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Wireless worries

U.S. Cellular says rural Missouri could be affected

By Eric Becker

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An expected Federal Communications Commission ruling could leave wireless customers in rural Missouri with compromised service if adopted.

U.S. Cellular Chief Executive Officer John Rooney said if the FCC rules to cap Federal Universal Service Fund availability to wireless companies, then it could seriously hinder the company's tower expansion in Warrenton and throughout Missouri.

"In rural Missouri, coverage is horrible in some of these areas, and that's what the Universal Service Fund was established to correct," Rooney said. When the USF was first created, it was to promote landline construction in rural areas. In 1996, Congress amended the Telecommunications Act and designated cellular and wireless service as proper uses for USF funds. The Federal Universal Service Fund entitles wireless and landline companies to funds for construction of new telephone towers. The FCC has proposed capping the amount distributed, which Rooney said would require all ETC carriers to share \$125,000 annually. It costs U.S. Cellular \$300,000 to build a tower.

U.S. Cellular was designated as an eligible telecommunications carrier three weeks ago, which makes it eligible to receive funds to put toward building new towers.

"I suggest that it's a major public policy issue. You cannot dial 911 on a cell phone unless you have towers," Rooney said.

Additionally, much of the state does not have enhanced 911 service, commonly referred to as E-911, which would allow police to locate someone by their cell phone signal. Neither St. Charles County nor Warren County has the service to allow 911 dispatchers to locate callers by their cell phone signals in cases where callers are unable to relay their location.

Rooney was to be at a news conference with Gov. Matt Blunt on Thursday to discuss the importance of wireless towers with regard to E-911 technology.

The nation's sixth largest wireless carrier said it invested \$56 million last year in towers and operates 641 towers in the state. Rooney said it's likely none of the money it spent last year would have received USF money because it built the towers in areas of great commercial concentration, not rural ones. It plans to build another 95 this year and invest \$51 million. Because the company was recently designated an ETC, it can potentially receive funds to aid its construction of new towers.

"We'll sit down with the PSC (Public Service Commission) and go over plans for investment this year. We're hoping to get about \$11 million," Rooney said.

Rooney said other companies, such as Verizon, Sprint and AT&T, are not raising a stink against the ruling because they would continue to receive USF funds for their landline services. Rooney suggests that such companies would receive more than they need through landline operations so that money collected could be used toward their wireless operations.

Damion Frederick, who owns Warrenton Wireless, says he's not worried about a potential USF cap.

"At this point, I haven't heard any grumblings from Verizon, Sprint or T-Mobile," he said. "If there was a cap, I could potentially see no more increases in service, but I think Warren County isn't too bad - (only) up and down (Highway) 47 there's spots."

Frederick doesn't sell U.S. Cellular phones and says the company doesn't have a large presence in the area. He says the closest U.S. Cellular dealer he knows of is in O'Fallon and dealers must sell U.S. Cellular exclusively.

"Verizon and AT&T are the two companies with strong coverage here - that wouldn't get any worse," Frederick said.

Frederick said the FCC is set to auction the 700 MHz band of the wireless spectrum in the area, which opened up after Congress ruled television stations must abandon that part of the spectrum in their switch to digital broadcasts by February 2009. Such a tower can cover up to four times the geographic area of towers on higher bandwidths.

Telecom businesses have been looking at the bandwidth for an expansion of wireless broadband services.