

1 USCOC operates in a number of states, and in both urban and rural areas. It is likely that
2 many of the existing and potential customers of wireless telephone service who live and
3 work in these areas may want to subscribe to a wireless service that permits them to make
4 on-network calls to places that are beyond their immediate rural area; to places that are in
5 the more urban areas of Missouri or to locations that are out of state.

6 Second, as Mr. Schoonmaker correctly points out (pp. 9-12), USCOC offers a
7 variety of rate plans to its customers and continues to adapt these offerings in response to
8 customer needs and demands. The presence of USCOC as a viable competitor in these
9 areas will provide customers with additional pricing options and service plans with the
10 calling volumes and geographic scope that best meets their needs. Many of Missouri's
11 rural ILECs offer "basic service" for a low price, but only offer "unlimited" service to a
12 few hundred or a few thousand telephone numbers. In areas where wireless signal
13 strength is weak, rural consumers have no choice but to pay toll charges for all other
14 calls. I have attached as Exhibit A a chart, derived from ILEC tariffs, which illustrates
15 this point. This problem disproportionately impacts low-income consumers, who can
16 least afford to pay high intra-lata toll charges. USCOC's offerings allow consumers to
17 select a rate plan that suits their calling patterns. The benefits to consumers of the many
18 new choices that USCOC's rate plans afford should not be underestimated.

19 Third, as the FCC has repeatedly concluded, the entry of an additional ETC into a
20 rural area can be expected to create the following benefits: "[to] provide incentives to the
21 incumbent to implement new operating efficiencies, lower prices, and offer better service

1 to its customers.”¹⁵ The FCC refers to the provision of “customer choice, innovative
2 services, and new technologies” as benefits of a competitive ETC designation in a rural
3 area, but also explicitly notes that “competition will result not only in the deployment of
4 new facilities and technologies, but will also *provide an incentive to the incumbent rural*
5 *telephone companies to improve their existing network to remain competitive,*”¹⁶ and
6 “*competition may provide incentives to the incumbent to implement new operating*
7 *efficiencies, lower prices, and offer better service to its customers.*”¹⁷ The designation of
8 USCOC as an ETC in these areas can provide this benefit, but it is far less likely that an
9 ILEC’s affiliated wireless carrier would have such an impact. Given lack of opposition
10 by their ILEC ownership, it is much more likely that Northwest Missouri Cellular and
11 Chariton Valley Cellular will be managed in a way that avoids direct competition with
12 the wireline ILEC.

13
14 **Q. MR. STIDHAM OFFERS HIS OPINION THAT U.S. CELLULAR SHOULD NOT**
15 **BE ELIGIBLE TO RECEIVE HIGH-COST SUPPORT IN AREAS SERVED BY AT&T**
16 **MISSOURI. DO YOU AGREE?**

17 A. No. Mr. Stidham is entitled to his opinion, but he is incorrect as a matter of law. Section
18 54.307 of the FCC’s rules, which he cites, describes how much support a competitive ETC
19 receives. It says nothing about where such support can be invested and nothing in the federal
20 statute or the FCC’s rules restricts the use of support as Mr. Stidham suggests. Since this is a

¹⁵ *In the Matter of Western Wireless Corporation Petition for Designation as an Eligible Telecommunications Carrier in the State of Wyoming*, CC Docket No. 96-45, *Memorandum Opinion and Order*, DA 00-2896, ¶ 2 (rel. Dec. 26, 2000).

¹⁶ *Id.*, ¶ 17 (emphasis added).

¹⁷ *Id.*, ¶ 22 (emphasis added).

1 federal program, the FCC is in charge of how program funds are distributed. As far as I can tell,
2 Mr. Stidham's opinion has never been adopted by the FCC or any other state that has considered
3 the matter. His views are similar to a case I was involved in up in Vermont, where the Public
4 Service Board rejected an ILEC claim that support is "drawn" from a service area and must
5 therefore be "reinvested" back into the same area. The fact is, AT&T Missouri serves rural areas
6 in the state. Mr. Gryzmala admitted as much in his opening statement (Tr. p. 36). USCOC is
7 licensed in some of those rural areas. It is entirely appropriate and legal for the company to use
8 high-cost support funds to meet its obligations to build facilities within its designated ETC
9 service area, irrespective whether it is technically "rural" or "nonrural" as defined by the FCC.
10 Indeed that is the fundamental purpose of the federal statute. See 47 U.S.C. Section 214(e).
11 Finally, as a practical matter, it would make no sense for USCOC to apply for AT&T Missouri's
12 service area unless it needed funding to improve service there. By rejecting Mr. Stidham's
13 opinion, the Commission will ensure that consumers in these rural areas get the benefits that
14 USCOC is proposing to provide through its future investments of federal high-cost support.

15

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

17

18 A. Yes.

COMPANY NAME	BASIC RATES	CUSTOM CALLING FEATURES	BASIC RATE CALLING SCOPE
BPS Telephone Company	(Res.) \$6.50-\$7.00 (Bus.) \$13.00-\$14.00 depending on exchange (tariff, sec. 4, sh. 2)	Range from \$1.00 - \$6.00; Caller ID \$7.00 (from tariff)	Basic rates include Local Calling to certain BPS and SBC exchanges. Bernie has local calling to Parma & Malden (ATT). Parma has local calling to Bernie, Riscol, ATT), New Madrid (ATT), Lilbourn (ATT), Essex (ATT). Steele has local calling to Caruthersville (ATT) Hornersville (ATT), Deering (ATT). From 2003 Annual Report – 3 exchanges: Bernie 1,091 (Res.), 269 (Bus.); Parma 360 (Res.), 51 (Bus.); Steele 1,606 (Res.), 369 (Bus.)
Choctaw Telephone Company	(Res.) \$9.90 touchtone (Bus.) \$12.40 touchtone (tariff, sh. 1)	Range from \$2.00 to \$5.00; CallerID by number \$5.00 (from tariff)	Basic Rates include Halltown exchange only. 559 (Res.) and 72 (Bus.) in 2002 Annual Report. Additional \$11.45 (Res.) and \$21.75 (Bus.) get the Springfield Metro Calling Area.
Craw-Kan Telephone Cooperative, Inc. www.ckt.net	(Res.) \$5.00, \$5.75, \$7.25 (Bus.), \$7.75, \$8.75, \$10.75 (varies by exchange) (tariff, sh. 3)	Range from \$2.00 to \$5.00; CallerID by number and name \$6.00 (from tariff)	Basic rates include Craw-Kan exchanges only. (9 total) Access lines from 2004 report. (Res.) 2,350 (Bus.) 396.
Ellington Telephone Company	(Res.) \$6.70 touchtone (Bus.) \$10.50 touchtone (tariff, sh. 1)	Range from \$1.00 to \$2.50; CallerID by number \$4.00 (from tariff)	Basic Rates include Ellington exchanges only. 1,717 (Res.) 618 (Bus.) access lines in 2004 Annual Report.

COMPANY NAME	BASIC RATES	CUSTOM CALLING FEATURES	BASIC RATE CALLING SCOPE
Farber Telephone Company	(Res.) \$7.75 touchtone (Rural Res.) \$11.75, (Bus.) \$12.25 (tariff, sh. 1)	Range from \$1.00 to \$3.00; CallerID by number \$4.50 (from tariff)	Basic rates include Farber exchanges only. Access lines filed as confidential.
Fidelity Telephone Company	(Res.) \$10.25 (Bus.) \$19.95 (tariff, sh. 1)	Range from \$.75 to \$10.00. Caller ID by name (Res.) \$7.50, (Bus.) \$12.00 (tariff sh. 28.7)	Basic rates include all 9 Fidelity exchanges. Access line information was filed under seal.
Goodman Telephone Company	(Res.) \$7.60 (Bus.) \$12.65 (tariff, sh. 1)	Range from \$2.00 to \$3.50 CallerID \$5.00 (from tariff)	Basic rates include all Goodman, Ozark and Seneca exchanges. (Goodman, Lanagan, Noel, Seneca, Southwest City, Tiff City). Goodman had 1,705 (Res.) and 270 (Bus.) in Annual Report. Seneca had 2,728 (Res.) 626 (Bus.) in 2004 Annual Report. Ozark had 2,060 (Res.) 558 (Bus.) in 2004 Annual Report.
Granby Telephone Company	(Res.) \$6.60 (Bus.) \$8.85 (tariff, sh. 1)	Custom Calling Features: Range from \$3.00 to \$4.50 CallerID (name & number) \$4.95 (from tariff)	Basic rates include Diamond and Grandby exchanges: 2,188 (Res.) 551 (Bus.) access lines in 2004 Annual Report.

COMPANY NAME	BASIC RATES	CUSTOM CALLING FEATURES	BASIC RATE CALLING SCOPE
Grand River Mutual Telephone Corporation	Five rate groups based on callable lines (Res.) \$7.22 to 8.89 (Bus.) \$13.09 to 14.76 (tariff, sh. 9)	Range from \$1.00 to \$2.00 CallerID (name & number) \$5.95	Basic rates include access to exchange (8-10) in that rate group plus a few specific non-toll points outside of Grand River such as Trenton, MO. Access line information was filed under seal.
Holway Telephone Company	(Res.) \$13.00 (Bus.) \$25.00 (tariff, sh. 1)	Available in packages only \$3.95 to \$10.95. CallerID \$4.95 (from tariff)	Basic rates include access to Skidmore and Maitland exchanges. There are 495 (Res.) 54 (Bus.) access lines in 2004 Annual Report.
IAMO Telephone Company	(Res.) \$8.00 (Bus.) \$10.00 (tariff, sh.3)	\$1.00 each; CallerID \$4.00 (from tariff)	Basic rates include two other IAMO exchanges. Westboro exchange includes two Iowa exchanges. Access lines from 2004 Annual Report 1,006 (Res.), 139 (Bus.).
Kingdom Telephone Company	(Res.) \$8.50 (Bus.) \$11.75 (tariff, sh. 4-5)	\$1.00 to \$3.50 each; CallerID name \$7.00 (from tariff)	Basic rates include all Kingdom exchanges (Auxuasse, Big Springs, Hatton, MoKane, Rhineland, Tebbetts, Williamsburg). Access lines from 2004 Annual Report 4,467 (Res.), 1,187 (Bus.).
Le-Ru Telephone Company	(Res.) \$10.50 (Bus.) \$17.00 (tariff, sh. 1)	\$2.50 each; CallerID number \$3.75 (Res.) \$4.50 (Bus.) (from tariff)	Basic rates include access to Stella and Powell exchanges. There are 1,496 (Res.) 154 (Bus.) access line per 2004 Annual Report

COMPANY NAME	BASIC RATES	CUSTOM CALLING FEATURES	BASIC RATE CALLING SCOPE
Mark Twain Rural Telephone Company	(Res.) \$9.00 (Bus.) \$10.25 (tariff, sh. 5)	\$1.00 to 4.00 each; CallerID \$4.00(from tariff)	Basic rates include all 14 Mark Twain exchanges (Baring, Bethel, Brashear, Durham, Greentop, Hurland, Knox City, Leonard, Newark, Novelty, Philadelphia, Steffenville, Williamstown, Wyaconda) Greentop has EAS to Queen City (NWMO Rural). Access line information filed under seal.
Mid-Missouri Telephone Company	(Res.) \$8.00 (Bus.) \$12.85 (tariff, sh. 1)	\$1.50 to \$3.50 each; CallerID name and number \$5.95 (from tariff)	Company has 12 exchanges (Arrow Rock, Blackwater, Bunceton, Fortana, Gilliam, High Point, Latham, Marshall Junction, Miami, Nelson, Pilot Grove, Speed). For some exchanges basic rates include up to two other exchanges. 2004 Annual Report Access lines 3,580 (Res.), 800 (Bus.).
Miller Telephone Company	(Res.) \$9.00 (Bus.) \$14.00 (tariff, sh. 1)	\$2.00 to \$4.00 each; CallerID name and number \$6.00 (from tariff)	Basic rates include Miller exchange only. Access lines reported confidentially.
New Florence Telephone Company	Touchtone (Res.) \$5.75 (Bus.) \$7.75 (tariff, sh. 1)	\$1.75 to \$3.00 each; CallerID number \$4.50(from tariff)	Basic rates include New Florence exchange only. Access lines reported confidentially.
New London Telephone Company	(Res.) \$12.30 (Bus.) \$22.10 (tariff, sec 3, sh. 2)	\$.75 to \$1.25 each; CallerID \$5.50 -\$7.50 (from tariff)	Basic rates include New London exchange only. 2004 Annual Report 771 (Res.), 240 (Bus.).

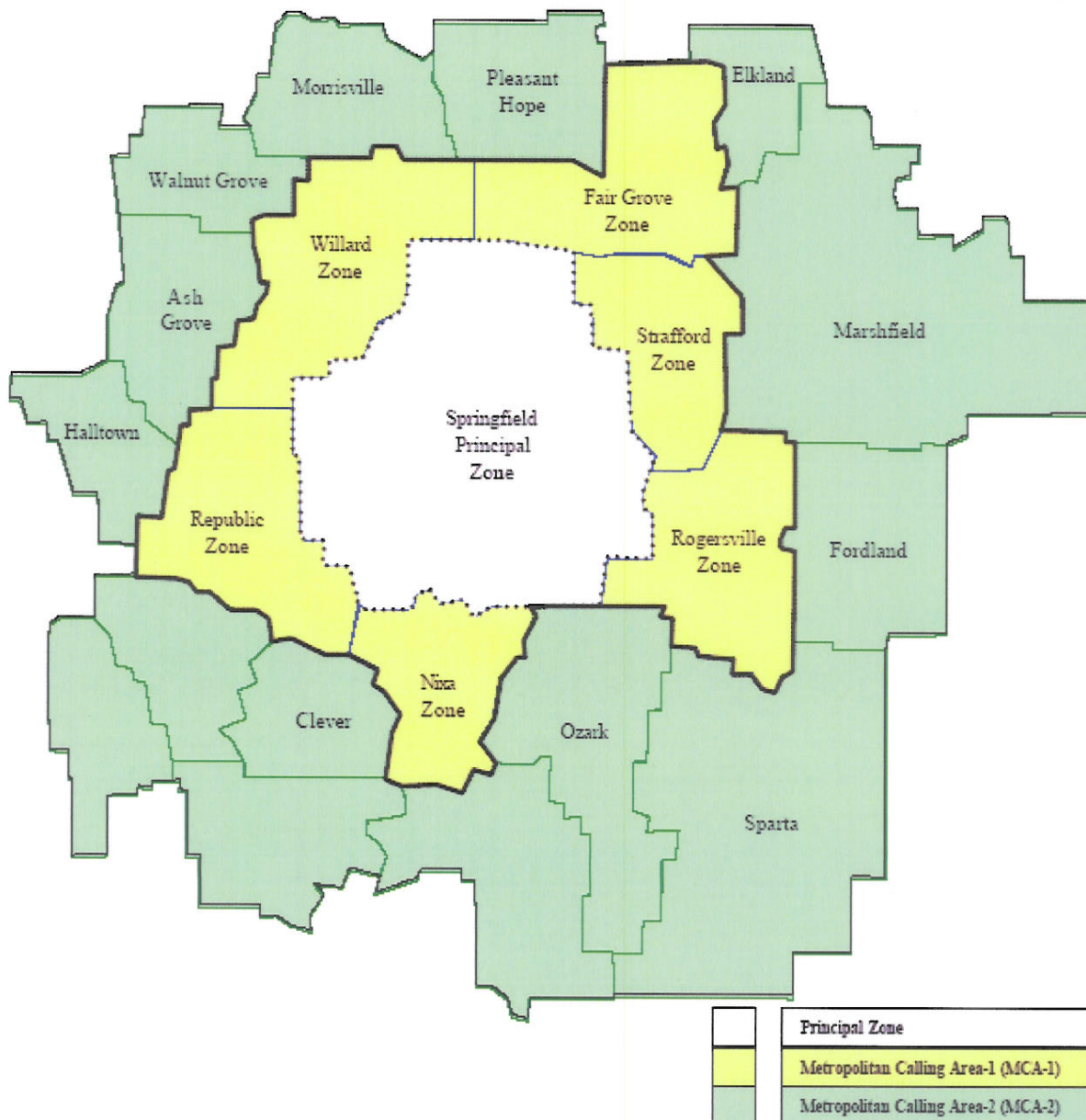
COMPANY NAME	BASIC RATES	CUSTOM CALLING FEATURES	BASIC RATE CALLING SCOPE
Northeast Missouri Rural Telephone Company	(Res.) \$10.00, (Bus.) \$15.00 (tariff sheet 4-4)	\$1.00-\$4.95 per month for custom calling features. Caller ID -\$3.95	Basic rates include all NEMO exchanges. (Arbela, Brock, Green City-GreenCastle, Lemons, Luray, Marfinetown, Noveinger, Omaha, Pollock, Tubin Creek-Rutledge, Winigan) The Luray and Queen City exchanges have EAS to Kahoka and Greentop at an additional charge of .25 to .65 per month. 2004 Annual Report 6,460 (Res.), 1,915 (Bus.).
Orchard Farm Telephone Company	(Res.) \$12.25 (Bus.) \$24.40 plus \$1.00 for touch tone (Tariff sec. 4, sheet 2)	Most are \$3.50 per month, Caller ID \$5.50-\$7.50	Basic rates include Orchard Farm exchange only. For an additional (\$12.35 (Res.), \$24.80 (Bus) customers can have access to the St. Louis MCA3 calling scope. 2004 Annual Report 572 (Res.), 277 (Bus.).
Peace Valley Telephone Company	Touchtone (Res.) \$6.50 (Bus.) \$7.50 (tariff, sh. 1)	\$1.00 to \$5.00 each; CallerID \$4.00 - \$5.00(from tariff)	Basic rates include Peace Valley exchange only. 478 (Res.) 55 (Bus.) access line per 2004 Annual Report
Seneca Telephone Company	(Res.) \$8.10 (Bus.) \$11.80 (tariff, sh. 1)	\$2.00 to \$3.50 each; CallerID \$5.00(from tariff)	Basic rates include all Goodman, Ozark and Seneca exchanges. (Goodman, Lanagan, Noel, Seneca, Southwest City, Tiff City). Goodman had 1,705 (Res.) and 270 (Bus.) in Annual Report. Seneca had 2,728 (Res.) 626 (Bus.) in 2004 Annual Report. Ozark had 2,060 (Res.) and 558 (Bus) in 2004 Annual Report.
Steelville Telephone Exchange, Inc.	(Res.) \$8.95 (Bus.) \$14.45 (tariff, sh. 1)	\$1.50 to \$3.00 each; CallerID number \$6.00(from website)	Basic rates include all Steelville exchanges (Steelville, Huzzah, Cherryville, Viburnum). 2003 Annual Report 3,617 (Res.), and 1,217 (Bus.).

COMPANY NAME	BASIC RATES	CUSTOM CALLING FEATURES	BASIC RATE CALLING SCOPE
Stoutland Telephone Company	(Res.) \$8.75 (Bus.) \$13.25 (tariff, sh. 1)	\$1.25 to \$1.75 each; CallerID \$5.50-\$7.50 (from tariff)	Basic rates include all Stoutland exchanges (2). 2004 Annual Report 1,381 (Res.), 218 (Bus.).
CenturyTel of Missouri	Six different rate groups (Res.) \$8.91 to \$10.78; (Bus.) \$15.01 to 18.77 based upon number of access lines in exchange. Higher rates in competitive exchanges. In addition some areas have EAS adders. (tariff, sec. 4, sh. 17-18)	\$1.20 to \$6.00 each; CallerID name and number (Res.) \$8.50 (Bus.) \$11.50 (from tariff)	Tariff Sheets, Section 4, Sheets 6-15, list the exchanges and associated EAS rates. Not all exchanges have EAS routes. Access lines per exchange are reported under seal.
Spectra Communications Group, LLC dba CenturyTel	Five different rate groups (Res.) \$7.61 to \$9.53; (Bus.) \$13.82 to \$17.65 based upon number of access lines in exchange. Higher rates in competitive exchanges. In addition some areas have EAS adders. (tariff, sec.4, sh. 17-18)	\$1.20 to \$6.00 each; CallerID name and number (Res.) \$8.50 (Bus.) \$11.50 (from tariff)	Tariff sheets Section 4, Sheets 6-15, list the exchanges and associated EAS routes. Not all exchanges have EAS routes. Access Lines per exchange are reported under seal.
Southwestern Bell Telephone, L.P. dba SBC	Different rate groups based on number of access lines in exchange and access to metropolitan calling area.	(Res.) \$2.70 to \$8.10, (Bus.) \$2.97 to \$8.00 each; CallerID (Res.) \$7.99 (Bus.)	EAS routes are listed in tariff. The following maps detail the Metropolitan Calling Areas and prices. http://www.psc.state.mo.us/teleco/mca/MCA_Springfield_PH.pdf

COMPANY NAME	BASIC RATES	CUSTOM CALLING FEATURES	BASIC RATE CALLING SCOPE
	(Res.) \$7.15 to \$20.33 \$ (Bus.) \$15.93 to \$46.00. In addition some areas have EAS adders(tariff, sh. 2)	\$9.50(from tariff)	http://www.psc.state.mo.us/teleco/mca/MCA_St_Louis_PH.pdf Access lines per exchange are filed under seal.

Springfield Metropolitan Calling Area (MCA) Telephone Exchanges

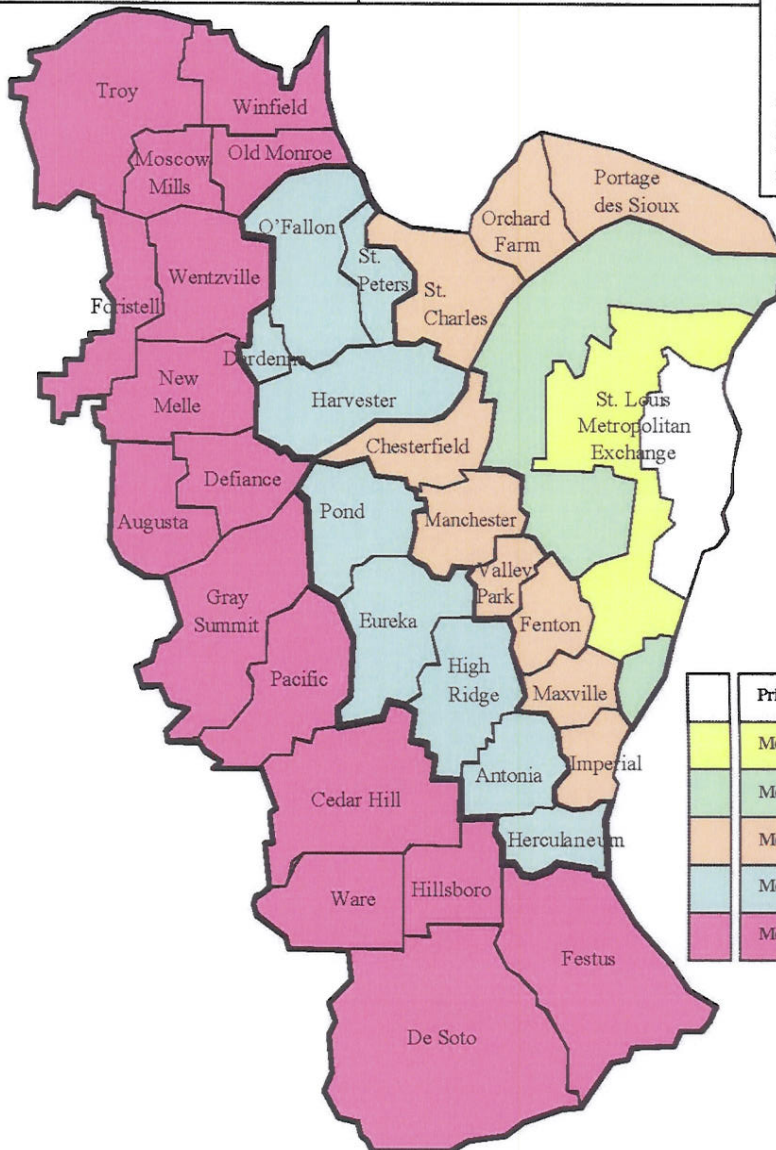
<u>Residential Subscribers</u>	<u>Business Subscribers</u>	
<i>MCA Principal Zone</i> (Includes Local Service) monthly charge: \$ 9.74	<i>MCA Principal Zone</i> (Includes Local Service) monthly charge: \$ 24.81	† <i>All MCA-Central and MCA-1 customers can call:</i> all MCA-Central and MCA-1 customers, and all MCA-2 subscribers.
<i>MCA-1 (Includes Local Service)</i> monthly charge: \$ 11.01	<i>MCA-1 (Includes Local Service)</i> monthly charge: \$ 27.03	† <i>MCA-2 subscribers can call:</i> all MCA-Central and MCA-1 customers, and all MCA-2 subscribers.
<i>MCA-2 (Optional; Local Service not included) Additional monthly charge: \$ 11.45</i>	<i>MCA-2 (Optional; Local Service not included) Additional monthly charge: \$ 21.75</i>	† <i>MCA-2 nonsubscribing customers can call:</i> all customers in their own local exchange and EAS points, if any.



Prepared By: A.P.Kiss, MoPSC Telecommunications Department; Effective December 01, 2004
Source: SBC MO PSC Tariff No. 24, Sheets 2, 3, 41.

St. Louis Metropolitan Calling Area (MCA) Telephone Exchanges

Residential Subscribers MCA Rates	Business Subscribers MCA Rates	Call Area Information
<i>Principal Zone</i> (Includes Local Service) Monthly charge: \$10.96	<i>Principal Zone</i> (Includes Local Service) Monthly charge: \$36.50	<p>▶ <i>All MCA-Central, MCA-1 and MCA-2 customers can call:</i> all MCA-Central, MCA-1 and MCA-2 customers, and all MCA-3, MCA-4 and MCA-5 subscribers.</p> <p>▶ <i>MCA-3 subscribers can call:</i> all MCA-Central, MCA-1, MCA-2 and MCA-3 customers, and all MCA-4 and MCA-5 subscribers.</p> <p>▶ <i>MCA-4 and MCA-5 subscribers can call:</i> all MCA-Central, MCA-1, MCA-2, MCA-3 and MCA-4 customers, and all MCA-5 subscribers.</p> <p>▶ <i>MCA-3, MCA-4 and MCA-5 nonsubscribing customers can call:</i> all customers in their own local exchange and EAS points, if any.</p>
<i>MCA-1</i> (Includes Local Service) Monthly charge: \$11.43	<i>MCA-1</i> (Includes Local Service) Monthly charge: \$37.50	
<i>MCA-2</i> (Includes Local Service) Monthly charge: \$12.07	<i>MCA-2</i> (Includes Local Service) Monthly charge: \$38.50	
<i>MCA-3</i> (Optional; Local Service not included) Additional MCA monthly charge \$12.35	<i>MCA-3</i> (Optional; Local Service not included) Additional MCA monthly charge \$24.80	
<i>MCA-4</i> (Optional; Local Service not included) Additional MCA monthly charge \$21.55	<i>MCA-4</i> (Optional; Local Service not included) Additional MCA monthly charge \$46.75	
<i>MCA-5</i> (Optional; Local Service not included) Additional MCA monthly charge \$32.50	<i>MCA-5</i> (Optional; Local Service not included) Additional MCA monthly charge \$70.70	



Principal Zone
Metropolitan Calling Area1 (MCA-1)
Metropolitan Calling Area2 (MCA-2)
Metropolitan Calling Area3 (MCA-3)
Metropolitan Calling Area4 (MCA-4)
Metropolitan Calling Area5 (MCA-5)

Prepared by A.P.Kuss, MoPSC Telecommunications Department: Effective December 01, 2004
 Source: SBC MOPSC Tariff No. 24, Sheets 2, 3, 41, 41.01.