

## **Business viewpoint: Wireless customers deserve bang for buck**

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7/12/2007 12:00 AM

I was recently asked to testify before the U.S. Senate Committee on Commerce, Science and Technology concerning proposed changes to the Universal Service Fund.

Congress created the USF to provide carriers with an incentive to build communications networks in sparsely populated rural areas that would otherwise not support investment.

This was a unique and important opportunity for U.S. Cellular. In 2007 alone, wireless providers will contribute more than \$2.6 billion -- or 37 percent of total funding -- to the \$7 billion fund.

Since 1999, more than \$22 billion in consumer contributions has been provided to rural landline phone companies across the country, while less than \$2 billion has gone to rural wireless carriers over that same time.

Despite this, the Federal Communications Commission is considering reducing the already-limited funding for wireless service in rural communities in Oklahoma and across America by capping USF support to wireless carriers.

The effect of such a cap could be disastrous, particularly for public safety, as Chief Deputy Sheriff Everett Flannery of rural Kennebec County, Maine, made clear during the Senate hearing.

Public safety officials use wireless service to do their jobs -- whether to call ahead when responding to a domestic violence situation or to assess a hostage situation. Poor wireless service also prevents citizens from immediately contacting authorities in the event of an emergency.

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 because it prevents rural citizens from using new public safety technologies developed for their benefit. For example, E-911 technology will not work properly unless an area has high-quality wireless coverage.

Since becoming eligible to draw support in Oklahoma three years ago, U.S. Cellular has invested USF support to construct, maintain and operate wireless communications

facilities in rural communities across the state.

If there is no cap, we plan to construct 14 new sites in 2007 and make other improvements that are critical to having a high-quality, reliable network in rural Oklahoma.

If the cap goes through, Oklahoma stands to lose more than \$15 million a year in USF funding, jeopardizing wireless growth each year the cap is in place.

Those who favor a cap fail to acknowledge the real reason for fund growth: Over the past three years, more than 10 percent of wireline 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 USF contributions that flow to wireline networks.

Specifically, in Oklahoma consumers contribute an estimated \$74 million annually but only receive about \$14.8 million per year in federal support for new wireless construction. Wireline companies, however, receive \$108 million per year.

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.

We cannot afford to cap USF funding for wireless customers, because we cannot afford to leave rural America behind.

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