



Rural wireless coverage in jeopardy Subsidies cap curtails construction, phone official says.

By JORDAN RAUBOLT of the Tribune's staff
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An official with U.S. Cellular said yesterday that the Chicago-based wireless company will invest \$3 million to build 10 new cellular towers in rural Missouri, but he warned that a proposed cap on federal subsidies could hinder future projects.

At a news conference at Boone County Fire Protection District Station No. 9 in Columbia, Jay Ellison, U.S. Cellular executive vice president and chief operating officer, said service provided by the new towers not only is important for commercial prosperity but fundamental for law enforcement and public safety.

"Without that reliable wireless coverage, first responders, like police and fire officials, cannot quickly and reliably deal with critical safety issues," Ellison said.

The new cellular towers - located in Cole Camp, Dell Junction, Ellsinore, Fayette, Lincoln, Mansfield, Spring Fork, Stover and Warsaw - are the first of 39 new cell towers the company plans to build in the next two years using money from the federal Universal Service Fund.

The fund was established by Congress in 1996 to create competition and increase access to telecommunications services for consumers in rural and hard-to-serve areas.

It has collected \$44 billion during its lifetime from a surcharge on the phone bills of nearly every American, according to The Associated Press. During the past four years, there has been nearly a tenfold increase in subsidies paid to a handful of "competitive" providers - cellular phone companies paid to offer service in rural areas where an existing carrier already receives a subsidy, according to the AP.

Although the proposed cap would not interfere with the first 10 U.S. Cellular towers - expected to be completed by the end of the year - Ellison said the remaining 29 would be in jeopardy.

Ellison said the \$3 million pledged for the 10 new towers is the first installment of approximately \$11 million in Universal Service Fund money U.S. Cellular is eligible to receive for use in Missouri.

But he said that money would disappear if the Federal Communications Commission approves a proposed cap on the fund. The company receives money from the fund for use in Missouri and other states.



Fire District Chief Steve Paulsell said the proposed funding cap is a major concern for public safety employees and volunteers, whose ability to deliver emergency services is compromised by the lack of wireless access in rural areas.

"The sooner we get the word, the sooner we can respond," he said. "Instead of a three-hour delay, we're there in six minutes."

Critics of the Universal Service Fund argue that despite the intended benefits, the money goes to large cellular companies that often provide duplicate services and compete with unsubsidized providers.

According to CaptheFund.org, the Web site for a lobbying campaign in favor of the cap, this year the Universal Service Fund is expected to pay out more than \$1 billion in subsidies to wireless companies. The Cap the Fund campaign said there is little evidence that coverage has improved in rural areas because of the fund. Officials at Cap the Fund could not be reached for comment.

Ellison did not say whether U.S. Cellular would invest its own money to build the 29 other towers if the cap is approved.

"We are not just another wireless company," Ellison said. "We are responsible corporate citizens as well, and we give back to the communities in which our folks operate."

The FCC is expected to make a decision on the proposed cap later this month.