

FILED

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Missouri Public  
Service Commission

*Exhibit No.:*

*Issue:* Application for Designation as an Eligible  
Telecommunications Carrier

*Witness:* James A. Simon

*Sponsoring Party:* Missouri RSA No. 5 Partnership

*Type of Exhibit:* Surrebutal Testimony

*Case No.:* TO-2006-0172

*Date Testimony Prepared:* May 26, 2006

**MISSOURI RSA No. 5 PARTNERSHIP**

**SURREBUTTAL TESTIMONY**

**OF**

**JAMES A. SIMON**

**CASE NO. TO-2006-0172**

**\*\*HC denotes HIGHLY CONFIDENTIAL information\*\***

May 26, 2006

Exhibit No. 4NP  
Date 6-22-06 Case No. TO-2006-0172  
Reporter KF

NP



Surrebuttal Testimony of  
James A. Simon

1 included by MO 5, the company will commit to adding this (these) exchange(s) to the local  
2 calling area of this Lifeline plan. This plan will have a monthly recurring charge of \$6.75  
3 (after the \$6.50 federal line charge discount and the \$1.75 local exchange service discount for  
4 a total of \$15.00).

5 Plan 2 will allow unlimited inbound and outbound airtime when calling from  
6 anywhere within the MO 5 designated ETC licensed service area. All calls made within this  
7 same area to all exchanges within the ETC area granted to MO 5 will be free. Should any  
8 landline provider offer local calling as part of their Lifeline plan to an exchange outside of  
9 the exchanges included by MO 5, the company will commit to adding this (these)  
10 exchange(s) to the local calling area of this Lifeline plan. This plan has a monthly recurring  
11 charge of \$11.75 (after the \$6.50 federal line charge discount and the \$1.75 local exchange  
12 service discount for a total of \$20.00).

13 In both cases, these call plans exceed the ILEC offerings calling scopes through the  
14 addition of mobility as well as the increased number of exchanges that will be included for  
15 free as part of the plans.

16 **Q. Will these plans be offered absent USF support and how will the Commission be**  
17 **informed of these plans?**

18 A. No. Both of these plans will only be offered as long as USF support is received.  
19 MO 5 will commit to notifying the Commission thirty days in advance of any rate or plan  
20 changes to Lifeline customers. MO 5 will agree to not raise a customer's rate while under  
21 their commitment period.

22 **Q. What fees, if any, will a Lifeline subscriber incur?**

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1 A. Applicable fees that a customer will be charged are \$0.00 (no charge) for equipment  
2 change, \$10 per month remaining on the contract for early termination fees, if applicable, and  
3 \$0.00 (no charge) for the credit check, if one is performed.

4 **Q. What steps will MO 5 take to provide Lifeline customers with a wireless**  
5 **handset?**

6 A. MO 5 will commit to informing the customer of the lowest cost handset available. If  
7 the customer requests no contract, a phone will be offered at retail cost and no credit check  
8 will be required. Contracts for one-year or two-year commitments will allow the customer  
9 discounts on available handsets. In all cases, the Lifeline customer is eligible for up to \$200  
10 for 12 months in interest free deferred payments.

11 **Q. Will MO 5 also provide toll free calling from the exchanges within its granted**  
12 **ETC area to its Lifeline subscribers?**

13 A. The ability to provide such calls is outside of the control of MO 5. MO 5 is unable to  
14 compel any landline or wireless company to provide local calling to MO 5's MO 5's wireless  
15 numbers. MO 5 is extremely interested in working on an agreement with these wireless and  
16 landline carriers to achieve this goal.

17 MO 5 is unable to resell ILEC service because it would violate Missouri statutes.  
18 MO 5 is not certificated to provide local exchange landline service.

19 **Q. Concerns have been raised that current customers will receive no additional**  
20 **benefit when areas that are not currently served are covered in the 5 year plan. Can**  
21 **you please address if this is reasonable?**

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1 A. This concern is not justified. Not only will current wireless customers benefit when  
2 traveling into these areas but landline customers will also be able to reach these wireless  
3 customers, including customers roaming into the market, that live, work and travel into these  
4 newly covered areas.

5 **Q. Will the addition of sites and the associated coverage benefit 911 services and, if**  
6 **so, how?**

7 A. Today there is no single carrier that covers every area within the RSA 5 licensed area.  
8 Even if a single carrier did, there are several different technologies providing this service,  
9 and it is likely that a single carrier would only provide service to one particular technology  
10 type. Though a customer is not required to have active service to be able to call 911, they do  
11 have to have a phone capable of utilizing the technology associated with the signal covering  
12 that area. If a customer with a handset only capable of GSM technology is in an area that is  
13 served only by a CDMA signal, that customer will not be able to initiate the call to the PSAP  
14 because they are not compatible technologies. Currently there are no handsets commercially  
15 available in the U.S. that support both GSM and CDMA technologies. Thus, allowing  
16 multiple carriers with competing technologies to become ETC certified helps increase the  
17 chances that handsets capable of different technologies will be capable of making an  
18 emergency call in all areas.

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

21 A. MO 5 is committed to use USF funds to expand service and coverage within its  
22 licensed service area using every cent it receives from USF. These funds will be utilized to

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1 build new sites to provide coverage to as yet unserved or underserved areas, increase  
2 capacity at existing cell sites and, as an extension, increase the 911 services in those areas.

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

7 The budget as presented is a guide to how that service and coverage is currently  
8 expected to be expanded. In the event that revenues are higher, MO 5 will be able to increase  
9 the pace at which the network expands beyond that already identified. Each year, MO 5 has  
10 committed to present to the Commission an updated plan for the coming five years to spend  
11 the monies it will receive from the USF on network upgrades, expansions and maintenance.  
12 Lastly, MO 5 is wholly located within the state of Missouri, so there is no question that these  
13 funds will only be spent within Missouri to the benefit of the residents of Missouri.

14 **Q. The public interest issue has been addressed in the rebuttal testimony of a**  
15 **number of parties. Do you believe that granting ETC status to MO 5 is in the public**  
16 **interest and, if so, why?**

17 A. I do believe that granting ETC status to MO 5 is in the public interest. When  
18 considering the granting of ETC status to MO 5, mobility, technological advances, choice,  
19 and safety are all key considerations. Although some particular rebuttal testimony has  
20 claimed that mobility is not an important service, MO 5 remains convinced that it is a huge  
21 benefit to consumers and is absolutely in the public interest. The U.S. has become a mobile  
22 society and enjoys the freedom and flexibility of instant communication with others

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1 regardless of where they are. This includes the ability of landline subscribers to reach  
2 wireless customers or even landline customers who have setup their landline numbers to  
3 reach them on their wireless phones when otherwise not available to their landline. Upon the  
4 receipt of USF monies, MO 5 has committed to build out into remote communities that  
5 currently have little or no wireless service. Without this wireless service, the people living,  
6 working and traveling through these rural areas do not have an option for wireless service.

7 Even if the FCC has mandated that competition and choice alone is not sufficient  
8 justification of public interest, allowing a consumer to choose what wireless or landline  
9 service best suits their need and lifestyle is undoubtedly in the customer's and public's best  
10 interest. Not only choice for service, but customer service, expanded calling scopes, services  
11 provided: each customer has different reasons for choosing a service provider but,  
12 ultimately, without an option, there isn't any decision to be made.

13 Without USF support, Lifeline customers will also not have the ability to choose  
14 MO 5 because those plans cannot be offered without USF support. If the choice is available,  
15 Lifeline customers will have access to Lifeline plans identified previously that would provide  
16 additional benefits to those customers that otherwise would not be possible from the current  
17 landline offerings, including mobility and additional free calling capabilities.

18 Safety and 911 issues, as discussed above, are a primary concern when considering  
19 what is in the public interest. Without USF monies, these areas will not receive the service  
20 required to allow consumers access to emergency services in these underserved, or no  
21 service, areas.

22 **Q. Have you reviewed the rebuttal testimony of all parties?**

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1 A. Yes.

2 **Q. Do you have any response to other issues raised by those parties?**

3 A. Yes. In large part they seem to address broad policy issues not raised by the specific  
4 request for ETC approval in this case. Any lack of a direct response by MO 5 to each  
5 assertion or allegation does not indicate that MO 5 agrees with or acquiesces to the positions  
6 taken by those parties. There may be misstatements and/or false or misleading statements  
7 that MO 5 has chosen not to further investigate or to provide a response.

8 **Q. Does this conclude your surrebuttal testimony?**

9 A. Yes.



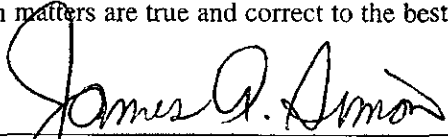
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the Matter of the Application of )  
Missouri RSA No. 5 Partnership )  
For Designation as a Telecommunications ) Case No. TO-2006-0172  
Company Carrier Eligible for Federal )  
Universal Service Support pursuant to § 254 of )  
the Telecommunications Act of 1996. )


AFFIDAVIT OF JAMES A. SIMON

COUNTY OF Macon )  
 ) ss.  
STATE OF MISSOURI )

James A. Simon, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Surrebuttal Testimony in question and answer form, consisting of seven (7) pages to be presented in the above case; that the answers in the foregoing Surrebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.

  
\_\_\_\_\_  
James A. Simon

Subscribed and sworn to before me this 26<sup>th</sup> day of May, 2006.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: May 27, 2010



AUDRA E. LINEBAUGH  
My Commission Expires  
May 27, 2010  
Chariton County  
Commission #06434277

APPENDIX M (REVISED)

CONTAINS  
HIGHLY  
CONFIDENTIAL  
INFORMATION