

Exhibit No.:
Issues: *Service Offerings;
Rate and Service Plans;
FCC Requirements to
Advertise, Use Media
of General Distribution;
Availability and Charges
for Services; and
Public Interest*
Witness: *Kevin Dawson*
Sponsoring Party: *Missouri RSA No. 7
Limited Partnership
d/b/a Mid-Missouri
Cellular*
Type of Exhibit: *Direct Testimony*
Case No.: *TO-2005-0325*
Date Testimony Prepared: *March 23, 2005*

**MISSOURI PUBLIC SERVICE COMMISSION
UTILITY OPERATIONS DIVISION**

**DIRECT TESTIMONY
OF
KEVIN DAWSON**

**MISSOURI RSA No. 7 LIMITED PARTNERSHIP
d/b/a MID-MISSOURI CELLULAR**

CASE NO. TO-2005-0325

March 2005

1 pricing, promotions, sponsorships and marketing, network buildout and digital protocol
2 deployment, and hiring and training retail staff. Prior to joining Dobson, I was an Operations
3 Manager for Go Wireless in Joplin, Missouri and a Market and Sales Manager for US
4 Cellular in Joplin and in Tulsa, Oklahoma.

5 **Q. Have you previously provided testimony before the Missouri Public Service**
6 **Commission (the “Commission”)?**

7 Yes. I testified before the Commission in Case No. TO-2003-0531.

8 **Q. What is the purpose of your testimony in this proceeding?**

9 A. I am testifying in support of MMC’s Application For Designation As An Eligible
10 Telecommunications Carrier Pursuant To § 254 Of The Telecommunications Act Of 1996
11 (“Application”) in this docket. My testimony will address four aspects of the Application:
12 (a) the MMC service offerings; (b) rate and service plans offered by MMC to subscribers;
13 (c) the requirements imposed upon ETC by Section 54.201(d)(2) of the FCC’s Rules to
14 advertise, using media of general distribution, the availability of and charges for the core
15 services that are supported by federal universal service mechanisms, as set forth in
16 Section 54.101(a) of the FCC’s Rules; and (d) public interest considerations.

17 **Q. What type of telecommunications service does MMC provide and where?**

18 A. MMC is licensed by the FCC to provide Commercial Mobile Radio Service
19 (“CMRS”) to the public as a wireless cellular service provider in Missouri RSA No. 7 and
20 most of Ray County, Missouri, under call signs KNKN595 and KNKR207.

21 **Q. Are you familiar with the prefiled Direct Testimony of Michael K. Kurtis which**
22 **was filed in this case?**

23 A. Yes, I have reviewed that testimony.

1 **Q. Do you recall that Mr. Kurtis testified as to the services that are supported by**
2 **Federal universal service support mechanisms under Section 54.101(a) of the FCC’s**
3 **Rules?**

4 A. Yes.

5 **Q. Please explain MMC’s service offerings as they relate to each of the**
6 **requirements identified by Mr. Kurtis. First, does MMC offer Voice-Grade Access to**
7 **the Public Switched Network?**

8 A. Yes. As an existing cellular service provider in Missouri, MMC provides voice-grade
9 access to the public switched network. Through interconnection with incumbent local
10 exchange carriers, MMC is able to originate and terminate telephone service for all of its
11 subscribers. All customers of MMC are able to make and receive calls on the public
12 switched network within the specified bandwidth identified by Mr. Kurtis.

13 **Q. Does MMC offer Local Usage?**

14 A. MMC’s service includes local usage that allows customers to originate and terminate
15 calls within the local calling area without incurring toll charges. The service allows for a
16 bundle of local calling minutes for a flat-rated monthly charge. MMC currently offers
17 several service options that include varying amounts of local usage in monthly service plans.
18 As Mr. Kurtis has testified, to date the FCC has not quantified any minimum amount of local
19 usage required to be included in a universal service offering. MMC will comply with any
20 and all minimum local usage requirements adopted by the FCC.

21 **Q. Does MMC offer the Functional Equivalent of Touch-Tone (“DTMF”)**
22 **Signaling?**

1 A. MMC currently uses out-of-band digital signaling and in-band multi-frequency
2 signaling that is functionally equivalent to DTMF signaling.

3 **Q. Does MMC offer Single Party Service?**

4 A. Yes, MMC provides a dedicated message path for the length of all customer calls.

5 **Q. Does MMC offer Access to Emergency Service?**

6 A. Yes. MMC customers can reach an emergency dispatch, or public safety answering
7 point ("PSAP"), by dialing "911." MMC then routes the call to the appropriate PSAP.
8 Enhanced 911 ("E911"), which includes the capability of providing both automatic
9 numbering information ("ANI") and automatic location information ("ALI"), is required only
10 if a public emergency service provider makes arrangements with the local provider for
11 delivery of such information. In the wireless context, provision of location information is
12 broken down into two phases; Phase I involves providing the PSAP with the location of the
13 cell from which the 911 call originated and Phase II provides the location of the originating
14 subscriber phone to within an FCC-specified accuracy. MMC's network is capable of
15 providing Phase I E911 services and the portion of the network that has been overbuilt with
16 CDMA technology would be capable of supporting Phase II E911 services, as a function of
17 the capabilities of each PSAP throughout the MMC service area.

18 **Q. Does MMC offer Access to Operator Services?**

19 A. Yes. MMC currently offers its subscribers access to operator services for the
20 placement and billing of telephone calls, including collect calls, calling card calls, credit card
21 calls, person-to-person calls, and third party calls, as well as obtaining related information,
22 throughout its designated ETC service area.

23 **Q. Does MMC offer Access to Interexchange Service?**

1 A. MMC has direct interconnection to an access tandem for delivering traffic to all
2 offices subtending that tandem as well as direct interconnection to local exchange carrier end
3 offices where traffic levels so justify. In addition, MMC provides indirect access to one or
4 more interexchange carriers (“IXC”), for access to any other exchanges.

5 **Q. Does MMC offer Access to Directory Assistance?**

6 A. Yes. MMC provides all of its customers with access to information contained in
7 directory listings by dialing “411.”

8 **Q. Does MMC offer Toll Limitation for Qualifying Low-Income Customers?**

9 A. MMC does not currently offer Lifeline or Link Up services. However, the MMC
10 network is capable of providing Toll Blocking services. Currently, MMC provides Toll
11 Blocking services for international calls. MMC will utilize the same Toll Blocking
12 technology to provide toll limitation for qualifying low-income customers, at no charge, as
13 part of its universal service offerings for Lifeline and Link Up customers.

14 **Q. How will MMC advertise that it is offering the core services that are supported**
15 **by federal universal service mechanisms as set forth in Section 54.101(a) of the FCC’s**
16 **Rules?**

17 A. Upon grant of its Application, MMC will advertise to the public in its ETC designated
18 area that it is offering the core universal support services and the charges for those services.
19 MMC already advertises its rates and services in several media of general distribution
20 throughout its FCC-licensed service area. For example, MMC advertisements appear once
21 and twice a week, respectively, in the *Concordia Concordian* and the *Higginsville Advance*,
22 general circulation newspapers published in Concordia and Higginsville, Missouri. In
23 addition, Station KMMO-FM in Marshall, Missouri broadcasts sixty-second advertisements

1 for MMC thirty times each week. (The newspapers and radio stations that presently carry
2 MMC advertising are within the ETC-designated area proposed in the Application.) Finally,
3 MMC advertises by including printed inserts with its monthly invoices to subscribers.

4 **Q. What revisions will MMC make to its advertising if the Commission grants its**
5 **Application?**

6 A. If the Application is granted, MMC will take whatever steps are necessary to comply
7 with FCC Rule 54.201(d)(2). This rule states that a common carrier designated as an eligible
8 telecommunications carrier shall advertise the availability of such services and the charges
9 therefore using media of general distribution throughout the service area for which the
10 designation is received. MMC will advertise the availability of the supported services and
11 the availability of Lifeline and Linkup services to qualifying customers. MMC will also
12 make available additional consumer information regarding Lifeline and Linkup service in
13 locations where qualified, unserved consumers are likely to find such information useful,
14 including unemployment and welfare offices within its service area.

15 **Q. What rate and service plans are currently offered by MMC?**

16 A. The rate and service plans that MMC currently offers are described in Appendix J
17 hereto. Upon grant of its Application, MMC intends to continue offering a wide selection of
18 calling plans. In addition, however, MMC will offer a Lifeline service in accordance with
19 Section 54.401 of the FCC's Rules. Lifeline services would be available to qualifying low-
20 income consumers in MMC's service area. A Lifeline customer would be able to pick any
21 existing MMC service plan and deduct the local exchange service discount of \$1.75 per
22 month as well as the federal line charge discount of \$6.50 per month from MMC's standard

1 monthly rates. MMC also intends to offer two additional Lifeline-only plans as well as an
2 “ILEC-equivalent” plan.

3 **Q. Would you please describe the proposed Lifeline-only plans MMC intends to**
4 **offer?**

5 A. The first plan is intended to provide a low-cost service option comparable in price to
6 that offered by the incumbent local exchange carrier (“ILEC”) but with the added advantage
7 of limited mobility. This Plan would offer unlimited local calling and mobility in the area
8 served by the subscriber’s home cell site at a fixed monthly price of \$6.25 per month.¹ The
9 subscriber’s outbound local calling area would correspond to its traditional ILEC calling area
10 for that subscriber’s address. With the advantage of limited mobility, calls could be
11 originated by the MMC Lifeline subscriber to any numbers within that ILEC exchange from
12 any location within the subscriber’s home cell site serving area, not just the subscriber’s
13 home. Similarly, the Lifeline customer would receive inbound calls, wherever they originate
14 from, throughout the geographic area served by its home cell site. The area served by a home
15 cell site or cells would be defined to include coverage from all MMC cell sites necessary to
16 encompass the callers entire corresponding ILEC exchange area. This plan also includes
17 several vertical features in this price including call waiting, call forwarding, 3-way calling,
18 caller ID and voicemail.

19 The second MMC Lifeline Plan would allow for local calling and mobility throughout
20 the entire service area for which MMC is designated as an ETC, for a flat \$10.00 per month

¹ The \$6.25 rate reflects the net monthly rate to a Lifeline customer after applying the local exchange service discount of \$1.75 and the federal line charge discount of \$6.50.

1 charge.² Since the MMC ETC designated service area would be the MMC subscriber's local
2 calling area, even toll restricted Lifeline subscribers would enjoy service area wide mobility
3 and local calling, assuming grant of the MMC ETC Application as filed. This would afford
4 Lifeline customers a local calling scope extending to a geographic area encompassing
5 multiple telephone exchanges served by all of the LEC wire centers for which ETC
6 designation is being sought. The same vertical features discussed with respect to the
7 previous lifeline plan are included in the cost of this plan, as well. While these Lifeline plans
8 would not allow roaming into other cellular networks to place and receive routine calls, both
9 plans would allow ubiquitous access to 911 for the MMC Lifeline subscribers even in a
10 roaming situation. MMC is unable to provide either of these Lifeline plans without ETC
11 support.

12 **Q. Will MMC participate in Link Up Services?**

13 A. Yes. MMC will offer discounts of 50% off of the \$30 activation fee to Link Up
14 eligible subscribers. In addition, MMC will offer Link Up eligible subscribers a deferred
15 schedule for payment of the charges assessed for commencing service, for which the
16 consumer will not pay interest. The interest charges not assessed to the consumer shall be for
17 connection charges of up to \$200.00 that are deferred for a period not to exceed one year.
18 This deferred payment plan would include the reduced activation fee as well as the cost of
19 the subscriber handset.

20 **Q. Can you describe the "ILEC-Equivalent" Plan?**

² The \$10.00 rate reflects the net monthly rate to a Lifeline customer after applying the local exchange service discount of \$1.75 and the federal line charge discount of \$6.50.

1 A. The ILEC-Equivalent Plan offers the same features and services as the first Lifeline
2 Plan discussed above and will be offered at the price of \$14.50 per month.

3 **Q. Returning to the general MMC service offerings, how will MMC's provision of**
4 **the FCC Rule 54.101(a) (USF-Qualifying) services differ from the provision of those**
5 **services by ILECs operating in MMC's proposed ETC area?**

6 A. The local calling area that MMC will offer to subscribers will equal or exceed in size
7 the calling area offered by the local LECs, which will reduce intra-LATA toll charges
8 associated with the service offered by these wireline carriers. Customers of these LECs
9 placing calls to destinations beyond their local calling areas incur toll charges, while MMC
10 customers making similar calls within MMC's service area will avoid such charges. In
11 addition, many of MMC's calling plans include bundles of minutes which can be used for
12 placing calls, whether local or domestic toll, without the caller incurring any additional per
13 minute charges or toll charges. MMC's plans also offer mobility including, in most cases
14 roaming in other markets. Finally, MMC will make available multiple local usage plans that
15 prospective customers can select from as part of its universal service offering.

16 **Q. How would MMC's Lifeline rates compare with the ILEC rates for basic**
17 **Lifeline service?**

18 A. The MMC proposed MMC Lifeline rates would be below those offered by the ILECs.
19 In addition, the MMC Lifeline rates include vertical features not included in the ILEC
20 Lifeline rate. Appendix K hereto includes a table comparing several of the ILEC Lifeline
21 rates (based upon their tariffs) to the proposed MMC Lifeline rates.

1 **Q. MMC is already providing the services required for ETC designation and has**
2 **apparently done so for years without USF support. Why would it be in the public**
3 **interest to now afford USF support to MMC?**

4 A. MMC has brought wireless service to many rural parts of its FCC-licensed service
5 area and offers a level of coverage better than its competitors in the market. The cost of
6 providing those services continues to rise. However, in the highly competitive wireless
7 service market of today, it is not enough for MMC to offer better coverage if its service
8 offerings are not competitive with respect to features, functionality and price. Unlike
9 MMC's wireless competitors that also have licenses in major urban areas, MMC is only
10 licensed to offer commercial mobile radio service ("CMRS") in Missouri RSA 7 and most of
11 Ray County, Missouri. The higher-cost of providing service in this rural area must be
12 supported solely from revenues derived in this market. Yet, for competitive reasons, MMC
13 has to match the pricing offered by the major nationwide carriers who typically choose to
14 offer quality services only along the major traffic arteries and largest population centers in
15 the rural markets.

16 MMC is also incurring increased costs to meet its obligations to comply with federal
17 mandates such as E911 services. These services are critical to public safety in general but
18 their availability in the rural-most portions of the service area is imperative.

19 As extensive as MMC's coverage is in this market, there are still significant portions
20 of its FCC-licensed service area that would greatly benefit from enhanced CDMA coverage.
21 These represent some of the most rural portions of its licensed market and are detailed in the
22 Application at Appendix E, a copy of which is also attached hereto as Appendix E. A
23 significant part of the area requiring CDMA coverage enhancement could be served if MMC

1 could complete the overbuild of its existing network to deploy the CDMA technology.
2 Appendix F of the Application, a copy of which is attached hereto as Appendix F, shows the
3 areas where CDMA service would be enhanced by completion of that overbuild at the
4 existing MMC cell sites. Attached hereto as Appendix L is a map which graphically depicts
5 the existing MMC CDMA coverage as well as the areas of enhancement that would be
6 provided by the completion of the CDMA overbuild of the existing MMC Network. Absent
7 USF support, MMC cannot make the business case to complete the CDMA overbuild in these
8 rural-most sites of its existing network. Grant of ETC designation would provide MMC with
9 access to the resources needed to complete this overbuild. Upon designation as an ETC and
10 qualification for USF support for its proposed ETC service area, MMC would proceed to
11 order the equipment and complete the overbuild of its CDMA network at these existing
12 network sites. Assuming normal equipment delivery, we would anticipate that this overbuild
13 could be completed within six months of the time that the equipment is ordered. In addition,
14 there are even more rural portions of the MMC service area where MMC would subsequently
15 look to deploy CDMA facilities. Appendix G to the Application, a copy of which is attached
16 hereto as Appendix G, includes a map which depicts the general area where MMC would
17 look to deploy additional cell sites over the next five years. The actual timing for that rollout
18 would be a function of the level of USF support received as well as customer demand.

19 Perhaps even more important than the general availability of enhanced wireless
20 services, the expansion of MMC's service into these most rural areas would bring wireless
21 E911 services to those areas. While the ILECs have done an outstanding job of bringing 911
22 and E911 to many rural communities, access to those lifesaving services is limited to the
23 ability of the person in need to reach a wired telephone. In sharp contrast, wireless

1 communication brings the emergency access to the individual. The farmer with a CMRS
2 phone who is injured in the field no longer needs to be able to reach a wired telephone to
3 summon help. Wireless access to emergency services can help to mitigate the unique risks of
4 geographic isolation associated with living in rural communities. Where the local PSAP is
5 capable of processing the data, the MMC network is capable of providing locational
6 information for CDMA automatic location identification ("ALI")-capable handsets for all
7 calls placed to 911. However, only the CDMA handsets are capable of providing this critical
8 locational information and then, and only then, when operating in a CDMA coverage area.

9 Significantly, wireless E911 service is not limited to MMC subscribers. MMC's
10 wireless E911 service is available to any compatible handset in MMC's coverage area,
11 whether or not the user is an MMC customer, the customer of a competitor or not even a
12 customer of any service provider. The MMC network routes all 911 calls regardless of the
13 status of the caller. This is even true for a customer whose wireless phone service has been
14 disconnected. If the caller's handset is not ALI-capable, MMC still routes the call to the
15 emergency personnel and provides information with respect to the cell site location from
16 where the call originated and, except with respect to a non-activated cell phone, such a phone
17 that is sold for placing 911 calls only, a call back number.

18 **Q. Why doesn't MMC provide a call-back number for a non-activated phone?**

19 A. In order for a cell phone to receive calls, it must be activated with a CMRS carrier.
20 The unactivated phone, by definition, simply does not have a phone number assigned to it by
21 any carrier so there is no phone number for MMC to provide to the PSAP.

1 **Q. You testified that the MMC network is capable of providing E911 locational**
2 **services but that the level of service MMC can provide is a function of the PSAP's**
3 **capabilities. Can you elaborate on that?**

4 A. Yes. When a wireless phone places a call to 911 on the MMC network, MMC routes
5 that call to the appropriate PSAP based upon the cell site on which that call originates. MMC
6 has coordinated this call routing with the local emergency officials and the Missouri State
7 Police. I should note that MMC routes this call for anyone dialing 911 on the MMC network
8 whether they are an MMC customer, a valid roamer or even a phone that is not otherwise
9 considered to be a valid user of any cellular network.

10 The FCC, public safety officials and the wireless industry have been working to
11 enhance this basic 911 call routing. The enhanced or "E"911 service was rolled out in two
12 phases. Phase I E911 service provides the PSAP with the location of the cell site on which
13 the call originated as well as the call-back telephone number of the handset used to place the
14 call. Phase II E911 service provides the PSAP with the same information as the Phase I
15 service except that in lieu of providing the location of the cell site on which the call was
16 placed, Phase II service provides the actual location of the handset that placed the call.

17 The MMC network is capable of pinpointing the location of the handset by using the
18 satellite-based locating technology ("GPS") much the way that car-based navigational
19 systems can plot the location of a vehicle. Handsets equipped with GPS receivers transmit
20 information received from the GPS satellites to the MMC network which processes that raw
21 data and calculates the geographic location of the handset. This locational information is
22 then forwarded on to the PSAP. Virtually all handsets currently being sold by MMC and
23 most other CDMA-based service providers nation-wide are GPS-capable.

1 The FCC refers to this technology as “handset-based, network-assisted.” In rural
2 areas, these GPS-based systems appear to be the only current technology that is capable of
3 meeting the FCC’s accuracy requirements for pinpointing the location of the handset. FCC
4 rules require that these types of systems be able to provide locational information accurate to
5 within 150 meters for 95% of the calls and 50 meters for 67% of the calls. The MMC
6 network is capable of meeting these requirements and transmitting the data to the PSAP.
7 However, the PSAP must have the technological capability to receive and process the data
8 that the MMC system is sending.

9 **Q. Do the rural communities share MMC’s belief that the expansion of the MMC**
10 **CDMA network into these more-rural communities would be in the public interest?**

11 A. Yes. Appendix I of the Application, a copy of which is attached hereto as
12 Appendix I, includes representative testimonials from community leaders in some of the
13 more rural portions of the MMC licensed service area, supporting the designation of MMC as
14 an ETC in order to make the requisite federal funds available for this deployment in rural
15 Missouri. Those testimonials were gathered under my direction and supervision and
16 voluntarily provided with the understanding they would be used in a proceeding such as this.

17 **Q. If MMC receives USF support, how will this Commission know that the funds**
18 **are properly being used for provision of qualified services in the ETC designated**
19 **service area?**

20 A. Unlike regional or national carriers, MMC is licensed to provide service only in
21 Missouri RSA No. 7 and Ray County, Missouri. MMC holds no FCC licenses in any urban
22 areas or in any areas outside of the state of Missouri. Accordingly, MMC can only use USF

1 support received from its ETC-designated service area within the proposed ETC designated
2 area within the state of Missouri.

3 In addition, MMC has committed in its Application to follow the annual reporting
4 obligations specified by the FCC in the *Virginia Cellular Order* to ensure that MMC satisfies
5 its obligations under Section 214 of the Act. Specifically, MMC has committed that upon
6 grant of ETC status, it will: (1) annually submit information to the Commission regarding its
7 progress toward meeting its build-out plans in areas where it is designated as an ETC;
8 (2) annually provide information to the Commission with respect to the number of consumer
9 complaints it receives per 1,000 mobile handsets; and (3) annually submit information
10 regarding how many requests for service from potential customers in its designated area were
11 unfulfilled for the past year. MMC would provide this information as a separate schedule as
12 part of the annual report it submits as a certificated carrier.

13 **Q. How will MMC utilize USF support to help make its service offering available to**
14 **individuals seeking wireless service throughout its designated service area?**

15 A. MMC will use available federal high-cost support to finance construction,
16 maintenance and upgrading of facilities serving rural areas for which that support is intended.
17 High cost support is necessary if MMC is to establish the infrastructure required to bring its
18 wireless service to many remote and difficult-to-reach locales within its FCC-licensed service
19 area. MMC anticipates that infrastructure investment will be required if MMC is to compete
20 with the incumbent LECs throughout its proposed ETC area. Provision of high-cost support
21 to MMC will allow it to compete in providing primary telephone service in remote areas of
22 Missouri.

1 **Q. Specifically, how will MMC provide service to a potential customer requesting**
2 **service?**

3 A. MMC will provide service to any requesting customer in the service area where it is
4 designated as an ETC. When a potential customer requests service within an area presently
5 served by MMC's existing network, MMC will immediately provide service using its
6 existing network. If a potential customer requests service within the area in which MMC is
7 designated as an ETC, but where the existing service area does not immediately allow MMC
8 to provide service, MMC will take the following steps to provide service: (1) modify or
9 replace the requesting customer's equipment to provide service; (2) install a roof-mounted
10 antenna or other equipment to provide service; (3) adjust the nearest cell site to provide
11 service; (4) identify and make any other adjustments that can reasonably be made to the
12 network or customer facilities to provide service; and (5) determine the feasibility of
13 installing an additional cell site, cell extender, or repeater to provide service where all other
14 options fail. If, after following these steps, MMC still cannot provide the requested service,
15 it will notify the requesting party and include that information in an annual report filed with
16 the Commission detailing how many requests for service were unfulfilled for the past year.

17 **Q. What impact would ETC designation have on MMC's ability to expand and**
18 **improve its network to enable MMC to serve a greater population and increase**
19 **competitive choice for customers within the ETC designated service area?**

20 A. Since its commercial launch, MMC has continuously expanded its coverage footprint
21 to enable it to provide quality service to an increasing geographic area and population.
22 Expansions are planned in response to customer requests and comments, potential subscriber
23 growth and MMC's desire to fully develop network coverage throughout its FCC-licensed

1 service area. As with all wireless carriers, the initial MMC system was launched with a
2 minimum number of cell sites designed to provide coverage to areas of greatest traffic and
3 population density.

4 As MMC has expanded its service area, each additional cell site was designed to
5 provide service to an area of lower population density and traffic; areas that are higher in cost
6 to serve. Accordingly, the expected return on investment on any such cell sites is longer with
7 each additional expansion cell. As a result, the rate of construction has slowed. As I
8 previously testified, there are areas within the proposed ETC service area where MMC
9 cannot expect to be able to recover the cost of construction and operation of an additional cell
10 sites without USF support. Ten such potential cell sites are graphically depicted in
11 Appendix G of the Application.

12 Appended hereto as Appendix M are two lists of cell sites that MMC would like to
13 construct in the proposed ETC service area. MMC considers this information to be highly
14 confidential. Therefore, Appendix M has a public and a proprietary version. The first list of
15 cell sites are the existing locations within the MMC network where CDMA is not currently
16 available. The second list are additional cell site locations where MMC would like to expand
17 its CDMA footprint but where MMC's projections indicate could not be supported by the
18 level of traffic they would be expected to generate. Budgetary pricing for each category of
19 cell sites is included in this appendix. Appended hereto as Appendix N is a map which
20 graphically depicts the enhancement to MMC's CDMA coverage that would be expected
21 from the addition of the proposed additional cell sites as well as the completion of the MMC
22 CDMA overbuild. These sites afford no return on capital investment and the ongoing

1 operational costs. Accordingly, MMC has determined that the CMDA overbuild as well as
2 the new cell site expansion cannot be constructed and operated without USF support.

3 **Q. What would be the proposed timeframe for construction of the cell sites listed in**
4 **Appendix M if ETC designation is granted?**

5 A. I have already testified that MMC will proceed promptly upon qualification for USF
6 to complete its CDMA network overbuild. The level and continued availability of USF funds
7 would dictate the speed with which the additional cell sites could be constructed. MMC
8 believes that the deployment of all of the cells listed in Appendix M would be completed
9 within 5 years of designation as an ETC.

10 **Q. What is the level of USF support that MMC would expect to receive?**

11 A. Under the current USF funding mechanism, MMC would expect to receive
12 \$1,706,412.00 in support annually. The FCC is currently reviewing the mechanism for
13 determining the level of USF support to be provided for competitive ETCs and there is no
14 guaranty that this level of support would continue into the future. Assuming that the level of
15 support remained at this level, based upon current traffic and revenue projections, MMC
16 would plan to be able to deploy all of the cell sites listed in Appendix M within 5 years.

17 **Q. How did you determine the level of support that MMC would receive?**

18 A. MMC has been filing the requisite subscriber line counts with the Universal Service
19 Administrative Company ("USAC") for the past 24 months. Based upon these filings, USAC
20 has calculated and reported to the FCC the total amount of High Cost Support that MMC
21 would be expected to draw from the USF.

22 **Q. If MMC is designated as an ETC, would MMC be willing to undertake carrier of**
23 **last resort obligations?**

1 A. Yes. In the event that an existing LEC in MMC's designated ETC service area was to
2 seek to drop its designation upon grant of the designation to MMC, MMC stands ready to
3 undertake carrier of last resort obligations in such areas, using the processes set forth above.

4 **Q. Would MMC offer equal access if all other ETCs in MMC's designated service**
5 **area relinquished their ETC designations?**

6 A. The MMC cellular network presently contains the requisite capabilities to support
7 Equal Access. However, to date no MMC subscriber has ever requested the ability to select
8 and directly compensate an inter-exchange carrier ("IXC") of its choosing. Unlike LEC
9 service, wireless calling plans include varying levels of toll calls at no additional charge
10 where the customer allows the carrier, such as MMC, to select the toll provider.
11 Accordingly, there is no incentive for an MMC subscriber to select its own IXC where it
12 means that the customer would be paying toll charges instead of receiving toll minutes
13 bundled in its calling plan at no additional charge. Nevertheless, MMC stands ready, willing
14 and able to offer any customer the option to pre-select and pay its toll carrier of choice for
15 any and all toll calls placed by the customer on the MMC network.

16 **Q. What steps has MMC taken to address quality of service concerns?**

17 A. MMC has already adopted, with one exception, the CTIA Consumer Code for
18 Wireless Service. Under the CTIA Consumer Code, wireless carriers agree to: (1) disclose
19 rates and terms of service to customers; (2) make available maps showing where service is
20 generally available; (3) provide contract terms to customers and confirm changes in service;
21 (4) allow a trial period for new service; (5) provide specific disclosures in advertising;
22 (6) separately identify carrier charges from taxes on billing statements; (7) provide customers
23 the right to terminate service for changes to contract terms; (8) provide ready access to

1 customer service; (9) promptly respond to consumer inquiries and complaints received from
2 government agencies; and (10) abide by policies for protection of consumer privacy. A copy
3 of the CTIA Consumer Code is appended hereto as Appendix O. The current MMC policy
4 differs from the CTIA Code only inasmuch as the MMC policy affords customers a three (3)
5 day trial period for new service as opposed to the 14 day period specified in the CTIA Code.
6 If designated as an ETC, MMC would expand its trial period to 14 days.

7 **Q. Is MMC subject to the same quality of service standards that this Commission**
8 **has established for traditional LECs?**

9 A. No. MMC is not. Those standards were developed to address quality of service
10 issues related to the provision of traditional LEC service. For example, in a “wired”
11 environment, dropped calls are not expected to occur since the connection between the
12 subscriber’s telephone and the LEC central office is a physical piece of wire. The subscriber
13 remains in a stationary fixed location for the entire duration of the telephone call. In sharp
14 contrast, wireless services are designed to offer mobility to the subscriber even during a
15 telephone call and even when they are traveling at 50-60 miles an hour along an interstate
16 highway during the call. To accomplish this, rather than using fixed wires to make the phone
17 call, the wireless call is accomplished by use of radio waves propagating through the
18 environment. Changes in environmental conditions effect radio wave propagation. The
19 same quality of service standards related to a service offering where dropped calls are not
20 expected to occur cannot be applied to a wireless environment.

21 In addition, unlike traditional wired networks that provide service only to dedicated
22 subscriber lines that are tied to a dedicated local loop, the wireless network not only provides
23 service to its subscribers from wherever they may be at the time of any particular call, but are

1 also designed to provide service to non-subscribers as they “roam” through the wireless
2 service area. As a result, mobility creates different conditions and different customer care
3 needs.

4 Traditional telephone quality of service requirements were required to protect the
5 consumer in an environment where the service provider has traditionally been a monopoly.
6 A customer receiving inadequate service, especially in rural areas, has traditionally had no
7 alternative service provider. The lack of competition creates an environment where quality
8 of service is appropriately regulated. In contrast, the wireless service environment is not
9 licensed as a monopoly. If one service provider offers inferior service, the customer often
10 has the ability to switch their service provider. As I previously testified, MMC affords its
11 customers a trial period in which they can effectively “test drive” the MMC network. If a
12 customer is not satisfied with the service they actually receive from MMC, they can cancel
13 their contract, without penalty, during the trial period. The advent of local number portability
14 allows the customer to even keep their telephone number as they move from one provider to
15 another, even if the contract is cancelled during the trial period, subject of course to the
16 availability of wireline to wireless local number portability.

17 **Q. Can you identify some of the customer care programs MMC has implemented?**

18 A. Yes. Since the MMC customers carry their handset with them and place and receive
19 calls throughout the MMC network, a customer can experience trouble with his or her
20 handset at any given location. Collectively, MMC, and its authorized agents, have more than
21 15 points of presence throughout the area served by the consolidated network. An MMC
22 customer can go to any one of these locations and receive assistance if they are encountering
23 problems.

1 When the problem is with the customer's handset, MMC provides the customer with
2 a free loaner phone that the customer may use until their handset can be repaired or replaced.
3 An MMC customer can drop their phone off for service and pick up the free loaner at any of
4 these 15 locations, including those operated by MMC's agents.

5 Issues relating to customer handsets provide an interesting contrast with traditional
6 LEC service providers. Just as with wireless subscribers, most LEC subscribers today own
7 their own telephones. However, I am not aware of any LECs in the MMC service area that
8 even provide service for their customer's telephones, let alone a free loaner while the
9 customer telephone is being repaired. When the customer needs to visit the LEC, they
10 usually have a single location where they have to go to.

11 MMC staffs its trouble lines with live service operators to give the customer
12 "someone to talk to" during normal business hours. The MMC retail outlet, as well as the
13 MMC agent locations, offer extended service hours including evenings and weekends. In
14 addition to being able to deal with customer activations during these extended hours, the
15 "free loaner" phone program that I previously discussed is available during all business
16 hours, even the evening and weekend hours.

17 **Q. What steps has MMC taken to enhance its network reliability?**

18 A. The MMC network consists of a mobile switching office, identical in most respects to
19 a traditional LEC end office, and cell sites which can be thought of as somewhat analogous to
20 traditional LEC remote switching offices. The switch that serves the MMC network is fully
21 redundant. The switch, physically located in Sedalia, Missouri, has its own battery back-up
22 plant and is further backed-up with an emergency generator.

1 The MMC cell sites are also redundant and equipped with battery back-up plants
2 capable of operating the cell site under full load for more than 6 hours. Key cell sites are
3 equipped with dedicated back-up generators with the remaining cell sites being equipped
4 with receptacles and manual transfer switches which enables MMC to take a portable
5 generator to any cell site that experiences an extended power failure and literally “plug-in” a
6 backup generator to recharge the battery plants. The MMC cell sites that also serve as part of
7 the consolidated network microwave “backbone” (used for concentrating and carrying traffic
8 between the various MMC cell sites and the MMC mobile switching office) have dedicated
9 generators and automatic transfer switches.

10 The entire consolidated MMC network is monitored to check for proper operations at
11 all times. The redundant network design allows the system to avoid most customer-affecting
12 service outages since, in the event of a failure, the redundant facilities are designed to
13 automatically take over primary operation and an alarm is sounded at the mobile switching
14 office. During after-hours, the alarm system automatically notifies a remote monitoring
15 center of the outage and the service technicians (which are on call 24 hours per day and 7
16 days a week) are advised of the outage and the nature and criticality of the failure. The
17 service technician can then remotely access the network and learn of the precise nature and
18 physical location of the outage, thereby enabling the MMC technician to proceed to the
19 proper location with the proper replacement parts to correct the fault. MMC stocks a full
20 complement of spare parts. There are no network components for which MMC does not
21 maintain spare parts. These spare parts are in addition to the redundant hardware that I
22 previously discussed. The redundant hardware is fully installed and in a “hot standby” mode
23 that enables it to take over the handling of traffic automatically in the event of a failure of the

1 primary components and MMC's spares are sufficient to enable MMC to restore full system
2 functionality.

3 **Q. Is MMC capable of supporting local number portability?**

4 A. Yes. MMC's network is presently capable of porting numbers to and from other
5 wireless and ILEC carriers. MMC's ability to complete number ports with any given carrier
6 is a function of that carrier's capabilities and not MMC's. For example, it is my
7 understanding that the Commission has delayed the effective date of the requirement for an
8 ILEC to port numbers to a wireless carrier. Accordingly, while MMC's network is fully
9 capable of porting in the number and fully supporting that number as a wireless subscriber, a
10 consumer would not be able to actually port that number to MMC at this time because the
11 current ILEC hosting that number is not LNP capable.

12 **Q. Once LNP between wireless and wireline carriers becomes effective, would the**
13 **grant or denial of ETC designation have any impact on MMC's ability to port**
14 **numbers?**

15 A. From a technical standpoint, it would not. As I said, the MMC network is already
16 fully capable of supporting LNP. However, as I previously explained, if MMC is not granted
17 ETC status, MMC will not be in a position to provide Lifeline service. Therefore, once the
18 Commission implements LNP, while an existing ILEC Lifeline customer could physically
19 have his or her number ported to MMC, they would not be eligible for Lifeline support as a
20 wireless subscriber. The loss of Lifeline support would, effectively, bar the Lifeline eligible
21 ILEC customer from being able to port a number to a wireless service provider.

1 However, if MMC were designated as an ETC, then the Lifeline plans I discussed
2 previously would be available at rates comparable with those paid for current LEC-based
3 service. The result would be a greatly expanded service offering for Lifeline customers.

4 **Q. Does that conclude your testimony?**

5 A. Yes it does.

**BEFORE THE
MISSOURI PUBLIC SERVICE COMMISSION**

In the Matter of the Application of
Missouri RSA No. 7 Limited Partnership
d/b/a Mid-Missouri Cellular
for Designation as a Telecommunications
Company Carrier Eligible for Federal Universal
Service Support pursuant to § 254 of the
Telecommunications Act of 1996.

Case No. 'TO-2005-0325

AFFIDAVIT OF KEVIN DAWSON

STATE OF Missouri)
COUNTY OF Pettis) ss

Kevin Dawson, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Direct Testimony in question and answer form, consisting of 25 pages of Direct Testimony to be presented in the above case, that the answers in the foregoing Direct Testimony were given by him; that he has knowledge of the matters set forth in such answers, and that such matters are true to the best of his knowledge and belief.

Kevin Dawson
Kevin Dawson

Subscribed and sworn to before me this 23rd day of March, 2005.

Stephanie Carpenter
Notary Public

My Commission Expires:

May 8, 2005

STEPHANIE CARPENTER Notary Public - Notary Seal STATE OF MISSOURI Pettis County My Commission Expires: May 8, 2005
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