



Thursday, June 21, 2007

Commentary: We can't afford to ignore rural wireless need

By John E. Rooney

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Without question, wireless is the future of telecommunications in Oregon. Cell phones are no longer luxury items; they are a fundamental necessity. Today, the lack of high-quality wireless coverage in rural areas is a critical public safety issue. First responders, law enforcement, and rural citizens all depend on high-quality coverage to reliably deal with critical safety issues ranging from natural disasters to automotive emergencies to domestic violence.

U.S. Cellular has a deep commitment to rural America. The majority of our service areas are sparsely populated and we have built our business on providing high-quality service to all customers, not just those in urban centers.

In 1996, Congress created the federal universal service fund (USF) to provide carriers with an incentive to build wireless networks in sparsely populated rural areas that would otherwise not support investment. In 2007, wireless providers will contribute roughly \$2.5 billion - more than 1/3 of total funding - to the \$7 billion fund. Since 1999, more than \$22 billion in funding provided from consumer contributions has been paid to rural landline phone companies across the country, while less than \$2 billion has gone to rural wireless carriers over that same time.

U.S. Cellular participates in the USF and has used support to construct tens of millions of dollars of new wireless infrastructure around the country, including here in Oregon, to improve service to rural Americans. Being able to offer high-quality service in these areas is a win for our company and, more important, a win for every rural consumer who deserves the improved service that a new cell site brings.

Unfortunately, the Federal Communications Commission (FCC) is currently considering a reduction the already-limited funding for wireless service in rural communities in Oregon, and across America.

Specifically, the FCC is considering a proposal to cap USF to wireless carriers - and that's why we want to bring attention to this important issue. The FCC may enact this cap within



the next 4-8 weeks - without fully considering the effect of this decision on rural Americans.

A freeze in funding will only widen the technological gap between urban and rural areas in the state. In addition, a freeze will slow economic development in our rural communities by hampering the state's ability to attract new businesses and tourists. It also will prevent people already working and living in rural areas from enjoying the same advanced technology and convenience as those in urban areas.

In short, a cap will move us in the opposite direction of reform. The USF has grown as a direct result of the explosive demand for wireless service. Some have criticized various aspect of the program, yet the FCC has taken no action since it first opened a proceeding to reform the system in 2002.

We support reforms that will provide funding to the carrier that customers prefer. Those who favor a cap fail to acknowledge the real reason for fund growth: Over the past three years, over ten percent of wire line customers have "cut the cord"; yet federal support to landline companies remains steady at \$3 billion per year. That excess, which will only accelerate as consumers continue to choose wireless for their voice communication service, is largely funded by wireless consumers who see no benefit from their USF contributions.

We are fast becoming a wireless nation, and to provide the best possible service to rural Americans, wireless carriers need a fair share of universal service funding. To this end, U.S. Cellular is supporting Connecting Rural America, a diverse coalition of public safety officials, business leaders and concerned citizens across the country, in an effort to take a stand for rural America. Visit (www.connectingruralamerica.org) to make your voice heard.

We need to expand - not cap - USF funding for wireless customers. We simply cannot afford to leave rural America behind.

John E. Rooney is the President and CEO of U.S. Cellular®.