

FILED³
JAN 16 2007
Missouri Public
Service Commission

Exhibit Number:

Issue: ETC Designation and
Public Interest
Witness: Robert C. Schoonmaker
Supplemental Rebuttal
Testimony
Sponsor: Small Telephone
Company Group
Case No.: TO-2005-0384

**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) Case No. TO-2005-0384
Pursuant to the Telecommunications Act)
of 1996.)

**SUPPLEMENTAL REBUTTAL TESTIMONY OF
ROBERT C. SCHOONMAKER**

On behalf of The Small Telephone Company Group

November 14, 2006

NON-PROPRIETARY

**** Denotes Excluded Highly Confidential Material****

STCG Exhibit No. 31-NP
Case No(s) TO-2005-0384
Date 12/18/06 Rptr MLV

TABLE OF CONTENTS

1		
2		
3		
4	I.	BACKGROUND OF WITNESS 3
5		
6	II.	PURPOSES OF TESTIMONY 3
7		
8	III.	REGULATORY CHANGES OCCURRING SINCE
9		THE PRIOR HEARING 4
10		
11	IV.	ISSUES RELATED TO THE COMMISSION RULES 7
12		
13	V.	USCOC'S AUGUST 15, 2006 COMPLIANCE FILING 12
14		
15	VI.	USCOC'S SERVICE COVERAGE 17
16		
17	VII.	COMMISSION RULES REGARDING FINANCIAL
18		REPORTS 22
19		
20	VIII.	PUBLIC POLICY ISSUE 26
21		
22	IX.	SUMMARY 29
23		
24		
25		

1
2 **SUPPLEMENTAL REBUTTAL TESTIMONY OF**
3 **ROBERT C. SCHOONMAKER**
4

5
6 **I. BACKGROUND OF WITNESS**
7

8 Q. Please state your name and address.

9 A. My name is Robert C. Schoonmaker. My business address is 2270 La Montana
10 Way, Colorado Springs, Colorado 80918.
11

12 Q. By whom are you employed and in what capacity?

13 A. I am President and CEO of GVNW Consulting, Inc., a consulting firm
14 specializing in working with small telephone companies.
15

16 Q. Are you the same Robert C. Schoonmaker that previously filed testimony in this
17 proceeding?

18 A. Yes, I am.
19

20 Q. Are you continuing to provide testimony on behalf of the Small Telephone
21 Company Group (STCG)?

22 A. Yes. Members of the STCG were provided in RCS Schedule-1 attached to my
23 Rebuttal Testimony filed on September 12, 2005.
24

25 **II. PURPOSE OF TESTIMONY**
26

27 Q. What is the purpose of your Supplemental Rebuttal Testimony?

1 A. Since it has been a considerable time since the bulk of the evidence was presented
2 in this case, I will summarize some of the salient issues in this case that have been
3 addressed in prior testimony, particularly in relationship as to whether
4 circumstances have changed since that previous testimony was presented. In
5 addition, I will provide testimony on the two-year plan provided by US Cellular
6 (USCOC) in its filing with the Commission on August 11, 2006.

7
8 **III. REGULATORY CHANGES OCCURRING SINCE THE PRIOR**
9 **HEARING**
10

11 Q. Have there been changes in the regulatory environment relating to the granting of
12 ETC status in Missouri since the prior hearing in this case?

13 A. Yes. There have been some. These include the adoption of a rule regarding the
14 granting of ETC status, implementation of the Missouri Universal Service Fund
15 (MoUSF) for Lifeline, Linkup, and other handicapped customers, and the granting
16 of ETC status by the Commission to two other wireless carriers in the state.¹

17
18 Q. Let's turn first to the adoption of a rule by the Commission regarding the granting
19 of ETC status. I presume that you are referring specifically to 4 CSR 240-3.570
20 which was added to the Commission's rules. Is that correct?

21 A. Yes, it is. The rules contained in this section became effective on June 30, 2006
22 after being published in the State Register. They contain the provisions that the

¹ Mo PSC Case No. TO-2005-0466 (Northwest Missouri Cellular) and TO-2006-0172 (Missouri RSA No. 5, aka Chariton Valley Cellular).

1 Commission has adopted in regard to both the granting of ETC status and the
2 annual certification of that status to the FCC.

3

4 Q. Does the adoption of these rules have an impact on this case and the decisions that
5 the Commission will need to make in regard to USCOC's application?

6 A. Yes. The adoption of these rules provides specific guidance on how the
7 Commission will view ETC applications and the criteria that an applicant must
8 address and meet in order for them to be granted ETC status. In a number of
9 cases, the additional specificity provided by the Commission's rules will have an
10 impact on this case as it was previously presented. In addition it is important to
11 note that the Commission applied its rules to the Northwest Missouri Cellular and
12 Chariton Valley Cellular applications.

13

14 Q. Can you give an example of this?

15 A. Yes. 4 CSR 240-3.570(2)(B) states that a CMRS carrier applying for ETC status
16 has to make a commitment to abide by a consumer code adopted by the Cellular
17 Telecommunications and Internet Association (CTIA). This rule is similar to
18 requirements adopted by the FCC in this regard for carriers filing for ETC status
19 before the FCC. In my Rebuttal Testimony, I recommended that the Commission
20 go beyond this requirement and require CMRS providers to comply with rules
21 similar to those imposed on incumbent local exchange carriers (ILECs). The
22 STCG recognizes that the Commission rule did not adopt the position we
23 recommended in this case. While we don't necessarily agree that the Commission

1 made the right decision in its rule in this regard, we recognize now that the issue
2 in this case should relate specifically to whether USCOC is in compliance with
3 the CTIA Consumer Code. I will briefly address this issue later in my testimony.
4

5 Q. You mentioned also that the MoUSF had been implemented since the testimony
6 was presented in the prior hearing. What is the impact of this change on the
7 issues in this proceeding?

8 A. This will primarily impact the public interest considerations in regard to the
9 comparability of rates between USCOC and the ILECs for Linceline service. With
10 the implementation of the MoUSF, Lifeline customers of wireline service will
11 receive substantially greater discounts than before the MoUSF was implemented
12 and greater discounts in comparison to CMRS providers.
13

14 Q. What significance does the Commission's granting ETC status to two other
15 CMRS providers have on considerations in this case?

16 A. First, simply because the Commission granted ETC status to Northwest Missouri
17 Cellular and Chariton Valley Cellular in their applications, it should not
18 automatically conclude that USCOC should also be granted ETC status. The
19 factual situations regarding the applications are different in some significant
20 respects. The Commission should continue to review the USCOC application
21 based on the specific factual information provided by USCOC in regard to the
22 requirements established by federal statute and by its rules and those factual

1 situations are different in the USCOC application from the prior applications that
2 were approved.

3 Second, since USCOC is requesting ETC status in some of the same areas that
4 ETC status has been granted in the prior applications, the Commission should
5 consider, from a policy standpoint, whether it should grant multiple wireless ETC
6 applications in the same areas.

7

8 **IV. ISSUES RELATED TO THE COMMISSION RULES**

9 Q. Let's turn back now and address in more detail issues that arise from changes in
10 the Commission's rules. First, did the Commission's rules contain any specific
11 provisions on updating ETC applications?

12 A. They did. 4 CSR 240-3.570(5)(F) requires carriers with requests for ETC status
13 pending before the Commission to file any updated information required by the
14 new rules within 30 days of the effective date of the rules or to file a statement
15 indicating that no updates need to be made.

16

17 Q. Did USCOC make such a filing?

18 A. It is my understanding that they did not within that time frame. They did file their
19 updated two-year plan for use of USF funds, information that is required by the
20 new rules, on August 11, 2006, a few days beyond the date required by the new
21 rules. In a later pleading before the Commission, on September 21, 2006,
22 USCOC argued that the record that had been previously established contained all

1 the information in compliance with the Commission's rule (with the exception of
2 the two (2) year plan) and did not need to be supplemented further.

3

4 Q. In reviewing the requirements of the new rules are there issues which you believe
5 that USCOC did not address in their prior testimony?

6 A. Yes. 4 CSR 240-3.570(2)(C) specifies that "...each request for ETC designation
7 shall include a plan outlining the method for handling unusual construction or
8 installation charges. 4 CSR 240-3.570(3)(C)3B and C discuss steps that a CMRS
9 provider shall undertake in responding to requests for service where they do not
10 currently provide service. Subparagraph 3C indicates that where unusual
11 circumstances are encountered that customers requesting service may be charged
12 for some of the constructions charges associated with additional construction.
13 While in the direct testimony of Mr. Wright on Page 8, he outlined procedures
14 that he indicated USCOC would follow similar to those required in 4 CSR 240-
15 3.570(3)(C)3B, he provided no information on the process or procedures that
16 USCOC would use in regard to charging construction charges. USCOC has not
17 addressed in its case, this specific issue required by the Missouri rules.

18

19 Q. In your Rebuttal Testimony on Page 33 you addressed concerns as to whether
20 USCOC had adequate procedures to comply with the steps that Mr. Wright
21 outlined. Do those concerns continue?

22 A. Yes. As I explained in that testimony, we asked in a data request to provide the
23 procedures that would be used and that are used in other states, USCOC indicated

1 that the procedures were being developed, but could provide no specific
2 procedures that it had in place. In data requests submitted on September 29,
3 2006, to USCOC, the STCG included a request (DR 2.13) asking for responses to
4 any previous data requests to be updated if new information had been developed
5 or the answers had changed because of passage of time. Attached as RCS
6 Schedule-14, is USCOC's reply indicating that there were no updates to previous
7 data requests. I can only presume then, that USCOC still does not have any
8 procedures developed for implementing the steps required by the Commission's
9 rules.

10
11 Q. 4 CSR 240-3.570(2)(A)10 requires an ETC application to commit to offer a local
12 usage plan comparable to the plan offered by the ILEC in the requested area. Do
13 you believe that USCOC has, in fact, offered such a plan.

14 A. I do not. In my Rebuttal Testimony, I included RCS Schedule-2 which showed
15 the local service rates for the STCG ILEC study areas for which US Cellular had
16 requested ETC status. As I explained there, the ILEC rates in general range
17 between \$11 and \$19 per month including the federal Subscriber Line Charge
18 (SLC). At that time the lowest USCOC rate plan, as shown on RCS Schedule-3
19 was a \$39.95 plan which included 1000 minutes (originating and terminating).

20
21 Q. Does the Schedule NW-1 which Mr. Wright propounded as US Cellular's current
22 rate plans still reflect their current plans?

1 A. Apparently it does not. I had my staff access the USCOC website on November
2 10, 2006 and extract the latest rate plans available for customers in Missouri.
3 Attached as RCS Schedule-15 is the data we found on the lower priced "Wide
4 Area Plans" that USCOC currently offers.

5
6 Q. Is a \$39.99 plan the lowest plan rate that USCOC currently offers?

7 A. No, they now apparently offer a \$29.99 plan with 300 originating and terminating
8 minutes included in the plan. However, I do note that their \$39.99 plan only
9 includes 700 minutes now, and to receive 1000 originating and terminating
10 minutes, the price is now \$49.99. While several of the USCOC higher rated plans
11 include unlimited terminating minutes, none of them include unlimited originating
12 minutes. I also note for the lower priced plans, the cost of roaming minutes has
13 increased from \$0.40 per minute to \$0.49 per minute.

14
15 Q. Do the plans that USCOC offer to comply with 4 CSR 240-3.570(2)(A)10
16 compare to the plans that are offered by Northwest Missouri Cellular and
17 Chariton Valley Cellular.

18 A. No. Both of those CMRS providers committed to offer a plan comparable to the
19 ILEC calling plans which includes unlimited local calling within a calling area
20 similar to the ILEC calling area. USCOC does not offer a similar plan, nor has it
21 made such a commitment.

22

1 Q. 4 CSR 240-3.570(2)(A)10 also requires a CMRS provider requesting ETC status
2 to offer Lifeline and Link-up plans comparable to ILEC offerings. Can you
3 comment on the Lineline plan that USCOC proposed?

4 A. Yes. I discussed this previously on pages 23 and 24 of my Rebuttal Testimony.
5 At that time USCOC offered a Lifeline plan at \$25.00 per month with 125
6 minutes of use and \$0.40 per minute for additional usage. USCOC has offered no
7 information that indicates that their pricing for Lifeline service has changed.
8 However, in our review of USCOC's website on November 10, 2006 we found
9 that their Lifeline pricing in other states where they have been granted ETC
10 service has changed. In those states their Essential Lifeline service offering is
11 priced at \$29.99 and includes 300 minutes of service. Based on Mr. Wright's
12 earlier testimony they would, to eligible customers, provide a discount of \$8.25 to
13 STCG customers who subscribed to such service (\$6.50 federal SLC discount
14 plus \$1.75 Tier II discount).² RCS Schedule 16 which is attached to this
15 testimony is a copy of the USCOC web page regarding Lifeline rates as of
16 November 10, 2006.

17
18 Q. How has implementation of the MoUSF changed the comparability of Lifeline
19 rates between USCOC and the incumbent ILECs?

20 A. Since by Missouri law, USCOC is not defined as a "telecommunications carrier",
21 USCOC neither contributes to or receives funding from the MoUSF. The ILECs
22 both contribute to and receive MoUSF funding for Lifeline customers. Thus the

² See Wright direct testimony, p. 6.

1 implementation of the MoUSF increases the cost disparity between the ILEC
2 lifeline rates and USCOC lifeline rates.

3

4 Q. With the implementation of the MoUSF what is the potential Lifeline discount
5 that an eligible Lifeline customer could receive from an ILEC and from USCOC?

6 A. The maximum they could receive from an ILEC is \$13.50 consisting of the \$6.50
7 federal SLC, the Tier II discount of \$1.75, the MoUSF discount of \$3.50 and the
8 federal Tier III discount of \$1.75. From USCOC, the maximum discount would
9 be \$8.25 consisting of the \$6.50 federal SLC and the Tier II discount of \$1.75.

10

11 Q. Have you prepared a comparison of the Lifeline Rates that customers of the
12 ILECs and of USCOC would pay.

13 A. Yes, I have prepared RCS Schedule-16 to illustrate the comparison between the
14 ILEC and USCOC Lifeline rates.

15

16 Q. Are the USCOC Lifeline rates, in your opinion, comparable to the ILEC Lifeline
17 rates?

18 A. No. As illustrated on RCS Schedule-16 they are considerably higher. It is clear
19 from this Schedule that a Lifeline customer, from a financial standpoint, would
20 not be financially better off by subscribing to the USCOC Lifeline service.

21

22 **V. USCOC's AUGUST 15, 2006 COMPLIANCE FILING**

23

1 Q. Have you reviewed USCOC's filing of August 15, 2006 and additional materials
2 received through data request responses to the parties related to that filing?

3 A. Yes.

4

5 Q. After reviewing these materials does the new data presented have an impact on
6 your earlier discussion (Rebuttal Testimony, pages 61 through 73) regarding the
7 provision of service throughout the territory for which USCOC has requested
8 ETC designation?

9 A. Yes, the additional materials presented may impact that discussion for some of the
10 STCG companies.

11

12 Q. Did USCOC provide with its filing an updated map of the coverage provided by
13 its towers in Missouri?

14 A. Yes. Appendix 4 of the filing (designated HC) is a map of USCOC's existing
15 coverage of Missouri. The copy of this Appendix available to the STCG from the
16 Commission's web site is a black and white copy only. Further, the Legend and
17 other text descriptions are too small to be legible. The STCG received a copy of
18 the four color version of the map on November 13 and is currently evaluating the
19 data shown in more detail on the map.

20

21 Appendix 5 of the filing (also designated as HC) shows the coverage that will
22 result from the additional sites included in USCOC's two-year plan. This was also
23 only available in black and white on the Commission's web site and in the

1 information provided to counsel. However, upon request from USCOC I also
2 received a color copy of this map on November 13, 2006. I have requested Mr.
3 Glenn Brown to provide me with additional maps showing the coverage areas as
4 shown in these maps in relation to the STCG exchange boundaries. RCS
5 Schedule 18(HC), Page 1 shows the USCOC existing coverage from USOC's
6 August filing in comparison to the STCG exchanges.

7
8 Q. Did you compare the existing coverage area as shown in Appendix 4 of USCOC's
9 August compliance filing as shown on RCS Schedule 18(HC), Page 1, with the
10 coverage area identified by USCOC last year as depicted in RCS Schedule 7(HC),
11 Page 3?

12 A. Yes, I did. This is displayed in RCS Schedule 18(HC), Page 2. On this Schedule
13 the existing coverage map is displayed in black while the coverage provided
14 earlier in this proceeding is depicted in grey. In reviewing these maps visually it
15 is quite evident that the coverage area depicted for existing coverage on the
16 current map is larger than that depicted in RCS Schedule 7(HC), Page 3. In
17 response to a data request from CenturyTel (DR #16), (See Schedule RCS-19)
18 USCOC provides an explanation as to why the coverage area is different.
19 Basically, USCOC indicates the coverage area has been expanded because they
20 have added "...numerous cell sites..." in the interim period and because they have
21 "...tuned or adjusted..." their propagation model.

22

1 Q. Are the locations of the additional towers that USCOC constructed in the interim
2 period between the production of the maps displayed on RCS Schedule 18(HC),
3 Page 2?

4 A. Yes. These are depicted by the red dots on the Schedule. In reviewing the
5 locations of these sites, it is evident that the increased coverage in some areas of
6 the state, such as the southwestern corner of the state and the southern part of the
7 state in general, has not been the result of new towers near the STCG exchanges.
8 Tower locations in the central and northeastern parts of the state would appear in
9 some cases to have provided improved coverage for STCG exchanges in some
10 instances.

11

12 Q. What is your reaction to the considerable increase in coverage depicted by
13 USCOC in its August filing in comparison to that provided earlier in the
14 proceeding?

15 A. I am puzzled by the substantial increase in the coverage area where new towers
16 have not been constructed. I have reviewed the current map in comparison with
17 the prior one and the level of coverage is identified using the same scale in both
18 maps. I believe that USCOC owes a more detailed explanation so that the parties
19 and the Commission can better ascertain which of the two coverage maps is most
20 credible.

21

22 Q. Did USCOC provide a coverage map for the towers that they included in their
23 two-year plan for future construction?

1 A. Yes. RCS Schedule 18(HC), Page 4 is a depiction of the coverage projected by
2 USCOC from the towers they propose to build in their two-year plan. RCS
3 Schedule 18(HC), Page 5 combines the existing and proposed coverage areas with
4 the proposed coverage area depicted in red while the existing area is in black.

5

6 Q. What are your observations regarding these two maps?

7 A. First, I note that there are relatively few STCG exchanges that will receive
8 improved coverage as a result of the construction of the additional towers during
9 the two-year plan. Secondly, it is my observation that the new towers are being
10 located in areas where they will, to a large extent, strengthen coverage in areas
11 where coverage already exists, and to a much smaller extent expand coverage to
12 areas where there is no coverage. I would also observe that at this rate of
13 expansion it will take a considerable time to cover the large parts of USCOC's
14 requested ETC area where they currently provide no service.

15

16 Q. Why is the level of coverage important for the Commission to consider in this
17 case?

18 A. As I indicated on Page 57 of my Rebuttal Testimony, Section 214(e) of the Act
19 states that for an ETC applicant to receive designation and support in a rural
20 telephone company's service area, it must provide services for which it will
21 receive support "throughout the service area for which the designation is
22 received". The evidence presented in this case by the parties involved clearly
23 demonstrates that in at least some of the study areas for which USCOC is

1 requesting ETC status, they do not provide service “throughout the study area”.
2 In several of these cases, they do not provide service at all in the study area for
3 which they are requesting ETC status.

4

5 **VI. USCOC’S SERVICE COVERAGE**

6 Q. Are there study areas where the STCG concedes that USCOC provides service
7 throughout the study area?

8 A. Yes. As I indicated on Page 65 of my Rebuttal Testimony, the STCG recognizes
9 that the coverage provided in the Choctaw, Farber, Granby, Miller, New Florence,
10 and New London study areas is generally adequate throughout the study area.
11 The STCG would not challenge the granting of ETC status in these study areas on
12 the basis of the lack of providing service throughout the study area, though we
13 continue to challenge granting that status on other grounds.

14

15 Q. At the opposite end of the spectrum are there other study areas where USCOC
16 clearly does not provide service and should not be granted ETC status for no other
17 reasons than that they do not provide service “throughout the study area”?

18 A. Yes. As indicated on Page 65 of my Rebuttal Testimony, in the BPS, Goodman,
19 Holway, IAMO, LeRu, and Steelville study areas, the USCOC coverage was very
20 limited or non-existent and I recommended that the Commission not approve ETC
21 status for USCOC in these areas.

22

1 Q. Has the passage of time and the new information provided by USCOC changed
2 your recommendation in any of these study areas?

3 A. In most cases, no. In reviewing the additional data provided by USCOC, I note
4 that none of the additional towers constructed by USCOC are sufficiently close to
5 these study areas to have any impact of increasing coverage. While the new
6 coverage map provided by USCOC seems to indicate somewhat increased
7 coverage in the Holway, Le-Ru, and Goodman study areas from their previous
8 map, the coverage is not substantially changed from that indicated by Mr.
9 Brown's previous analysis.

10

11 Q. Have you done any additional analysis to confirm this?

12 A. Yes. I had a member of my staff review the USCOC web site on November 13,
13 2006, to identify the communities in which USCOC indicates that it provides
14 service in Missouri. RCS Schedule 20 contains a list by study area of all the
15 STCG exchanges for which USCOC has requested ETC status and whether or not
16 USCOC provides service as indicated by the alphabetical list on their web site of
17 communities in Missouri where they offer service. In these study areas USCOC's
18 web site indicates that it offers service in only three of the exchanges, the
19 Clearmont exchange of IAMO, the Stella exchange of Le-Ru, and the Vibernum
20 exchange of Steelville. While the USCOC web site indicates the offering of
21 service in Clearmont and Vibernum, the coverage maps, both last year's and this
22 year's, indicate no coverage in those exchanges. I continue to maintain that
23 USCOC should not be granted ETC status for the BPS, Goodman, Holway,

1 IAMO, and Steelville study areas. Based on the combined coverage data for Le-
2 Ru from the prior hearing and the current maps, and USCOC's web site indication
3 that it provides service in the Stella exchange, I cannot be so certain that they
4 should be denied ETC status in the Le-Ru study area based on lack of coverage.

5

6 Q. On pages 66-73 of your Rebuttal Testimony you discuss the Craw-Kan, Ellington,
7 Fidelity, Grand River, Kingdom, Mark Twain, Mid-Missouri, Northeast Missouri,
8 Orchard Farm, Peace Valley, Seneca, and Stoutland study areas on an individual
9 basis. Is your analysis as presented in that testimony still valid for some of these
10 study areas?

11 A. Yes. My analysis for the Craw-Kan, is the same now as it was at that time.

12

13 For Ellington I would arrive at the same conclusions, that there are serious
14 questions whether the service coverage in Ellington constitutes serving
15 "throughout the area". While the newer coverage maps indicate somewhat
16 increased coverage over that presented earlier, as shown on RCS Schedule 20,
17 USCOC only claims to provide service in two of Ellington's five exchanges.

18

19 For the Fidelity study area, I still conclude that the coverage is inadequate to meet
20 the statutory requirement. While examination of the revised coverage map
21 indicates some increased coverage in the Fidelity study area, coverage is still
22 lacking in several exchanges including Sullivan which is the largest exchange.

1 USCOC only claims to serve one of Fidelity's exchanges, Owensville as shown
2 on RCS Schedule 20.

3
4 I also continue to conclude that coverage in the Grand River study area clearly
5 doesn't meet the statutory requirement of coverage "throughout the service area."
6 My analysis, as stated on Page 68 of my Rebuttal Testimony, is basically
7 unchanged with the new coverage maps, although there may be somewhat higher
8 coverage in three or four of Grand River's 30 exchanges for which USCOC has
9 requested ETC status than there was previously.

10
11 In regard to Mid-Missouri Telephone Company, a review of the coverage data
12 from both the prior period and the current maps, along with the tower construction
13 data would lead me to a realization that a recommendation to deny ETC status
14 based on lack of coverage "throughout the service area" would be closer than it
15 was at the time Rebuttal Testimony was filed. However, I would continue to
16 make that recommendation since USCOC does not, on its web site, offer service
17 to four of the seven Mid-Missouri exchanges.

18
19 In regard to Northeast Missouri Telephone Company my overall analysis has not
20 changed, but I recognize that both recent and proposed tower additions impacting
21 this study area will improve service coverage over that recognized at the time of
22 my Rebuttal Testimony.

23

1 While it appears from the newly submitted coverage analysis that coverage in the
2 Orchard Farm study area may have increased, I continue to recommend that ETC
3 status not be granted since USCOC, as shown on Schedule RCS-20, does not
4 offer service in the Orchard Farm exchange.

5
6 My previous observations regarding Peace Valley Telephone Company, Seneca
7 Telephone Company, and Stoutland Telephone Company are still valid.

8
9 Q. Has your analysis changed for some of the study areas that were covered on an
10 individual company basis in your Rebuttal Testimony?

11 A. Yes. While I indicated that I had mixed observations in regard to Kingdom
12 Telephone Company in my Rebuttal Testimony and recommended ultimately that
13 ETC status not be granted to USCOC for this study area, my conclusion now
14 would be less certain. In reviewing the coverage, as shown on RCS Schedule
15 7(HC) Pages 29 and 30, along with the updated coverage maps, I note that at least
16 one tower constructed in the past year has likely improved coverage in Kingdom's
17 study area and that another listed in the two-year plan would also do so. Given
18 these updates, I admit that the decision as to whether coverage of Kingdom's
19 study area is sufficient is a judgmental one that the Commission will need to
20 make. In doing so they should take into consideration that USCOC only indicates
21 it provides service to three of Kingdom's seven exchanges as shown on RCS
22 Schedule 20.

23

1 I would also alter my conclusion in regard to Mark Twain Telephone Company.
2 Based on a review of the updated USCOC coverage data, additional tower
3 construction that has taken place in the Mark Twain area, a review of the Glenn
4 Brown analysis on RCS Schedule 7(HC), Page 33, and the fact that USCOC
5 claims to provide service in all but one of Mark Twain's exchanges as shown on
6 RCS Schedule 20, I would now recognize that service coverage in Mark Twain's
7 study area may be sufficient to qualify as providing service "throughout its
8 service area".

9
10 Q. Are there other considerations that the Commission should take into consideration
11 that have come to light from USCOC's August, 2006 filing and subsequent
12 information gathered from data responses?

13 A. Yes, there are. Among these are: 1) the ability of USCOC to report in the future
14 on their specific Missouri expenditures in their designated ETC area, if the
15 Commission grants part of their request; 2) the appropriate measurement of the
16 incremental investments that USCOC makes in response to a potential ETC
17 designation; and 3) the public policy consideration associated with granting
18 multiple competitive ETC designations in a given area.

19

20 **VII. COMMISSION RULES REGARDING FINANCIAL REPORTS**

21 Q. What provisions are there in the Commission's rules that relate to reporting on
22 expenditures and investments made within Missouri related to the ETC
23 designation given to a CMRS carrier?

1 A. I note several rules that relate to these requirements:

2 First, 4 CSR 3.570 (2)(A)2 requires:

3 "2. A two (2)-year plan demonstrating, with specificity, that high-cost
4 universal service support shall only be used for the provision,
5 maintenance and upgrading of facilities and services for which the
6 support is intended in the Missouri service area in which ETC
7 designation was granted."
8

9 Second, 4 CSR 3.570 (2)(A)3.D. provides that the two-year plan:

10 "D. The estimated amount of investment for each project that is funded
11 by high cost support;"
12

13 Third 4 CSR 3.570 (2)(A)3.G. provides that the two-year plan must include:

14 "G. A statement as to how the proposed plans would not otherwise occur
15 absent the receipt of high-cost support and that such support will be used
16 in addition to any expenses the ETC would normally incur;" (emphasis
17 added).
18

19 Fourth, 4 CSR 3.570 (4)(A) includes the following requirement:

20 "The affidavit will be accompanied by documentation or support
21 received and cost incurred."
22

23 Fifth, 4 CSR 3.570 (4)(B)1. states in part:

24 "1. A two (2)-year improvement plan shall include progress updates on
25 any previously submitted plan."
26

27 Sixth, 4 CSR 3.570 (4)(D) states:

28 "(D) ETC shall submit a demonstration that high-cost support was used
29 to improve coverage, service quality or capacity in the Missouri service
30 area in which ETC designation was granted and that such support was
31 used in addition to any expenses the ETC would normally incur."
32 (emphasis added).
33

1 Q. In regard to these reporting requirements what are some of the requirements that
2 you believe the Commission should be concerned about?

3 A. As I interpret the Commission's rules, the first significant requirement I believe is
4 inherent in these rules is that USCOC will be required to provide a two-year plan
5 outlining with specificity how the plan to spend USF amounts received within
6 their designated ETC area in Missouri over and above what they would otherwise
7 spend, assuming that the Commission grants them that designation in some study
8 areas. USCOC's August, 2006 Compliance filing largely filled that requirement,
9 although it did not include any indication of what they would spend absent an
10 ETC designation.

11

12 Q. Is there evidence that USCOC is investing further in its rural service area even
13 without an ETC designation?

14 A. Yes, there is. Based on responses to Staff DR #3 and CenturyTel DR #13 it
15 appears that USCOC has constructed ** [REDACTED] ** additional towers in its rural areas
16 between August, 2005 and September, 2006. Using the average ** [REDACTED] **
17 per site that USCOC has based its estimates on, excluding certain other types of
18 equipment, this means that in this one year period, USCOC has invested
19 ** [REDACTED] ** in its rural areas. The issue that is not clear is whether the
20 investments projected in USCOC's two-year plan are in addition to planned
21 investments, or would include projects that they would otherwise invest in.

22

1 Q. Are there responses to data requests that the STCG has received that lead you to a
2 conclusion that there is a lack of clarity as to whether the two-year plan is in
3 addition to investments that USCOC would otherwise make?

4 A. Yes. Attached as RCS Schedule 21(HC) is USCOC's response to BPS, et. al. data
5 request 2.06 which asked USCOC to provide capital expenditure budgets for
6 Missouri for 2006, 2007, and 2008. As can be seen from RCS Schedule 21(HC)
7 USCOC indicates that ** [REDACTED]

8 [REDACTED]**. They also state that it would be ** [REDACTED]
9 [REDACTED]

10 [REDACTED]** In my mind
11 these answers leave the Commission in a significant dilemma if their rules are to
12 be followed. How can the Commission know whether the two-year plan includes
13 items "...in addition to any expenses the ETC would normally incur;" unless the
14 Commission can have access to what the "normal" circumstances would be.
15 From USCOC's data request response this appears to be information ** [REDACTED]

16 [REDACTED]
17 [REDACTED]**

18

19 Q. Is there another significant requirement inherent in the rules you cited above?

20 A. I believe that the second significant requirement is for USCOC to come to the
21 Commission in future years and in conjunction with the new two-year plan that
22 they file, file reports on how well they have complied with the plan previously
23 submitted. Since the plan is submitted in project detail, it would be reasonable to

1 assume that such reports should include information on specific projects
2 completed in the ETC area designated in Missouri and their cost in comparison to
3 the prior plan.

4
5 Q. Do USCOC's data request responses raise a concern as to whether they will be
6 able to provide such reports?

7 A. Yes. RCS Schedule 22(HC) is the response of USCOC to a data request (BPS et.
8 al. DR #2.05) requesting capital expenditure data for the past three years. While
9 the response is a little confusing because the response is couched in terms of
10 "budgets" rather than capital expenditures, it appears that capital expenditure data
11 is ** [REDACTED]

12 [REDACTED]** Again it
13 seems, based on USCOC's representations to the STCG companies, that the
14 Commission may have difficulty getting the reports that are anticipated by the
15 rule.

16 This is further verified by USCOC's response to BPS et. al. Data Request #2.08
17 attached as RCS Schedule 23(HC) where USCOC indicates that it ** [REDACTED]
18 [REDACTED]**

19

20 VIII. PUBLIC POLICY ISSUE

21 Q. Do you see this as a greater issue in this case than it was in the Northwest
22 Missouri Cellular and Chariton Valley Cellular ETC cases?

1 A. I do. In both of those cases the companies operated wholly within Missouri and
2 wholly within the area for which they requested ETC designation. The areas they
3 serve are only rural areas where USF funds are intended to offset the high cost of
4 providing service. In the USCOC case, circumstances are different. USCOC
5 operates in a number of states, and in both urban and rural areas. Because of the
6 concerns regarding USCOC's financial reporting capabilities at a sufficiently low
7 level discussed in RCS Schedules 21(HC) and 22(HC), it will be much more
8 difficult for the Commission to identify whether USF funds are being used within
9 Missouri and within the areas that receive ETC designation.

10

11 Q. You mentioned earlier that there was a public policy issue that you believe the
12 Commission should consider in making its decision on granting ETC status in
13 response to USCOC's application. Could you describe that issue?

14 A. Yes. The Commission previously approved ETC applications from Northwest
15 Missouri Cellular and Chariton Valley Cellular in their requested service areas.
16 USCOC's application includes requests for ETC designation in the same study
17 areas where Northwest Missouri Cellular and Chariton Valley Cellular have
18 previously received that designation. The public policy question that the
19 Commission is faced with for the first time with this application is the question of
20 whether it is an appropriate use of universal service funds to support multiple
21 wireless carriers in the same service area. The Commission must now answer the
22 question as to whether it serves the public good to support competition by
23 multiple carriers in the same area for "universal service" purposes.

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

Q. Do you believe that a grant of ETC designation to USCOC in areas where the Commission has already granted another wireless carrier an ETC designation to be in the public interest?

A. No, I do not. In applying the public interest test in the Northwest Missouri Cellular case, the Commission found that:

“Granting NWMC an ETC designation will benefit the public by enabling NWMC to bring wireless service, including E911 (specifically in Worth County) and CDMA, to many remote locales and by increasing competition for primary telephone service in remote areas. In addition, Lifeline and Link-up customers will have access to service that would otherwise be unavailable to them. (Footnote omitted). The Commission concludes that the benefits to the public in rural Missouri of granting NWMC ETC status will outweigh the potential detriments to the USF.” (Report & Order, pp. 30-31)

The Commission made similar findings in the Chariton Valley Cellular case (Report & Order, pp. 33-34). In the instant case, the Commission must determine if there is any incremental benefit to granting an ETC designation to USCOC in those areas where it has previously granted ETC designations to Northwest Missouri Cellular and Chariton Valley Cellular. Based on the Commission’s analysis in the Northwest Missouri Cellular and Chariton Valley Cellular cases, it would appear that this is not the case. For example, wireless service, including 911, is already being provided in areas served by Northwest Missouri Cellular and Chariton Valley Cellular. Competition for primary telephone service in remote areas has now been enhanced by a grant of ETC designation to Northwest

1 Missouri Cellular and Chariton Valley Cellular. Lifeline and Link-up customers
2 will now have access to wireless service that was previously unavailable to them.
3 In other words, a grant of ETC designation to USCOC in areas where Northwest
4 Missouri Cellular and Chariton Valley Cellular currently serve will not result in
5 any additional benefits in these areas that have not already been achieved as a
6 result of the Commission's decision to award ETC designation to Northwest
7 Missouri Cellular and Chariton Valley Cellular. On the other side of the scale,
8 however, incremental costs will be incurred as USCOC will be eligible for
9 Universal Service Fund support in addition to that being received by the
10 underlying ILECs, Northwest Missouri Cellular and Chariton Valley Cellular.
11 So, in applying a public interest test to areas where the Commission has already
12 granted an additional ETC designation to a wireless carrier, the incremental
13 benefits of such designation will not outweigh the incremental costs and the
14 Commission should decline to grant USCOC ETC status in those areas where it
15 has previously granted ETC designation to other wireless carriers.

16
17 **IX. SUMMARY**

18 Q. Can you provide a summary of the key issues that the Commission needs to
19 review in this case and your recommendations for the Commission?

20 A. Yes. I would remind the Commission again, as I did in the summary of my
21 Rebuttal Testimony, that although USCOC only filed one application for ETC
22 status, that the Commission is required to individually evaluate the requests for
23 ETC status on a study area basis. For example, the Commission must carefully

1 review the data presented regarding the provision of service “throughout the
2 service area” as required by federal statute. In this regard, I have recommended
3 that the Commission deny USCOC’s application for ETC in the following study
4 areas because this requirement is not met:

- 5 BPS Telephone Company
- 6 Ellington Telephone Company
- 7 Fidelity Telephone Company
- 8 Goodman Telephone Company
- 9 Grand River Mutual Telephone Corporation
- 10 Holway Telephone Company
- 11 IAMO Telephone Company
- 12 Mid-Missouri Telephone Company
- 13 Orchard Farm Telephone Company
- 14 Seneca Telephone Company
- 15 Steelville Telephone Company
- 16

17 In addition, I have recommended that the Commission carefully review the extent
18 of the service coverage in the following area to make its own determination
19 regarding the sufficiency of that service coverage:

- 20 Kingdom Telephone Company
- 21 Le-Ru Telephone Company
- 22 Mark Twain Telephone Company
- 23 Northeast Missouri Telephone Company
- 24 Peace Valley Telephone Company
- 25 Stoutland Telephone Company
- 26

27 Secondly, I believe that the Commission needs to examine closely whether the
28 USCOC rate offerings and Lifeline offerings meet the Commission’s requirement
29 as comparable to the ILEC offerings. I believe the USCOC application differs
30 significantly from the prior applications by Northwest Missouri Cellular and
31 Chariton Valley Cellular in this regard. If the USCOC application does not meet

1 the appropriate comparability standard, the Commission should deny ETC status
2 to USCOC.

3
4 Third, I have recommended in my prior Rebuttal Testimony that the Commission
5 closely review USCOC's application for ETC status in the Craw-Kan study area
6 because of the cream-skimming issue raised by the proposed redefinition of
7 Craw-Kan's study area.

8
9 Finally, in applying the public policy test the Commission must also determine
10 whether the additional benefits of designating USCOC as an ETC in areas where
11 another wireless carrier has received ETC designation outweighs the additional
12 costs.

13

14 Q. Does this conclude your Supplemental Rebuttal Testimony?

15 A. Yes.

Exhibit No.: _____
Issue: *ETC Status*
Witness: *Robert C. Schoonmaker*
Type of Exhibit: *Supplemental Rebuttal Testimony*
Sponsoring Parties: *Small Telephone Company Group*
Case No.: *TO-2005-0384*
Date: *November 14, 2006*

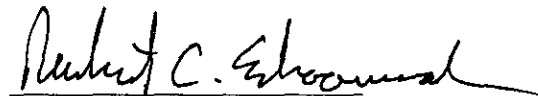
**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of USCOC)
of Greater Missouri, LLC for Designation as)
an Eligible Telecommunications Carrier) Case No. TO-2005-0384
Pursuant to the Telecommunications Act)
of 1996.)


AFFIDAVIT OF ROBERT C. SCHOONMAKER

Robert C. Schoonmaker, of lawful age, being duly sworn, deposes and states as follows:

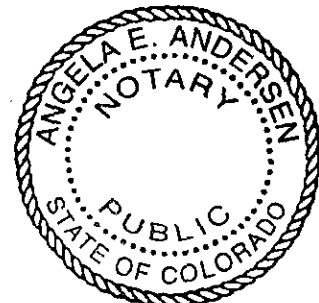
1. My name is Robert C. Schoonmaker. I am employed by GVNW Consulting, Inc. as President and Chief Executive Officer.
2. Attached hereto and made a part hereof for all purposes is my supplemental rebuttal testimony with accompanying schedules.
3. I hereby affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief and that the information contained in the attached schedules is also true and correct to the best of my knowledge and belief.


 Robert C. Schoonmaker

Subscribed and sworn to before me this 14th day of November, 2006.

 Notary Public

My Commission expires: 11/16/09



My Commission Expires 11/16/2009

RCS Schedule 14

DR 2.13: Updated Responses to Prior Data Requests. To the extent USCOC's answers and responses to any prior data requests has changed materially because of the passage of time or new information, please revise/update those responses accordingly (unless the information has already been provided in response to the data requests 2.01 through 2.12 above).

Response: U.S. Cellular will provide updated information in the event of material changes and has done so as appropriate in these responses.

Name: Stephanie Cassioppi
Title: Director of External Affairs



- [Products & Services](#)
- [Special Offers](#)
- [Business Services](#)
- [About Us](#)
- [Customer Support](#)
- [Store Finder](#)

U.S. Cellular Home

Products and Services

Plans

- › Wide Area
- › National
- › Speedtalk
- › Family Plan
- › Prepaid

Coverage Maps

Phones

Prepaid Service

Business Services

Features

Special Offers

Accessories

About Us

Customer Support

ONLINE OFFER
Free Shipping
Free Activation
with all
online orders
[Learn More](#)

STEP 1 SELECT A CALLING PLAN **STEP 2** SELECT A PHONE **STEP 3** SELECT ADDITIONAL FEATURES **STEP 4** SELECT ACCESSORIES **STEP 5** ADD LINES

PLANS Step 1: Select a calling plan

Current U.S. Cellular customers click here to learn how to upgrade phones and calling plans.

- [WIDE AREA PLANS](#)
- [NATIONAL PLANS](#)
- [SPEEDTALK PLANS](#)
- [FAMILY PLANS](#)
- [Which Plan Is Right For You?](#)

Wide Area calling plans for Halltown, MO

Click the Plan names for details and disclaimer

	Anytime Minutes	Monthly Rate	Additional Anytime Minutes	Included Roaming Minutes	CALL ME Minutes**	Night & Weekend Minutes	Mobile-to-Mobile Minutes
Wide Area 300 Buy	300	\$29.99	\$0.49	0	Unlimited \$6.00	9:00 P.M. \$6.00	Unlimited \$6.00
Wide Area 700 Buy	700	\$39.99	\$0.49	0	Unlimited Included	9:00 P.M. \$6.00	Unlimited \$6.00
Wide Area 1000 Buy	1000	\$49.99	\$0.49	30	Unlimited Included	Unlimited 7:00 P.M.	Unlimited \$6.00
Wide Area 1300 Buy	1300	\$59.99	\$0.25	30	Unlimited Included	Unlimited 7:00 P.M.	Unlimited \$6.00
Wide Area 2000 Buy	2000	\$79.99	\$0.25	30	Unlimited Included	Unlimited 7:00 P.M.	Unlimited \$6.00
Wide Area 3000 Buy	3000	\$99.99	\$0.25	30	Unlimited Included	Unlimited 7:00 P.M.	Unlimited \$6.00
Wide Area 5000 Buy	5000	\$149.99	\$0.25	30	Unlimited Included	Unlimited 7:00 P.M.	Unlimited \$6.00

[Click here for easysedge\(SM\) enhanced wireless services](#)



About SSI Certificates

- [Site Map](#)
- [Privacy](#)
- [Legal](#)
- [Contact Us](#)

© 2006 U.S. Cellular.





- Products & Services
- Special Offers
- Business Services
- About Us
- Customer Support
- Store Finder

U.S. Cellular Home

Products and Services

Plans

Coverage Maps

Phones

Prepaid Service

Business Services

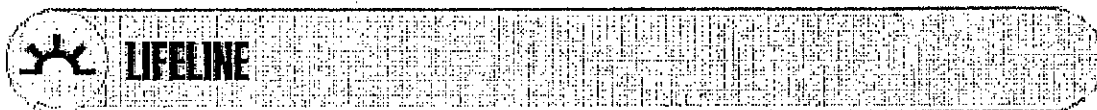
Features

Special Offers

Accessories

About Us

Customer Support



Lifeline Calling Plans

The Lifeline Calling Plans/Lifeline discounts are available to residents in states where U.S. Cellular[®] is an eligible telecommunications carrier. To purchase the Lifeline Calling Plan or receive Lifeline discounts, you must participate in one of the eligible programs and reside within U.S. Cellular's ETC coverage area based on the zip code of your home address. Lifeline subsidies may only be applied once per household on either your landline or your wireless service. Eligibility to receive Lifeline discounts will be verified annually.

Read more about Lifeline Qualifications

Call 1-800-447-1339 for more details about U.S. Cellular's Lifeline calling plans and to place an order.

Enhanced Lifeline Calling Plans		
Monthly Rate	\$29.99	\$39.99
Anytime Minutes	300	700
Roaming Minutes	\$10/100 Minutes	\$10/100 Minutes
Wide Area CALL ME Minutes SM	\$6.00	Unlimited
Wide Area Night & Weekend Minutes (Starting at 9:00 p.m.)	\$6.00	\$6.00
Additional Minutes	49¢ per minute	49¢ per minute
Coverage Area	View Coverage Map	View Coverage Map
Included Features: Voice Mail, Call Waiting, Caller ID, Call Forwarding, Three-Way Calling and Incoming Text Messages		

Essential Lifeline Calling Plans		
Monthly Rate	\$29.99	\$39.99
Anytime Minutes	300	700
Wide Area CALL ME Minutes SM	\$6.00	Unlimited
Wide Area Night & Weekend Minutes (Starting at 9:00 p.m.)	\$6.00	\$6.00
Additional Minutes	49¢ per minute	49¢ per minute
Coverage Area	View Coverage Map	View Coverage Map
Included Features: Voice Mail, Call Waiting, Caller ID, Call Forwarding, Three-Way Calling and Incoming Text Messages		

Lifeline Tribal Lands Prepaid Calling Plans	
One Time Payment for 24 Months	\$48
Anytime Minutes	700
CALL ME Minutes SM	Unlimited

Additional Minutes	49¢ per minute
Roaming	69¢ per minute
Text Messaging	Text Messaging 250-\$4.95/mo./line Text Messaging 750-\$9.95/mo./line Text Messaging Unlimited-\$14.95/mo./line Pay-As-You-Go-\$0.15/message Overage rate-\$0.15/message
International Services	Calls to Mexico and Canada - 50¢/minute Other International Calls: \$1.25/minute
Directory Assistance	\$1.50/call within your home calling area. Pricing in other areas may vary.
Signal Dial Direct Plus Wireless Phone Insurance	\$5.95/mo. Replaces or repairs your phone if it's lost, stole or damaged. (Requires instant refill). See Signal brochure for coverage details.
Coverage Area	View Coverage Map
Included Features: Nationwide Long Distance, Voice Mail, Call Waiting, Caller ID, Three-Way Calling and Incoming Text Messaging	

To receive Tribal Lifeline discounts, you must reside on land that meets the Bureau of Indian Affairs definition of reservation, specifically any federally recognized Native American tribe's reservation within U.S. Cellular's designated ETC coverage area. To purchase the Tribal Lands Prepaid Calling Lifeline Calling Plan or receive Lifeline discounts, you must participate in one of the eligible programs and reside within U.S. Cellular's ETC coverage area based on the zip code of your home address.



About SSL Certificates

[Site Map](#) | [Privacy](#) | [Legal](#) | [Contact Us](#)

© 2006 U.S. Cellular.



RCS Schedule 17

STCG ILECS' LOCAL SERVICE & LIFELINE RATES

Monthly Local Residential Rates

ILEC	Local Rate - Includes Rotary Dial and Touch Tone Rates	FSLC	Total Rate	Potential Lifeline Discount	Telco Lifeline Rate	USCOC Lifeline Rate
BPS Telephone Company	\$6.50 - \$7.00	\$6.50	\$13.00 - \$13.50	\$ 13.50	\$ -	\$ 21.74
Choctaw Telephone Company	\$8.75 - \$9.90	\$6.50	\$15.25 - \$16.40	\$ 13.50	\$ -	\$ 21.74
Craw-Kan Telephone Coop	\$5.00 - \$7.25	\$6.50	\$11.50 - \$13.75	\$ 13.50	\$0.00 - \$0.25	\$ 21.74
Ellington Telephone Company	\$5.70 - \$6.70	\$6.50	\$12.20 - \$13.20	\$ 13.50	\$ -	\$ 21.74
Farber Telephone Company	\$6.50 - \$7.75	\$6.50	\$13.00 - \$14.25	\$ 13.50	\$0.00 - \$0.75	\$ 21.74
Fidelity Telephone Company	\$10.25	\$6.50	\$16.75	\$ 13.50	\$ 3.25	\$ 21.74
Goodman Telephone Company	\$7.60	\$6.50	\$14.10	\$ 13.50	\$ 0.60	\$ 21.74
Granby Telephone Company	\$6.60	\$6.50	\$13.10	\$ 13.50	\$ -	\$ 21.74
Grand River Mutual Tel. Co.	\$7.22 - \$8.89	\$6.50	\$13.72 - \$15.39	\$ 13.50	\$0.22 - \$1.89	\$ 21.74
Holway Telephone Company	\$7.25 - \$13.00	\$6.50	\$13.75 - \$19.50	\$ 13.50	\$0.25 - \$6.00	\$ 21.74
IAMO Telephone Company	\$8.00	\$6.50	\$14.50	\$ 13.50	\$ 1.00	\$ 21.74
Kingdom Telephone Company	\$8.50	\$6.50	\$15.00	\$ 13.50	\$ 1.50	\$ 21.74
Le-Ru Telephone Company	\$10.50	\$6.50	\$17.00	\$ 13.50	\$ 3.50	\$ 21.74
Mark Twain Rural Tel. Co.	\$6.00	\$6.50	\$12.50	\$ 13.50	\$ -	\$ 21.74
Mid-Missouri Tel. Co.	\$8.00	\$6.50	\$14.50	\$ 13.50	\$ 1.00	\$ 21.74
Miller Telephone Company	\$9.00	\$6.50	\$15.50	\$ 13.50	\$ 2.00	\$ 21.74
New Florence Tel. Co.	\$4.50 - \$5.75	\$6.50	\$11.00 - \$12.25	\$ 13.50	\$ -	\$ 21.74
New London Tel. Co.	\$12.30	\$6.50	\$18.80	\$ 13.50	\$ 5.30	\$ 21.74
Northeast Missouri Rural Tel.	\$5.00	\$6.50	\$11.50	\$ 13.50	\$ -	\$ 21.74
Orchard Farm Telephone Company	\$12.25	\$6.50	\$18.75	\$ 13.50	\$ 5.25	\$ 21.74
Peace Valley Telephone Company	\$4.50 - \$6.50	\$6.50	\$11.00 - \$13.00	\$ 13.50	\$ -	\$ 21.74
Seneca Telephone Company	\$8.10	\$6.50	\$14.60	\$ 13.50	\$ 1.10	\$ 21.74
Steelville Telephone Exchange	\$8.95	\$6.50	\$15.45	\$ 13.50	\$ 1.95	\$ 21.74
Stoutland Telephone Company	\$8.75	\$6.50	\$15.25	\$ 13.50	\$ 1.75	\$ 21.74

IN ITS ENTIRETY

IS HIGHLY CONFIDENTIAL

SCHEDULE 18

DR 16: Please explain and describe, with specificity, why the indicated signal coverage as shown on Appendix 4 to USCOC's "Compliance Filing" of August 11, 2006 appears to be significantly larger for any given tower location than the signal coverage for any given tower location shown on USCOC's propagation analysis submitted and presented previously in this case.

Response: U.S. Cellular timely objected to this Data Request as being not reasonably calculated to lead to the production of relevant evidence. The Data Request seeks information regarding U.S. Cellular's prior list of proposed sites, which is not at issue in this case. U.S. Cellular's prior list of proposed sites was replaced with its 2-year network improvement plan in its August 11 compliance filing. Notwithstanding this objection, U.S. Cellular responds as follows:

Several factors may have contributed to the appearance of greater signal coverage on the 'existing coverage' map included in the August 11 compliance filing. First, as noted in response to DRs 14 and 15 above, the company added numerous cell sites in the time period between the production of the two maps. There may be instances in which the coverage area for a site appearing on the 2005 map appears significantly larger in the 2006 map, when in fact the greater coverage area resulted from the addition of a nearby tower.

Second, U.S. Cellular produces coverage maps based on the best information available at the time. Furthermore, U.S. Cellular continually strives to improve engineering processes and uses the best and most current data available. In one such example, U.S. Cellular "tuned," or adjusted, the propagation model it uses in determining predicted signal coverage in late 2005. This tuning was performed after the company conducted drive tests to verify signal strength in different portions of its Missouri network. It is standard industry practice to confirm coverage with drive tests and adjust or replace propagation models to improve system design. This often results in significant changes in predicted coverage.

Signature: _____ /s/ _____
Name: _____ Nick Wright _____
Position: _____ Vice President - West Operations _____

List of STCG Exchanges where ETC Status is Requested

	Company/Study Area	Exchange	USCOC Provide Service?
1	BPS Telephone Company	Bernie	No
2	BPS Telephone Company	Parma	No
3	Choctaw Telephone Company	Halltown	Yes
4	Craw-Kan Telephone Coop.	Asbury	Yes
5	Craw-Kan Telephone Coop.	Purcell	Yes
6	Ellington Telephone Company	Clearwater Lake	No
7	Ellington Telephone Company	Ellington	Yes
8	Ellington Telephone Company	Garwood	No
9	Ellington Telephone Company	Redford	Yes
10	Ellington Telephone Company	Sweetwater	No
12	Farber Telephone Company	Farber	Yes
11	Fidelity Telephone Company	Berger	No
13	Fidelity Telephone Company	Gerald	No
14	Fidelity Telephone Company	Japan	No
15	Fidelity Telephone Company	Lyon	No
16	Fidelity Telephone Company	New Haven	No
17	Fidelity Telephone Company	Owensville	Yes
18	Fidelity Telephone Company	Spring Bluff	No
19	Fidelity Telephone Company	Stanton	No
20	Fidelity Telephone Company	Sullivan	No
21	Goodman Telephone Company	Goodman	No
22	Granby Telephone Company	Diamond	Yes
23	Granby Telephone Company	Granby	Yes
24	Grand River Mutual Tel. Co.	Barnard	No
25	Grand River Mutual Tel. Co.	Bethany	No
26	Grand River Mutual Tel. Co.	Blockton	No
27	Grand River Mutual Tel. Co.	Brimson	No
28	Grand River Mutual Tel. Co.	Browning	No
29	Grand River Mutual Tel. Co.	Cainsville	Yes
30	Grand River Mutual Tel. Co.	Conception Jct.	No
31	Grand River Mutual Tel. Co.	Darlington	No
32	Grand River Mutual Tel. Co.	Davis City	No
33	Grand River Mutual Tel. Co.	Denver	No
34	Grand River Mutual Tel. Co.	Eagleville	Yes
35	Grand River Mutual Tel. Co.	Galt	Yes
36	Grand River Mutual Tel. Co.	Gentry	No
37	Grand River Mutual Tel. Co.	Gilman City	No
38	Grand River Mutual Tel. Co.	Graham	No
39	Grand River Mutual Tel. Co.	Jamesport	No
40	Grand River Mutual Tel. Co.	Lamoni	No
41	Grand River Mutual Tel. Co.	Lineville	No
42	Grand River Mutual Tel. Co.	Lucerne	Yes
43	Grand River Mutual Tel. Co.	Mercer	Yes

List of STCG Exchanges where ETC Status is Requested

	Company/Study Area	Exchange	USCOC Provide Service?
44	Grand River Mutual Tel. Co.	Mount Moriah	No
45	Grand River Mutual Tel. Co.	New Hampton	No
46	Grand River Mutual Tel. Co.	Newton	No
47	Grand River Mutual Tel. Co.	Parnell	Yes
48	Grand River Mutual Tel. Co.	Powersville	Yes
49	Grand River Mutual Tel. Co.	Princeton	No
50	Grand River Mutual Tel. Co.	Ravenwood	No
51	Grand River Mutual Tel. Co.	Ridgeway	No
52	Grand River Mutual Tel. Co.	Sheridan	Yes
53	Grand River Mutual Tel. Co.	Washington Center	No
54	Holway Telephone Company	Maitland	No
55	Holway Telephone Company	Skidmore	No
56	IAMO Telephone Company	Burlington Junction	No
57	IAMO Telephone Company	Clearmont	Yes
58	IAMO Telephone Company	Elmo	No
59	IAMO Telephone Company	Westboro	No
60	Kingdom Telephone Company	Auxvasse	Yes
61	Kingdom Telephone Company	Big Spring	No
62	Kingdom Telephone Company	Hatton	No
63	Kingdom Telephone Company	Mokane	No
64	Kingdom Telephone Company	Rhineland	No
65	Kingdom Telephone Company	Tebbetts	Yes
66	Kingdom Telephone Company	Williamsburg	Yes
67	Le-Ru Telephone Company	Stella	Yes
68	Mark Twain Rural Telephone Co.	Baring	Yes
69	Mark Twain Rural Telephone Co.	Bethel	Yes
70	Mark Twain Rural Telephone Co.	Brashear	Yes
71	Mark Twain Rural Telephone Co.	Durham	Yes
72	Mark Twain Rural Telephone Co.	Green Top	Yes
73	Mark Twain Rural Telephone Co.	Hurdlan	Yes
74	Mark Twain Rural Telephone Co.	Knox City	Yes
75	Mark Twain Rural Telephone Co.	Leonard	Yes
76	Mark Twain Rural Telephone Co.	Newark	Yes
77	Mark Twain Rural Telephone Co.	Novelty	Yes
78	Mark Twain Rural Telephone Co.	Philadelphia	Yes
79	Mark Twain Rural Telephone Co.	Steffenville	No
80	Mark Twain Rural Telephone Co.	Williamstown	Yes
81	Mark Twain Rural Telephone Co.	Wyaconda	Yes
82	Mid-Missouri Telephone Co.	Blackwater	No
83	Mid-Missouri Telephone Co.	Bunceton	No
84	Mid-Missouri Telephone Co.	Fortuna	Yes
85	Mid-Missouri Telephone Co.	High Point	Yes
86	Mid-Missouri Telephone Co.	Latham	Yes

List of STCG Exchanges where ETC Status is Requested

	Company/Study Area	Exchange	USCOC Provide Service?
87	Mid-Missouri Telephone Co.	Pilot Grove	No
88	Mid-Missouri Telephone Co.	Speed	No
89	Miller Telephone Co.	Miller	Yes
90	New Florence Telephone Co.	New Florence	Yes
91	New London Tel. Co./TDS Telecom	New London	Yes
92	Northeast Missouri Rural Telephone Co.	Arbela	Yes
93	Northeast Missouri Rural Telephone Co.	Brock	No
94	Northeast Missouri Rural Telephone Co.	Green City	Yes
95	Northeast Missouri Rural Telephone Co.	Lemons	No
96	Northeast Missouri Rural Telephone Co.	Luray	Yes
97	Northeast Missouri Rural Telephone Co.	Martins Town	No
98	Northeast Missouri Rural Telephone Co.	Memphis	Yes
99	Northeast Missouri Rural Telephone Co.	Novinger	Yes
100	Northeast Missouri Rural Telephone Co.	Omaha	No
101	Northeast Missouri Rural Telephone Co.	Pollock	Yes
102	Northeast Missouri Rural Telephone Co.	Queen City	Yes
103	Northeast Missouri Rural Telephone Co.	Tobin Creek	No
104	Northeast Missouri Rural Telephone Co.	Unionville	Yes
105	Northeast Missouri Rural Telephone Co.	Winigan	Yes
106	Orchard Farm Tel. Co./TDS Telecom	Orchard Farm	No
107	Peace Valley Telephone Co.	Peace Valley	Yes
108	Seneca Telephone Co.	Seneca	Yes
109	Seneca Telephone Co.	Tiff City	No
110	Steelville Telephone Exchange, Inc.	Cherryville	No
111	Steelville Telephone Exchange, Inc.	Huzzah	No
112	Steelville Telephone Exchange, Inc.	Steelville	No
113	Steelville Telephone Exchange, Inc.	Viburnum	Yes
114	Stoutland Telephone Co./TDS Telecom	Stoutland	Yes

SCHEDULE 21

IS HIGHLY CONFIDENTIAL

IN ITS ENTIRETY

SCHEDULE 22

IS HIGHLY CONFIDENTIAL

IN ITS ENTIRETY

SCHEDULE 23

IS HIGHLY CONFIDENTIAL

IN ITS ENTIRETY