

EXHIBIT

Exhibit No.:
Issue(s): ETC Designation
Witness/Type of Exhibit: Meisenheimer/Rebuttal
Sponsoring Party: Public Counsel
Case No.: TO-2005-0466

REBUTTAL TESTIMONY
OF
BARBARA A. MEISENHEIMER

Submitted on Behalf of the Office of the Public Counsel

NORTHWEST MISSOURI CELLULAR
CASE NO. TO-2005-0466

May 9, 2006

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REBUTTAL TESTIMONY
OF
BARBARA MEISENHEIMER
CASE NO. TO-2005-0466
APPLICATION OF NORTHWEST MISSOURI CELLULAR
LIMITED PARTNERSHIP FOR ETC STATUS

I. INTRODUCTION

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

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

Q. PLEASE SUMMARIZE YOUR EDUCATIONAL AND EMPLOYMENT BACKGROUND.

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

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

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

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

2 A. I reviewed the Application and the direct testimony of Roger Bundridge, Kathryn
3 Zentgraf and Jonathan Reeves filed on behalf of Northwest Missouri Cellular
4 Limited Partnership (NWMC or Company), portions of the Missouri Public
5 Service Commission rules, the Federal Communications Commission (FCC) rules
6 and Report and Orders, related to universal service.

7 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

8 A. The purpose of my testimony is to respond to the Company's Application and
9 supporting direct and supplemental direct testimony.

10

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

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

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

21 With respect to the availability of supported services, the Company has
22 provided incomplete information on its planned Lifeline offerings and methods
23 for serving customers throughout its requested designated ETC area in Missouri.
24 The Company currently serves in Missouri and, together with its ownership,

1 possesses substantial technical and financial resources. However, the Company
2 needs to provide more specific evidence that it can reasonably serve ubiquitously
3 and on a timely basis throughout the requested designated areas including areas
4 currently subject to "spotty" service.

5 With respect to the price, terms and conditions of service, the Company
6 already provides its customers with many of the services identified for Federal
7 universal service support and has committed in its Application and testimony to
8 offer the remaining supported services. However, the Company's testimony lacks
9 sufficient detail to ensure that its offerings are comparable to the ILECs' with
10 respect to the cost, terms and conditions of receiving supported services. The
11 record needs to specifically prove assurance that reasonably priced service will be
12 available to Lifeline customers on an ongoing basis. The Company should
13 provide proposed additional materials detailing its ILEC comparable offerings, its
14 Lifeline offerings and terms and conditions of those services. The ILEC
15 comparable offerings and at least one Lifeline offering should provide the same
16 calling scope as the incumbent for both outbound and inbound local calling,
17 including EAS points.

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

20 A. Not at this time. Public Counsel has reviewed the Applicant's position on this
21 issue and recommends certain conditions to address local calling scope issues.
22 However, before taking a final position, Public Counsel wants to review the
23 evidence submitted by the incumbent carrier parties and the whole record.

1 Q. WHAT CONDITIONS DO YOU RECOMMEND IF THE COMMISSION APPROVES THE
2 APPLICATION?

3 A. If the Commission decides to approve the Company's Application, Public
4 Counsel recommends that the Commission attach conditions to the grant of ETC
5 status that would enhance monitoring capabilities and provide additional
6 consumer protections consistent with the public interest. In addition to the
7 Company's voluntary commitments, Public Counsel suggests that the
8 Commission adopt the following minimum conditions to the ETC status approval:

- 9
10
11 ➤ The Company file and maintain with the Commission a current
12 copy of detailed service area maps, a list of the local telephone
13 exchanges in which service is available, a description of any
14 portions of an exchange where it is infeasible for the Company to
15 serve and an illustrative copy of customer service agreements;
16
17
18 ➤ The Company offer an ILEC comparable plan and Lifeline plan
19 that provides service and waives all toll and roaming charges on
20 calls to and from any telephone exchange area for which the
21 customers billing address would otherwise have mandatory
22 expanded local service if served by the incumbent carrier;
23
24
25 ➤ The Company commit to refrain from increasing the rate or
26 adversely altering the service elements of the approved Lifeline
27 offerings without prior approval by the Commission;
28
29 ➤ The Company informs prospective Lifeline customers of the price
30 of the lowest cost handset available. This would not limit the
31 Company's ability to inform a prospective Lifeline customer of
32 other available handsets;
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34
35 ➤ The Company discloses all its current resale agreements that may
36 be used as an additional method of serving customers that request
37 service in areas where customers have access to telephone service
38 but the Company is unable to provide facilities-based service using
39 its own facilities or those of another carrier with which it has
40 partnered to provide wireless service. To the extent that the

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Commission determines that the current resale agreements are inadequate to cover gaps in the Company's coverage, the Company should be required to seek such agreements and report on its progress to the Commission as an element of its annual reporting requirements.

Q. IS THE COMPANY SEEKING SUPPORT FROM THE MISSOURI UNIVERSAL SERVICE FUND?

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

Q. DO THE COMPANY'S PROPOSED SERVICE OFFERINGS SATISFY THE CRITERIA FOR STATE USF SUPPORT?

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

III. BACKGROUND ON UNIVERSAL SERVICE PROVISIONS

Q. WHAT ARE THE RELEVANT PROVISIONS OF THE 1996 TELECOMMUNICATIONS ACT THAT THAT THE COMMISSION SHOULD CONSIDER IN THIS CASE?

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

Section 254(e) mandates that:

- Only an eligible telecommunications carrier designated under section 214(e) shall be eligible to receive specific Federal universal service support.
- A carrier that receives such support shall use that support only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

Section 254(f) allows:

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

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

- A common carrier designated as an eligible telecommunications carrier under paragraph (2) or (3) shall be eligible to receive universal service support in accordance with Section 254 and shall, throughout the service area for which the designation is received.
- A common carrier designated as an eligible telecommunications carrier under paragraph (2) or (3) shall, throughout the service area for which the designation is received, offer the services that are supported by Federal universal service support mechanisms under section 254(c), either using its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by another eligible telecommunications carrier.)
- A common carrier designated as an eligible telecommunications carrier under paragraph (2) or (3) shall, throughout the service area for which the designation is received, advertise the availability of such services and the charges therefore using media of general distribution.

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

- A State commission shall upon its own motion or upon request designate a common carrier that meets the requirements of paragraph (1) as an eligible telecommunications carrier for a service area designated by the State commission.
- Upon request and consistent with the public interest, convenience, and necessity, the State commission may, in the case of an area served by a rural telephone company, and shall, in the case of all other areas, designate more than one common carrier as an eligible telecommunications carrier for a service area designated by the State commission, so long as each additional requesting carrier meets the requirements of paragraph (1).
- Before designating an additional eligible telecommunications carrier for an area served by a rural telephone company, the State commission shall find that the designation is in the public interest.

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

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

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

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

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

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

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

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

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

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

1 1996 Telecommunications Act. However, the FCC encouraged the state
2 commissions to at a minimum adopt similar requirements when designating ETC
3 status to carriers pursuant to section 214(e) (2).

4 **§ 54.202 Additional requirements for Commission designation of**
5 **eligible telecommunications carriers.**
6

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

10
11 (1) (A) commit to provide service throughout its proposed designated
12 service area to all customers making a reasonable request for service.
13 Each applicant shall certify that it will (1) provide service on a timely
14 basis to requesting customers within the applicant's service area where
15 the applicant's network already passes the potential customer's
16 premises; and (2) provide service within a reasonable period of time, if
17 the potential customer is within the applicant's licensed service area but
18 outside its existing network coverage, if service can be provided at
19 reasonable cost by (a) modifying or replacing the requesting customer's
20 equipment; (b) deploying a roof-mounted antenna or other equipment;
21 (c) adjusting the nearest cell tower; (d) adjusting network or customer
22 facilities; (e) reselling services from another carrier's facilities to
23 provide service; or (f) employing, leasing or constructing an additional
24 cell site, cell extender, repeater, or other similar equipment; and
25

26 (B) submit a five-year plan that describes with specificity proposed
27 improvements or upgrades to the applicant's network on a wire center-
28 by-wire center basis throughout its proposed designated service area.
29 Each applicant shall demonstrate how signal quality, coverage or
30 capacity will improve due to the receipt of high-cost support; the
31 projected start date and completion date for each improvement and the
32 estimated amount of investment for each project that is funded by high-
33 cost support; the specific geographic areas where the improvements
34 will be made; and the estimated population that will be served as a
35 result of the improvements. If an applicant believes that service
36 improvements in a particular wire center are not needed, it must explain
37 its basis for this determination and demonstrate how funding will
38 otherwise be used to further the provision of supported services in that
39 area.
40

41 (2) demonstrate its ability to remain functional in emergency situations,
42 including a demonstration that it has a reasonable amount of back-up
43 power to ensure functionality without an external power source, is able
44 to reroute traffic around damaged facilities, and is capable of managing
45 traffic spikes resulting from emergency situations.
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³ 47 C.F.R. § 54.401(4)

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(3) demonstrate that it will satisfy applicable consumer protection and service quality standards. A commitment by wireless applicants to comply with the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service will satisfy this requirement. Other commitments will be considered on a case-by-case basis.

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

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

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

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

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

Q. ARE STATE COMMISSIONS PRECLUDED FROM ESTABLISHING ADDITIONAL

1 **REQUIREMENTS FOR ETCs?**

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

5 We decline to mandate that state commissions adopt our requirements
6 for ETC designations. Section 214(e) (2) of the Act gives states the
7 primary responsibility to designate ETCs and prescribes that all state
8 designation decisions must be consistent with the public interest,
9 convenience, and necessity. We believe that section 214(e)(2)
10 demonstrates Congress's intent that state commissions evaluate local
11 factual situations in ETC cases and exercise discretion in reaching their
12 conclusions regarding the public interest, convenience and necessity, as
13 long as such determinations are consistent with federal and other state
14 law. States that exercise jurisdiction over ETCs should apply these
15 requirements in a manner that is consistent with section 214(e) (2) of
16 the Act. Furthermore, state commissions, as the entities most familiar
17 with the service area for which ETC designation is sought, are
18 particularly well equipped to determine their own ETC eligibility
19 requirements. Because the guidelines we establish in this Report and
20 Order are not binding upon the states, we reject arguments suggesting
21 that such guidelines would restrict the lawful rights of states to make
22 ETC designations. We also find that federal guidelines are consistent
23 with the holding of United States Court of Appeals for the Fifth Circuit
24 that nothing in section 214(e) of the Act prohibits the states from
25 imposing their own eligibility requirements in addition to those
26 described in section 214(e)(1). Consistent with our adoption of
27 permissive federal guidelines for ETC designation, state commissions
28 will continue to maintain the flexibility to impose additional eligibility
29 requirements in state ETC proceedings, if they so choose.... (Paragraph
30 61, Report & Order FCC 05-46)

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

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

37 (1) progress reports on the ETC's five-year service quality
38 improvement plan, including maps detailing progress towards
39 meeting its plan targets, an explanation of how much universal
40 service support was received and how the support was used to

- 1 improve signal quality, coverage, or capacity; and an explanation
2 regarding any network improvement targets that have not been
3 fulfilled. The information should be submitted at the wire center
4 level;
- 5 (2) detailed information on any outage lasting at least 30 minutes, for
6 any service area in which an ETC is designated for any facilities
7 it owns, operates, leases, or otherwise utilizes that potentially
8 affect at least ten percent of the end users served in a designated
9 service area, or that potentially affect a 911 special facility (as
10 defined in subsection (e) of section 4.5 of the *Outage Reporting*
11 *Order*). An outage is defined as a significant degradation in the
12 ability of an end user to establish and maintain a channel of
13 communications as a result of failure or degradation in the
14 performance of a communications provider's network.
15 Specifically, the ETC's annual report must include: (1) the date
16 and time of onset of the outage; (2) a brief description of the
17 outage and its resolution; (3) the particular services affected; (4)
18 the geographic areas affected by the outage; (5) steps taken to
19 prevent a similar situation in the future; and (6) the number of
20 customers affected;
- 21 (3) the number of requests for service from potential customers
22 within its service areas that were unfulfilled for the past year.
23 The ETC must also detail how it attempted to provide service to
24 those potential customers;
- 25 (4) the number of complaints per 1,000 handsets or lines;
- 26 (5) certification that the ETC is complying with applicable service
27 quality standards and consumer protection rules, e.g., the CTIA
28 Consumer Code for Wireless Service;
- 29 (6) certification that the ETC is able to function in emergency
30 situations;
- 31 (7) certification that the ETC is offering a local usage plan
32 comparable to that offered by the incumbent LEC in the relevant
33 service areas; and
- 34 (8) certification that the carrier acknowledges that the Commission
35 may require it to provide equal access to long distance carriers in
36 the event that no other eligible telecommunications carrier is
37 providing equal access within the service area.

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

40 A. Yes. As is true for the initial certification, the FCC encourages state commissions
41 at a minimum to adopt the requirements that apply to carriers certified by the

1 FCC, but neither mandates or limits a state commission's authority with respect to
2 establishing ongoing reporting requirements.

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4 ***IV. RESPONSE TO THE APPLICATION***

5 **Q. DOES THE COMPANY'S APPLICATION DEMONSTRATE THAT IT CAN PROVIDE THE**
6 **SUPPORTED SERVICES NECESSARY TO MEET THE ETC OBLIGATIONS?**

7 **A.** I accept that for purposes of federal high cost support the Company appears
8 capable of providing many of the supported services or a functional equivalent to
9 customers it serves. These services include:

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

18
19 The Company's testimony identifies two Lifeline service offerings that
20 would be offered to Missouri customers. The first Lifeline service plan provides
21 unlimited originating calls from the customer's home cell site to numbers within
22 Company cell site areas that cover any portion of the ILEC exchange and
23 incoming calls from the portion of the ILEC exchange covered by the Company's
24 cell sites for \$9.70 per month plus ½ the normal activation fee of \$35.⁴
25 Additionally, Lifeline customers are eligible for up to \$200 for 12 months in
26 interest free deferred payments. The testimony does not identify any equipment
27 change fees, term commitments, early termination fees or other terms of service,
28 such as a credit check, that may be a condition of service. Where the Company

1 does not have a foot print that encompasses an incumbent's entire exchange or
2 where EAS exists, it is not clear from the Application and testimony that the
3 calling scope and price for the most basic local services are comparable to those
4 offered by Missouri incumbent carriers.

5 The second plan offers what appears to be outbound calling from
6 anywhere in the Company's ETC designated service area. The Application is
7 unclear on whether inbound calling from all locations in the Company's ETC
8 designated service area would be included. As in the first plan, vertical services
9 are included. While vertical services may be desirable, they are not supported
10 services and should not be considered in the comparison to ILEC service package
11 available to low-income consumers.

12 **Q. IS APPENDIX K OF THE DIRECT TESTIMONY OF ROGER BUNDRIDGE A FAIR**
13 **COMPARISON OF NWMC'S LIFELINE RATES AS COMPARED TO THE ILECS' RATES?**

14 **A.** No, Appendix K does not provide an apples to apples comparison of rates. The
15 ILEC rates are illustrated at "full price" while NWMC's rates are reduced by the
16 federal support. To accurately reflect the ILEC Lifeline rates in the comparison,
17 the rates should be reduced by the basic \$1.75 federal discount and approximate
18 \$6.50 in Subscriber Line Charges. In addition, most ILECs in Missouri
19 participate in the MoUSF which generates a \$3.50 State discount and a Federal
20 matching discount of \$1.75. After taking these discounts into consideration,
21 NWMC's proposed Lifeline rates are higher than any of the ILEC rates illustrated
22 in Appendix K. Rates shown do not reflect these discounts even though they
23 would be provide to lifeline customers served by any of the incumbents.

⁴ The plan includes vertical features that are not supported services.

1 Q. ARE THE FEATURES SHOWN FOR NWMC IN APPENDIX K OF THE DIRECT
2 TESTIMONY OF ROGER BUNDRIDGE USF SUPPORTED SERVICES?

3 A. No. Although they are services that customers may value, they are not relevant in
4 comparing the supported service offerings of NWMC and the incumbent carriers.

5 Q. HAS THE COMPANY PROVIDED SUFFICIENT DETAIL REGARDING ITS PROPOSED
6 LIFELINE AND LINKUP OFFERINGS?

7 A. No, the Company's application does not provided an adequate description of the
8 terms and conditions associated with the Lifeline and Link Up services it intends
9 to offer if it receives ETC status. One concern is that if the services are available
10 only for a limited time, the basis upon which the Commission initially approved
11 may the applicants be susceptible to sufficient change. The Company should be
12 required not to increase the rate or adversely alter the service elements of a
13 minimum Lifeline offering without Commission approval, so that the new service
14 and rate continue to satisfy the Company's ETC obligation. I view this as a
15 significant safeguard for low-income consumers and a key in promoting the
16 public interest.

17 While buying a handset can be an expensive component of subscription, the
18 Federal universal service mechanism does not allow carriers to recover any cost
19 associated with the handset from the Fund. The Company should inform
20 prospective Lifeline customers of the price of the lowest cost handset available
21 while it retains the ability to inform a perspective Lifeline customer of other
22 available handsets.

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

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

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

6 A. Yes.

7 **Q. HAS THE COMPANY AGREED TO ONGOING SUBMISSIONS OF SPECIFIC SERVICE**
8 **OFFERINGS AND THE TERMS AND CONDITIONS OF SERVICE?**

9 A. Yes. The Company has agreed to maintain illustrative customer agreements
10 containing the terms of service on file with the Commission on an ongoing basis
11 so that the Commission Staff and Public Counsel will have access to them.

12 **Q. HAS THE COMPANY COMMITTED TO TERMS THAT WILL PROMOTE THE**
13 **UNIVERSAL AVAILABILITY OF SERVICE IN ITS TERRITORY?**

14 A. It has in part. In its Application, the Company committed to serve to the extent
15 feasible through various methods and to act as carrier of last resort if necessary.
16 On page 13, Mr. Bundridge's supplemental direct testimony outlines methods by
17 which the Company will serve requesting customers. Resale is not among the
18 methods listed on page 13, however, resale is mentioned on page 17 of the same
19 testimony as an option for serving currently unserved areas. It is unclear from
20 the application the extent to which the Company will be able to serve throughout
21 the requested area without the use of resale and the extent to which the Company
22 needs to established resale agreements to provide service in a timely manner. I
23 believe it is not unreasonable that the Company is required to submit an analysis
24 of the need for resale in order to serve currently served locations within 10

1 working days. I would not oppose shortening this timeframe based on appropriate
2 evidence provided by other parties in this proceeding. Upon the review of the
3 Company's analysis, the Commission may need to require the Company to pursue
4 resale agreements as a condition of receiving and retaining ETC status.

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

7 A. Yes. The Company does not disclose whether Lifeline customers or other
8 prospective customers will be subject to credit checks. The Company should be
9 required to provide service to all customers that do not have a past unpaid account
10 with the Company.

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

14 A. Yes. The Company agrees to provide the information required by the FCC for
15 carriers it certifies under Section 214(e) (6) and information consistent with the
16 Commission's proposed ETC rule.

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

20 A. The Company has committed to comply with the CTIA Consumer Code for
21 Wireless Service. The Consumer Code sets forth a list of information that will be
22 provided on a customer's bill as well as minimum quality of service standards.
23 The FCC requires carriers certified under section 214(e) (6) to adhere to the CTIA
24 standards. In addition, the Company should adhere to any state specific billing

1 disclosures, quality of service standards, a formal complaint process and other
2 customer relations procedures that are required by the Commission.

3 **Q. HAS THE COMPANY AGREED TO OFFER EQUAL ACCESS UNDER CERTAIN**
4 **CIRCUMSTANCES?**

5 A. Yes. The Company has indicated that it will offer equal access if the ILEC no
6 longer provides equal access within the service area.

7 **Q. HAS YOUR REVIEW OF THIS APPLICATION CAUSED OTHER CONCERNS THAT ARE**
8 **RELEVANT TO DESIGNATING CARRIERS AS ETCS?**

9 A. Yes. The multi-company service areas for which the Company seeks ETC status
10 may have unique impacts in Missouri due to the existence and prevalence of
11 expanded local calling routes in Missouri. One example is EAS which is a
12 mandatory one-way or two-way local calling plan that links communities of
13 interest. Mandatory expanded local calling services are supported service with
14 respect to incumbent carriers. Further, the Commission has long recognized the
15 public interest aspect of local calling between communities of interest. The
16 Company's Application does not specifically address expanded local calling
17 issues. The Company's "local" calling scope for at least the ILEC equivalent
18 plan and Lifeline offerings should include mandatory expanded local calling
19 points that landline customers can currently call on a local basis. There are a
20 number of issues I believe the Commission should consider with respect to this
21 issue. First, although the Company may offer a larger toll free calling area, in
22 some exchanges the service may not be comparable in terms of the communities
23 that customers were previously able to call without roaming or toll charges.
24 Second, the fact that the Company may offer termination of calls to more

1 exchanges does not count in the sense that high cost support is not targeted to
2 support toll usage. The Company should be required to provide toll-free and
3 roaming-free calling from the exchange associated with a customer's billing
4 address to any terminating expanded local calling points associated with that
5 exchange. Further, if possible, the Company in cooperation with other carriers
6 serving the expanded local calling points should be required to ensure that 7-digit
7 dialed landline calls from an expanded local originating exchange will be
8 delivered to its customers on a toll-free, roaming-free, minute free basis.

9 **Q. WHAT LIMITS SHOULD BE IMPOSED ON CUSTOMER FUNDED CONSTRUCTION?**

10 A. I believe that it would serve the public interest for NWMC to collect from
11 customers for construction or extensions no more than the ILEC charges. Despite
12 a tariff provision, many incumbents currently do not charge customers for line
13 extensions or other construction necessary to provide service. Instead, the ILEC
14 absorbs those costs, recovering them through normal rates and universal service
15 support. NWMC should commit to do the same.

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

17 A. Yes, it does.