IT OWNS, OPERATES,**
21 **LEASES, OR OTHERWISE UTILIZES THAT POTENTIALLY AFFECTS AT LEAST**
22 **TEN PERCENT OF THE END USERS SERVED IN A DESIGNATED SERVICE AREA,**

1 OR THAT POTENTIALLY AFFECTS A 911 SPECIAL FACILITY AS DEFINED BY
2 THE FCC AND IN THE MANNER REQUIRED BY THE FCC?

3 A. Yes.

4 Q. IF REQUIRED TO DO SO, WILL U.S. CELLULAR ANNUALLY SUBMIT A
5 REPORT STATING THE NUMBER OF REQUESTS FOR SERVICE FROM
6 POTENTIAL CUSTOMERS WITHIN ITS SERVICE AREAS THAT WERE
7 UNFULFILLED FOR THE PAST YEAR AND HOW IT ATTEMPTED TO PROVIDE
8 SERVICE TO THOSE POTENTIAL CUSTOMERS?

9 A. Yes.

10 Q. IF REQUIRED TO DO SO, WILL U.S. CELLULAR ANNUALLY SUBMIT A
11 REPORT STATING THE NUMBER OF COMPLAINTS PER 1,000 HANDSETS?

12 A. Yes.

13 Q. IF REQUIRED TO DO SO, WILL U.S. CELLULAR ANNUALLY SUBMIT A
14 CERTIFICATION THAT IT IS COMPLYING WITH THE CTIA CONSUMER CODE
15 FOR WIRELESS SERVICE?

16 A. Yes.

17 Q. IF REQUIRED TO DO SO, WILL U.S. CELLULAR ANNUALLY SUBMIT A
18 CERTIFICATION THAT IT IS ABLE TO FUNCTION IN EMERGENCY
19 SITUATIONS?

20 A. Yes.

21 Q. IF REQUIRED TO DO SO, WILL U.S. CELLULAR ANNUALLY SUBMIT A
22 CERTIFICATION THAT IT IS OFFERING A LOCAL USAGE PLAN COMPARABLE

1 TO THAT OFFERED BY THE INCUMBENT LEC IN THE RELEVANT SERVICE
2 AREAS?

3 A. Yes.

4 Q. IF REQUIRED TO DO SO, WILL U.S. CELLULAR ANNUALLY SUBMIT A
5 CERTIFICATION ACKNOWLEDGING THAT THE FCC MAY REQUIRE IT TO
6 PROVIDE EQUAL ACCESS TO LONG DISTANCE CARRIERS IN THE EVENT THAT
7 NO OTHER ELIGIBLE TELECOMMUNICATIONS CARRIER IS PROVIDING
8 EQUAL ACCESS WITHIN THE SERVICE AREA?

9 A. Yes.

10 Q. DO YOU BELIEVE THAT THESE REQUIREMENTS SHOULD APPLY TO ALL
11 ETCs?

12 A. Yes. As a general matter, I believe regulation should be limited to the absolute minimum
13 if a marketplace is competitive. Thus, if U.S. Cellular is successful in competing, the level of
14 regulation on all carriers, including ILECs, should be reduced. However, U.S. Cellular believes
15 that if the Commission applies these requirements to competitive ETCs, they should also to be
16 applied to ILECs.

17 Q. SHOULD THE COMMISSION APPLY THESE REQUIREMENTS IN THIS
18 PROCEEDING?

19 A. No. The better course would be to conduct a rulemaking proceeding so that the
20 Commission can determine what is best for Missouri consumers and then apply the new rules to
21 existing ETCs, just as the FCC did in its own ETC designation process. For example, U.S.
22 Cellular's proposal to require an annual report from all carriers on what they are doing with their

1 support funds and what their plans are for the next year would provide the Commission with
2 better information that is more useful than a plan that attempts to predict the needs of consumers
3 and communities several years into the future. U.S. Cellular has participated in the
4 Commission's workshop process on these issues to date and looks forward to future discussions.

5 **Q. U.S. CELLULAR HAS REQUESTED SERVICE AREA REDEFINITION FOR**
6 **SEVERAL ILECs. WHY SHOULD THE COMMISSION GRANT U.S. CELLULAR'S**
7 **REQUEST?**

8 A. Please refer to the Direct Testimony of Mr. Don Wood, U.S. Cellular's expert witness in
9 this area, who describes the policy reasons why the service areas of these companies should be
10 redefined. From a very practical perspective, consumers are served by redefinition. If a service
11 area is not defined so that U.S. Cellular cannot invest in its network, and for example, Lifeline
12 services cannot be offered, then consumers are the losers. I understand that redefining an
13 incumbent's service area does not harm that carrier and has no effect on its study area.
14 Moreover, the redefinition we request here is fully consistent with redefinitions the FCC and
15 other states have granted to U.S. Cellular, as well as the Oregon and Wisconsin Commissions.

16 **Q. DO YOU HAVE ANY CONCLUDING REMARKS?**

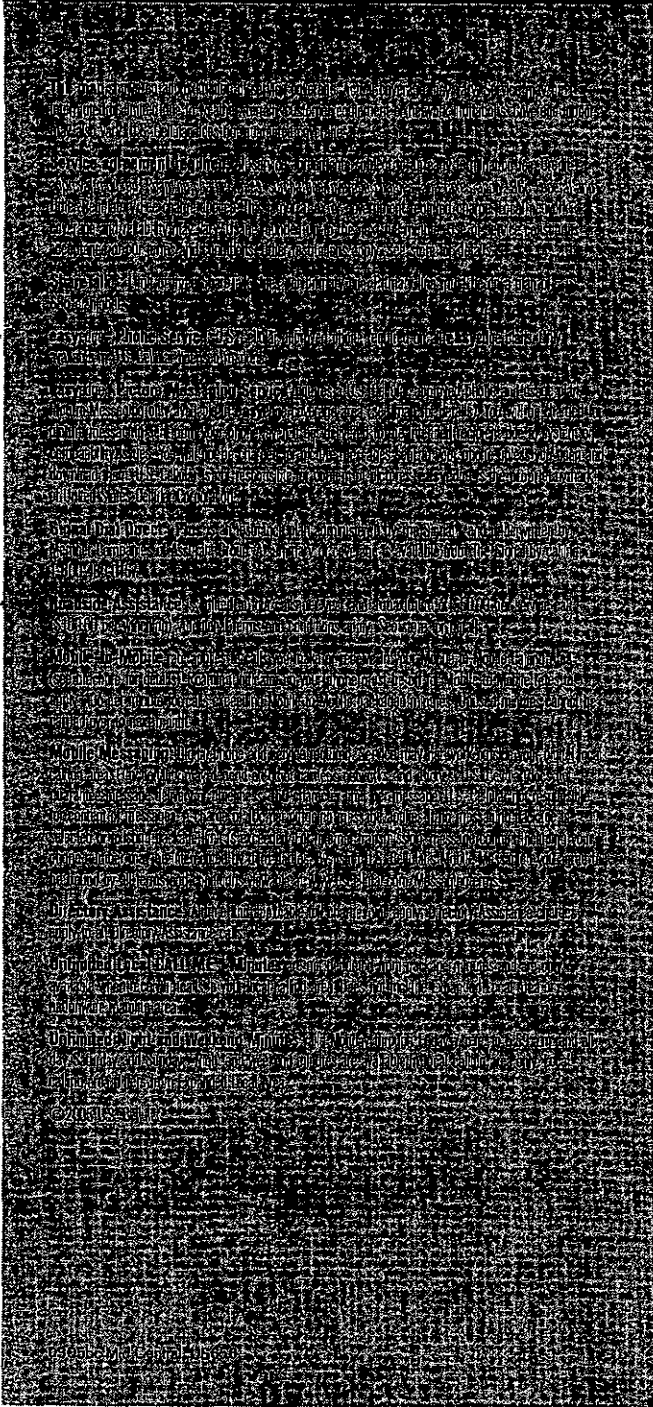
17 A. Yes. Rural consumers deserve the benefits of the substantial funds they are today paying
18 into the Universal Service Fund and U.S. Cellular is prepared to deliver those benefits. ILECs
19 are not harmed by our designation because their funding is guaranteed by the federal high-cost
20 system and consumers benefit by the new infrastructure that U.S. Cellular will construct in
21 Missouri.

1 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

2 A. Yes.



COVERAGE MAP and CALL



Optional Features

ShareTalk®

Per additional line with a Local Plan **\$15.00/mo.**
 Per additional line with a National Plan **\$20.00/mo.**
 Share your minutes without sharing your phone. ShareTalk allows up to three additional lines to share the minutes on one account.

Mobile Messaging

Can't talk? Send and receive text messages from your wireless phone. All packages include **unlimited incoming messages**. See brochure for details.

Mobile Messaging 1000	\$14.95/mo./line
Mobile Messaging 500	\$8.95/mo./line
Mobile Messaging 250	\$5.95/mo./line
Mobile Messaging 100	\$3.95/mo./line
Mobile Messaging 50	\$2.95/mo./line
Each additional outgoing message	10¢/message
Add an e-mail address for your phone	\$1.95/mo.

Signal Dial Direct® Plus Wireless Phone Insurance

\$4.95/mo.
 Replaces or repairs your phone if it's lost, stolen or damaged. See Signal Insurance brochure for coverage details. Underwritten by Member companies of Assurant Group

Roadside Assistance

\$2.95/mo.
 24 hours a day, 365 days a year - help is just a phone call away. Protection travels with the phone. Some restrictions apply. See store for details.

Mobile-to-Mobile Calling

Wireless calling to and from other U.S. Cellular customers. See Mobile-to-Mobile Calling brochure for coverage area and details.

Unlimited Minutes	\$19.95/mo.
3000 Minutes	\$14.95/mo.
1000 Minutes	\$8.95/mo.

Voice Mail

no monthly fee
 Our Voice Mail service answers calls when you can't.

Caller ID

no monthly fee
 Let's you know who's calling before you answer.

Detailed Billing

no monthly fee
 Shows the time, date and cost of every wireless call on your monthly bill.

Directory Assistance

\$1.25/call
 Call Directory Assistance to get the phone numbers of the people and businesses you need. Directory Assistance is \$1.25/call within your home calling area. Pricing in other areas may vary.

At U.S. Cellular, we're committed to providing the best customer satisfaction. We want to fulfill all of your wireless needs with the highest quality products and services at a fair price. If you have questions about calling plans or features that will enhance your wireless service, you can always get answers from an expert at your local U.S. Cellular store, agent location or by calling one of our customer service specialists at 1-888-944-9400.



ING PLANS

COVERAGE MAP and CALLING PLANS

International Dialing no monthly fee

U.S. Cellular's International Dialing service gives you direct access to over 200 countries from your wireless phone. There is no monthly charge or extra fee for the service, simply pay for the calls you make. Consult a U.S. Cellular representative or our website for country rates and availability. Rates range from \$.19 to \$1.25 per minute.

Automated Payment Service no monthly fee

No checks to write. No stamps to buy. We will automatically deduct your cell phone bill from your checking account or a credit card - no extra cost.

easyedge™ Phone Service see brochure for details

easyedge Phone Service keeps you connected by providing instant access to news, sports, entertainment, weather forecasts, stock quotes, maps and directions. Have more fun by downloading the latest ringtones, games and jokes. The easy way to get more from your phone.

easyedge Picture Messaging Service see brochure for details

With easyedge Picture Messaging Service you can snap and send pictures with ease. Personalize your photo by adding text and sound. A picture adds information and fun to your message.

Unlimited Local CALL ME™ Minutes

Per line \$5.95/mo.

Per Account on ShareTalk® \$9.95/mo.

Receive unlimited incoming calls from anywhere, anytime within your local calling area without using your Anytime Minutes. Available on Local and National plans.

Unlimited Local Night and Weekend Minutes beginning at 7 p.m.

Per line \$5.95/mo.

Per Account on ShareTalk® \$9.95/mo.

Unlimited local night and weekend minutes, including nationwide long distance. Available on Local and National plans.

Miscellaneous

Activation Fee \$30.00

Equipment Change Fee \$15.00

Important Numbers

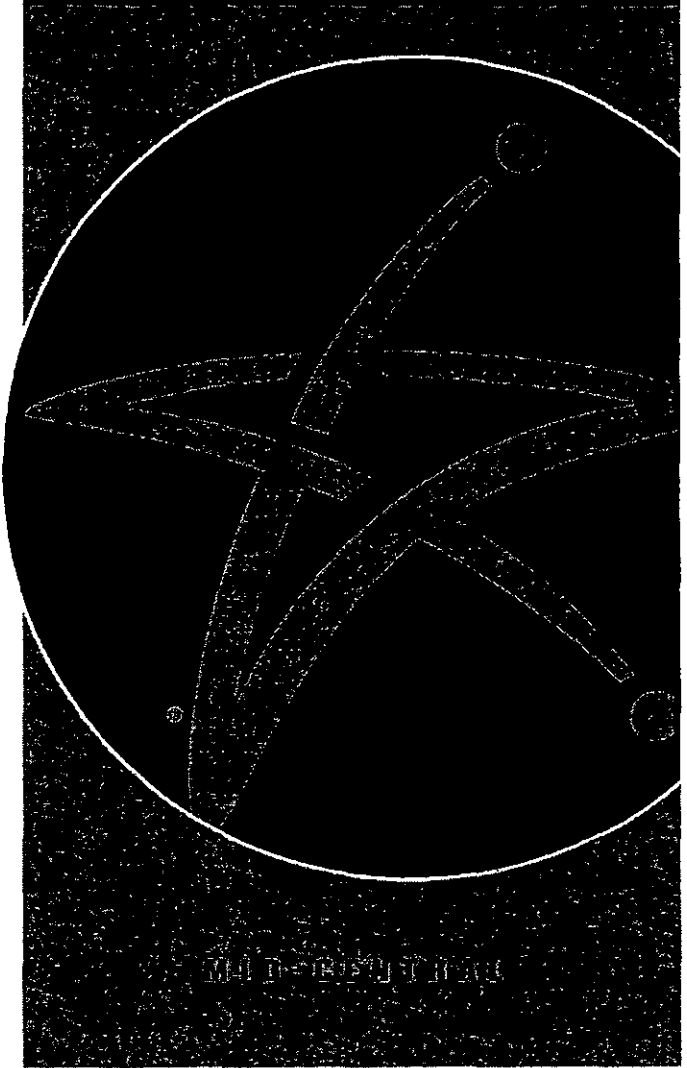
Customer Service 1-888-844-8400

Order at Home 1-888-8UY-USCC

288-8722

Business Services 1-866-USC-4MIZ

872-4248



excellence
GUARANTEE™

- 30-Day Guarantee - test our service, networks and products
- Customer service you can count on
- Change your calling plan to fit your needs
- Upgrade to phones with the latest technology

 **U.S. Cellular**
We connect with you.

COVERAGE MAP and CALLING PLANS

Local Plans *Includes Nationwide Long Distance*

\$39. ⁹⁵	\$49. ⁹⁵	\$69. ⁹⁵	\$99. ⁹⁵
1000	1300	1800	2500
40¢/min.	40¢/min.	40¢/min.	30¢/min.

Included Features: Voice Mail, Call Waiting, Caller ID, Call Forwarding, Three-Way Calling, Detailed Billing, and Mobile Messaging (10¢ per message).

Roaming Rate: 69¢/minute (nationwide, includes long distance)

ShareTalk*: \$15.00/line, per month

Expanded Local Calling Rate: 30¢/minute (includes long distance)

National Plans *No Roaming No Long Distance Charges*

\$49. ⁹⁵	\$69. ⁹⁵	\$99. ⁹⁵
800	1200	2000
40¢/min.	40¢/min.	30¢/min.

Included Features: Voice Mail, Call Waiting, Caller ID, Call Forwarding, Three-Way Calling, Detailed Billing, and Mobile Messaging (10¢ per message)

ShareTalk*: \$20.00/line, per month

National Plans

- National Coverage
- U.S. Cellular High-Speed Market
- No coverage

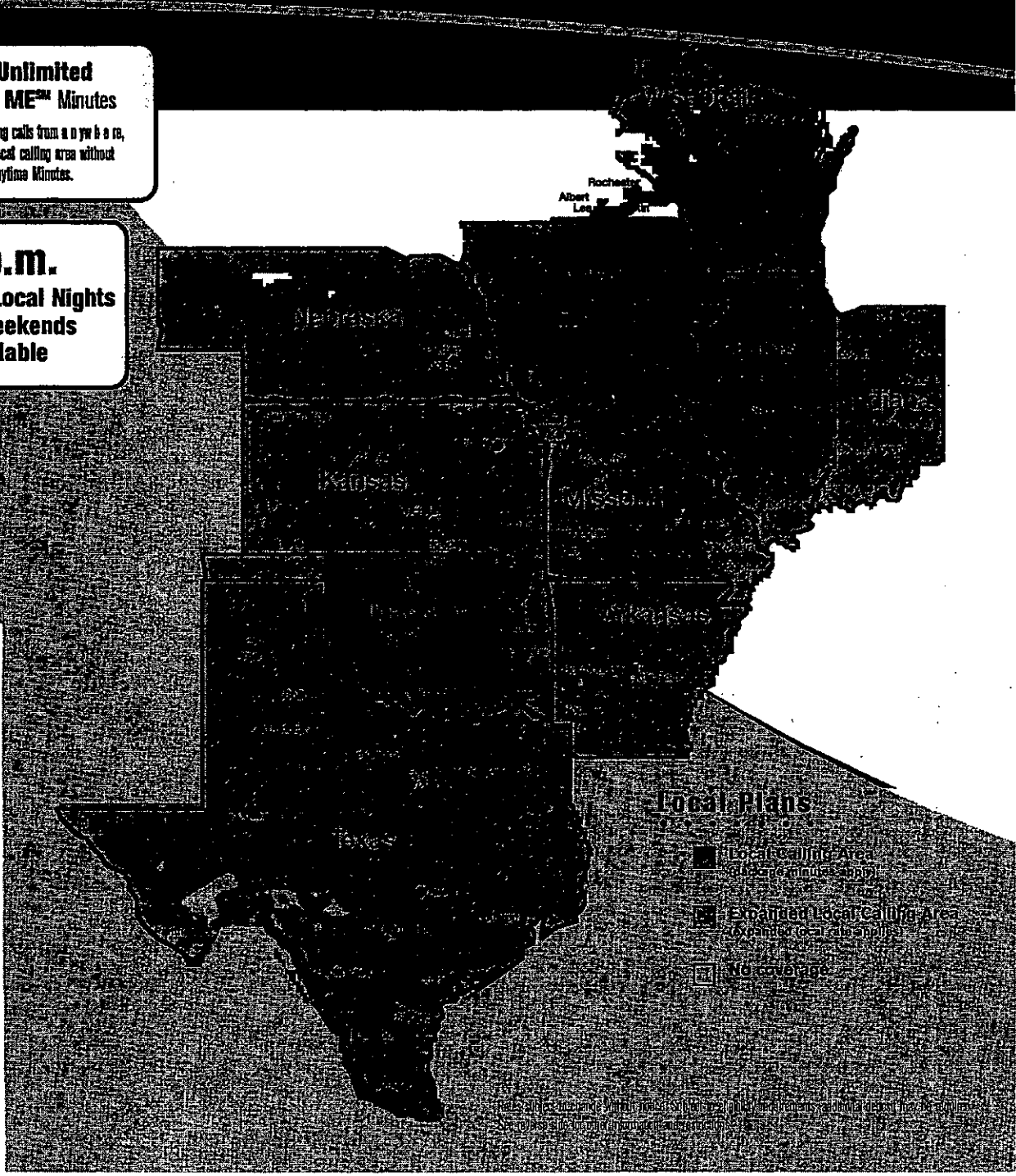


Map depicts an approximation of coverage area. Local coverage may vary. User may incur roaming charges at borders of calling area.

**Ask About Unlimited
Local CALL MESM Minutes**

Receive unlimited incoming calls from anywhere, anytime within your local calling area without using your Anytime Minutes.

**7 p.m.
Unlimited Local Nights
and Weekends
available**



Local Plans

-  Local calling Area
Unlimited local minutes (anytime)
-  Expanded Local calling Area
Expanded to 10 states and DC
-  No coverage



SERVICE AGREEMENT

New Extension COR

BILLING INFORMATION				<input type="checkbox"/> Individual	<input type="checkbox"/> Business	<input type="checkbox"/> Government									
Billing Name (Please Print)		Apt/Suite No.		I N D I V I D U A L B U S I N E S S	Social Security Number		Birth Date		Password						
Billing Address		Apt/Suite No.			State		Drivers License Number		Expiration Date						
City		State			Zip		Employer		Facility						
Physical Address (If PO is listed above)		Apt/Suite No.			Business Address		City		State		Zip				
City		State			Zip		Tax ID		BAN Group ID		PO #				
Home Phone		Business Phone			E-mail Address		Billing Contact Name		Contact Phone		Fax				
Business Phone		E-mail Address			Tax Exempt <input type="checkbox"/> Yes <input type="checkbox"/> No		If yes, attach certificate		Certificate #		Exp. Dt.				
<input type="checkbox"/> Drivers License		<input type="checkbox"/> MS			<input type="checkbox"/> Address		<input type="checkbox"/> Date of Birth		Subsequent Initials						
USER INFORMATION															
User Name					City				State				Zip		
User Address				Home Phone				Business Phone				Land Service Code			
List Authorized Users:															
Dealer Use Only:		Comp/Sales ID #:		Location ID #:		Does the customer have current service with U.S. Cellular? <input type="checkbox"/> Yes <input type="checkbox"/> No		Add service line to existing account? <input type="checkbox"/> Yes <input type="checkbox"/> No		If yes, existing cellular #		Requested CTNs Approved #:		Deposit Amount \$	
CAS#		Invoice Number		Cycle Close Date		Billing Account Number		Activation Date		Cellular Telephone Number		Unlock Code			
SERVICE INFORMATION AND CHARGES															
MONTHLY CHARGES & SERVICES				INITIAL CHARGES				Signal Dial Direct * Plus Insurance							
Price Plan _____				Activation Fee _____				<input type="checkbox"/> Accept <input type="checkbox"/> Decline							
Promotion Price Plan _____				Advance Monthly Charge _____				Monthly Premium/Phone _____							
# Minutes included in plan				First Month's Promoted Minutes _____				Loss/Damage Deductible _____							
Peak _____ Off-Peak _____				Security Deposit _____				Mech/Elec _____							
Included Data Services _____				Equipment/Phone Charge (below) _____				<input type="checkbox"/> Handset Insurance \$4.95 \$35 \$25							
Additional Services (SOC)				Equipment/Accessories (below) _____				<p>If You subscribe to Signal Dial Direct Plus Insurance, You acknowledge that the equipment listed here is in Your possession and in good working order. You have received, read and understood the terms and conditions under which the insurance is offered as outlined in the brochure. You acknowledge that insurance protection is offered by the insurance company, and not by U.S. Cellular. Requests for information for claims regarding the insurance will be directed to Signal. A summary of coverage is available by calling 1-800-480-0167.</p>							
<input type="checkbox"/> Call Forwarding <input type="checkbox"/> Call Waiting				Installation Charge _____											
<input type="checkbox"/> CLID Blocking				Other (specify) _____											
<input type="checkbox"/> Detailed Billing <input type="checkbox"/> 3-Way Calling				Other (specify) _____											
<input type="checkbox"/> Equipment Insurance <input type="checkbox"/> Voice Mail				Taxes _____											
<input type="checkbox"/> Roadside Assistance				Total Initial Charges \$ _____											
<input type="checkbox"/> Caller ID (Digital Only)															
<input type="checkbox"/> Other (specify) _____															
Total charges for additional services _____															
Federal and/or State Universal Service Charge (subject to change without notice) _____															
Taxes _____															
Total Monthly Charges & Services \$ _____															
EQUIPMENT INFORMATION															
ESN/SN		Item ID		Description: <input type="checkbox"/> Sale <input type="checkbox"/> Private <input type="checkbox"/> Demo <input type="checkbox"/> Loaner <input type="checkbox"/> Upgrade				Price:							
				(Check One)											
Accessory Description		QTY	LOC SITE	ITEM ID	PRICE	Accessory Description		QTY	LOC SITE	ITEM ID	PRICE				
1.						3.									
2.						4.									

You acknowledge receiving a copy of and agree to U.S. Cellular's Terms and Conditions of Agreement, attached hereto and made part of this agreement.

INITIAL TERM: _____ Months EARLY TERMINATION FEE: \$ _____

PAYMENT INFORMATION				SIGNATURE	
\$ _____ Cash		\$ _____ Check		Authorized Customer Signature X	
\$ _____ Gift Certificate		\$ _____ CC			
<input type="checkbox"/> Visa <input type="checkbox"/> MasterCard		<input type="checkbox"/> American Express <input type="checkbox"/> Discover		Sales Representative / Agent Signature X	
Credit Card # _____		Expiration Date: _____			
By initiating here, customer authorizes company to charge future amounts due under this service agreement to the credit card account listed above _____					
Thank you for selecting U.S. Cellular!					

ORIGINAL - OFFICE YELLOW - AGENT/SALESPERSON PINK - CUSTOMER

TERMS AND CONDITIONS OF AGREEMENT

These are the Terms and Conditions for Service between the customer ("you") and U.S. Cellular ("U.S. Cellular", "we" or "us"). "Service" refers to the telecommunication services, including voice and data services, you purchase from U.S. Cellular. Your "Agreement" includes (1) these Terms and Conditions, (2) the Service Order ("Service Order"), and (3) if you purchased data services, the license agreement posted at www.uscellular.com/termsandconditions.

Eligibility. You are eligible for Service only if you or your employer have a billing address within U.S. Cellular's licensed market area. If you meet the eligibility requirement only through your employment address, you may only be eligible for local rate plans.

Term. This Agreement is effective upon acceptance by U.S. Cellular and continues until terminated in a manner as provided in this Agreement. If you or U.S. Cellular terminate Service for any reason during the Initial Term as specified in your Service Order, you may be assessed an early termination fee. Upon termination for any reason, you are responsible for the payment of all charges. If your Service is reinstated, you may be charged a reactivation fee.

Termination by You. You may terminate Service at any time by notifying U.S. Cellular. A request to port your number will be a request by you to terminate Service.

Termination by U.S. Cellular. U.S. Cellular may terminate or suspend your Service if you fail to perform any obligations of this Agreement including the restrictions and obligations set forth in the paragraphs regarding "Use of Service" and "Payment and Due Date."

Changes to Service. Changes to your Service, including termination, will be effective at the end of the then-current billing cycle.

Use of Service. At least 50% of your monthly usage must be used in U.S. Cellular's licensed markets. Service is furnished for your use only; you may not resell Service to third parties. You may not use the Service for any unlawful, improper, harassing or abusive purpose or in such a way that interferes with our network, business operations, employees or customers.

Payment and Due Date. You are responsible for payment of all charges on your bill, including telecommunications-related charges (such as monthly access, airtime, roaming, toll, long distance, application charges and data network usage); charges for optional services (such as voicemail, caller ID, and directory assistance); regulatory cost recovery charges (such as Universal Service Fund, Enhanced 911 and Wireless Number Portability); surcharges; and taxes. Regulatory cost recovery fees, surcharges, and taxes are subject to change without notice. Payments are late if not received by U.S. Cellular by the due date shown on the monthly invoice. We may charge a late fee for any amount not paid when due. We may charge you a returned check fee for a check returned for any reason. You agree to reimburse U.S. Cellular for its costs, including reasonable attorneys' fees, collection fees and similar expenses incurred by U.S. Cellular with respect to collection of payment.

Coverage. You understand that Service may be interrupted or unavailable due to atmospheric or topographical conditions, governmental regulations or orders, or system capacity limitations. Representations of coverage by U.S. Cellular or its agents are not guarantees.

Rates. The rates for Service are specified in your Service Order. U.S. Cellular may change your rates upon notice to you.

Theft. If your phone is stolen, you are responsible for all charges until you report the theft to U.S. Cellular. We may require a police report or sworn statement verifying the theft before waiving any charges.

Deposits. U.S. Cellular may require a deposit from you to guarantee payment of charges for Service and from time-to-time may increase the deposit based on your usage and payment history.

Billing Practices. Each partial minute of airtime will be rounded up and billed as a full minute. You may be charged for calls that are not completed but ring longer than 59 seconds. For completed calls, you will be billed from the time you push the "send" button until you terminate your call by pushing the "end" button on your phone. "Application charges" include the charges incurred for downloading data applications and monthly subscription fees for data applications. "Data network usage charges" are the charges for transferring data (i.e., downloading applications, accessing the Internet, etc.) rendered in units of kilobytes or megabytes. Each partial kilobyte of data transferred will be rounded up and billed as a full kilobyte.

Roaming. Due to delayed reporting by other carriers, some wireless usage while roaming outside a U.S. Cellular market may be billed in

months subsequent to your actual usage. The minutes used, and associated charges, will be applied against your monthly plan minutes in the month that the usage appears on your bill rather than the month the calls were actually placed.

Amendment. We may change the terms of this Agreement at any time by providing you with notice. If you do not agree to the proposed changes, you may cancel your service without incurring an early termination fee by notifying us within 30 days from the time you receive notice. If you use the Service after the 30-day period, you agree to be bound by the changes.

Arbitration. Any controversy or claim arising out of or relating to this Agreement shall be resolved by binding arbitration at the request of either party. Each party bears its own costs and attorney's fees. We will reimburse you for any reasonable filing or hearing fees to the extent they exceed what your court costs would have been if your claim had been resolved in a state court. The American Arbitration Association shall administer the arbitration, and judgement on the award rendered by the arbitrator may be entered in any court having jurisdiction. Both parties acknowledge that this Agreement is a transaction involving interstate commerce, and is therefore governed by the Federal Arbitration Act. By agreeing to arbitration, both parties are waiving their right to litigate in court including any right to a jury trial. The parties agree that all claims shall be treated individually and there shall be no consolidation of claims or class actions. For additional information on invoking arbitration and how the arbitration process works, you may call the American Arbitration Association at 800-778-7879.

Privacy. U.S. Cellular may release information about you or your account when required by a subpoena or other lawful process. We will not provide you with notice of such requests. You can view our complete privacy policy at www.uscellular.com.

Credit Information. You authorize personal references or consumer reporting or credit agencies to furnish U.S. Cellular with your credit records or history.

Limits of Liability. U.S. CELLULAR'S LIABILITY REGARDING YOUR USE OF THE SERVICES OR RELATED EQUIPMENT, OR THE FAILURE OF OR INABILITY TO USE THE SERVICES OR RELATED EQUIPMENT, IS LIMITED TO THE CHARGES YOU INCUR FOR SERVICES OR RELATED EQUIPMENT DURING THE AFFECTED PERIOD. THIS MEANS U.S. CELLULAR IS NOT LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES (SUCH AS LOST PROFITS OR LOST BUSINESS OPPORTUNITIES), PUNITIVE OR EXEMPLARY DAMAGES, OR ATTORNEYS' FEES.

Disclaimer of Warranties. U.S. CELLULAR MAKES NO WARRANTY REGARDING THE SERVICES AND DISCLAIMS ANY IMPLIED WARRANTY, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. U.S. CELLULAR IS NOT RESPONSIBLE FOR CIRCUMSTANCES BEYOND ITS CONTROL, INCLUDING WITHOUT LIMITATION, ACTS OR OMISSIONS OF OTHERS, ATMOSPHERIC CONDITIONS, OR ACTS OF GOD. U.S. CELLULAR DOES NOT MANUFACTURE EQUIPMENT OR SOFTWARE, AND YOUR ONLY WARRANTIES AND REPRESENTATIONS WITH RESPECT TO EQUIPMENT OR SOFTWARE ARE THOSE PROVIDED BY THE MANUFACTURER (WITH RESPECT TO WHICH U.S. CELLULAR HAS NO LIABILITY WHATSOEVER).

Assignment. U.S. Cellular may assign this Agreement without notice to you. You may assign this Agreement only with our consent.

Entire Agreement. This Agreement is the entire agreement between you and U.S. Cellular. This Agreement supersedes any inconsistent or additional promises made to you by any employee or agent of U.S. Cellular.

No Waiver; Severability. U.S. Cellular's failure to enforce any right or remedy available under this Agreement is not a waiver. If any part of this Agreement is held invalid or unenforceable, the remainder of this Agreement will remain in force.

1-888-944-9400
*611 from cellular phone
www.uscellular.com

NAME _____

SERVICE AGREEMENT # _____

BUSINESS REFERENCES

BANK REFERENCE

Bank _____ Savings Account Number _____
 Checking Account Number _____ Loan Account Number _____
 Phone _____ Phone _____
 Contact _____ Contact _____

TRADE REFERENCE

Company Name _____
 Account Number _____
 Phone _____
 Contact _____

TRADE REFERENCE

Company Name _____
 Account Number _____
 Phone _____
 Contact _____

BUSINESS GUARANTOR STATEMENT

If this is a business account, the following paragraph must be signed by an officer of the company that will be responsible for payment of this account:

I hereby grant the following employee/associate permission to open an account for business purposes related to our company and agree that the responsibility for payment on the account will belong to the undersigned company. Under penalty of perjury, I warrant that I am authorized to make this decision on behalf of the company. I have attached to this statement a copy of my business card or company letterhead with my name on it.

Name of individual granted authority to open account

Name of company

by: _____ /s/ _____
Name of officer
(from Accounting, Purchasing,
or Treasury Department)

By signature below, subscriber confirms the truth and completeness of the above information. Subscriber further authorizes any business or trade references or consumer reporting/credit agencies to furnish company subscriber's credit records or history.

Authorized Signature _____ Date _____