

1. In the NP version of MO5 witness Simon's Surrebuttal Testimony, he writes, starting on page 4, line 19:

Q. How does MO 5 propose to spend and account for the monies received from USF?

A. MO 5 is committed to use USF funds to expand service and coverage within its licensed service area using every cent it receives from USF. These funds will be utilized to build new sites to provide coverage to as yet unserved or underserved areas, increase capacity at existing cell sites and, as an extension, increase the 911 services in those areas.

Highly Confidential Appendix M (Revised), attached hereto, shows that MO 5 is planning to spend approximately ** _____ ** as an annual average to support the new site construction and operation as well as advanced wireless services and capacity increases throughout the requested ETC area.

The budget as presented is a guide to how that service and coverage is currently expected to be expanded. In the event that revenues are higher, MO 5 will be able to increase the pace at which the network expands beyond that already identified. Each year, MO 5 has committed to present to the Commission an updated plan for the coming five years to spend the monies it will receive from the USF on network upgrades, expansions and maintenance.

1. (a) Please explain what is meant by the phrase, "and, as an extension, increase the 911 services in those areas".

Response - In the context of the testimony, the phrase "as an extension" states that "in addition" to USF funds being used to build new sites to provide coverage to as yet unserved or underserved areas, increase capacity at existing cell sites and, in addition, increase the 911 services in those areas. It is important that all users have the ability to call 911 when needed. Additional cell sites will increase the accuracy and reliability of Phase II E-911 calls by providing more antennas for the network based Phase II E-911 location algorithms.

1. (b) Please describe what is meant by "advanced" wireless services.

Response - In the context of the testimony, the phrase "advanced wireless services" references all the current wireless services in place in the network, and would include the additional enhancement to Phase II E-911 capability that would be realized through the addition of the proposed cell sites.

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1. (c) Please explain what is meant by the phrase, "the budget as presented is a guide".

Response- The budget was prepared using existing coverage maps and propagation studies for proposed cell sites that will provide service to unserved or underserved areas and increase capacity at existing cell sites. While the need for increased capacity at existing cells sites can be determined by operations reports from the operational support systems, the exact location and associated costs are based on budget guidelines. Budget guidelines are used since land for location of tower sites has not been acquired, therefore the actual costs cannot be determined until acquisitions or leases have been negotiated. When possible, and if cost justified, existing tower sites owned by other companies may be used for the deployment of new cell sites. The use of an existing tower site may lower the capital cost of cell site deployment, but may increase the on-going costs depending on the amount of the tower space lease and other cost factors. In addition, land for new cell site deployment may not be available at the preferred location resulting in the need to secure a different location which may affect the cost of deploying a cell site. Actual costs cannot be determined without engineering specific to each proposed new cell site.

2. Paragraph (2)(A)3.G. of the MO ETC Rule states:

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

2. (a) Do all of the planned expenses listed in revised Appendix M (attached to Mr. Simon's Surrebuttal Testimony) meet the criteria of "not otherwise occur[ring] absent the receipt of high-cost support"? If not, please list those expenses that do not meet that criterion.

Response- Seventeen new cell sites are proposed in Appendix M. Those cell sites will not be deployed absent the receipt of high-cost support. The only planned expenses that may occur absent the receipt of high-cost support are those titled "Increase capacity at cell site" which include capital investment and ongoing operational costs. The determination of whether those planned expenses will be made will be based on MO 5's available capital position at the time.

2. (b) Are all of the expenses listed in revised Appendix M “in addition to any expenses that [MO 5] would normally incur”? If not, please list those expenses that MO5 would normally incur.

Response – All expenses listed in revised Appendix M are in addition to any expense that MO 5 would normally incur other than the expenses that may be incurred if MO 5 deploys those items titled “Increase capacity at cell site” (see response above).