

Seattle Post-Intelligencer

More Letters to the Editor *CELL PHONE COMPANIES*

The "Subsidy to cell phone companies scrutinized" article that was published July 23 failed to make many important points. While the article rightly highlights the need for Universal Service Fund reform, it skims over the fact that wireline carriers don't lose support when they lose customers, and doesn't address the subsequent consequences: When wireline telephone companies get support for customers they don't even serve, consumers lose.

When consumers cancel or scale back their landline phone services in exchange for cell phones and wireless technology -- an increasing trend in rural and urban America -- wireline companies continue to rake in \$3 billion annually, and millions more from state universal service programs.

Ten percent of rural wireline customers have already "cut the cord." This is the equivalent of \$300 million in excess subsidy annually, an amount that grows each year as consumers increasingly turn to wireless for their voice communications needs.

U.S. Cellular, like every wireless company, is required by law to account for our network construction plans, and to be specific with what we've done with federal funding we have received since 2003. For Washington consumers, this is no small matter. In fact, the federal fund provides an estimated \$3 million per year to support U.S. Cellular network construction in some of the state's rural areas.

In stark contrast, wireline companies have received \$22 billion in federal funds and are not required by law to account for the necessity of their investments. It would be an understatement to call this arrangement an affront to consumers.

Congress has found that rural residents deserve access to reliable wireless services and the competitive choices afforded to residents of more urban communities. USF funds have enabled U.S. Cellular to build new towers in communities that wouldn't otherwise have access -- opening doors for new business growth, and stronger E-911 technology for emergency response or disaster relief and offering the mobility that consumers want in today's world.

The bottom line is that the USF subsidizes old technology that is losing customers at the expense of new technology that consumers clearly want and need. Consumers deserve transparency when it comes to the use of their federal dollars, and most of all, they deserve the benefits that come with real competition: choices in providers and services, fair prices, and high quality service.

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