

## **Plan could delay wireless phone service in rural Illinois**

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BUNKER HILL — The FCC's proposal to cap Universal Service Fund subsidies at 2006 levels as a first step in reforming the program may further delay wireless telephone service to many rural and non-urban areas of Illinois.

"I have been advocating for more aggressive cell phone coverage in our area for almost four years," said Bob Johnessee, president of the Bunker Hill Chamber of Commerce. "But now with the Federal Communication Commission's proposal to cap the Universal Service Fund at 2006 levels, Illinois may really be left behind."

The Federal-State-Joint Board on Universal Service proposes placing a cap on universal service funds for wireless service.

The Universal Service Fund was established in 1996 by Congress to help build telecommunications infrastructure in America's rural and under-served areas.

According to Connecting Rural America, a grass-roots coalition of advocacy groups, community leaders and elected officials working to bring wireless telecommunications to rural areas, wireless customers contribute the largest share to the Universal Service Fund — more than \$2.5 billion to the \$7 billion fund annually. Since 1996, more than \$22 billion of those contributions have gone to rural land-line phone companies, while less than \$2 billion has gone to rural wireless carriers. The disparity ultimately prevents wireless carriers from developing facilities in rural areas that would expand coverage and provide high-quality services.

Under the proposed caps on the federal fund, cell phone companies in Wisconsin, for example, would receive almost \$50 million each year based on the 2006 level; Iowa networks would get about \$40 million. However, networks in Illinois would receive less than \$2,000 annually. In 2005, Illinois phone customers contributed more than \$267 million to the Universal Service Fund, and land-line companies in Illinois received \$63.5 million in subsidies; Illinois' wireless carriers got nothing.

The reason Illinois has been on the short end of the stick is because few Illinois wireless carriers applied for the funding through the Illinois Commerce Commission to become eligible to receive the subsidies. Therefore, if the proposed cap on the fund is approved, Illinois would remain at the 2006 Universal Service Fund level of \$2,000, hardly enough to expand cell phone coverage into the state's under-served and rural areas.

“If networks in Illinois would receive less than the \$2,000 in federal funds each year, that would be about enough to build one cell tower every 175 years,” Lt. Gov. Pat Quinn said in a letter to Illinois newspapers on June 21.

Quinn said the incredibly lopsided funding levels reflect past foot-dragging by the ICC. Despite his urging, he said the ICC has not yet granted Illinois wireless providers the status they need to receive money from the federal fund.

“Because the proposed federal cap freezes each state’s spending at current levels, the ICC’s tardiness could keep Illinois from receiving tens of millions of dollars in federal investment,” Quinn said. “As chairman of the Governor’s Rural Affairs Council, I am calling on law enforcement agencies, public health advocates, farm bureaus and everyday people to let our representatives in Washington know we oppose this unfair cap on the USF.”

ICC Executive Director Tim Anderson, in a rebuttal letter, took exception to Quinn’s comments.

“I take issue with the assertion that the ICC is guilty of ‘foot-dragging’ in failing to allow cellular companies to access federal funds,” Anderson wrote. “A delay exists in one instance due to the failure of the applicant wireless company to provide basic and required information, and only one other application is currently pending that was filed this year.”

Anderson said that, pursuant to federal guidelines, companies that wish to receive funding must provide the ICC with specific information about how the universal service money will be spent, how service will be offered to customers and evidence that the money will be spent in Illinois.

ICC spokeswoman Beth Bosch said Illinois Valley Cellular applied for and was authorized to receive funding about one year ago and that, while US Cellular had applied, the company’s documentation was not complete. US Cellular was given an opportunity to resubmit the documentation, which is under review.

“We do have an accountability and must ensure the criteria is met,” Bosch said. “The US Cellular petition for universal funds is under review, and it is not a lengthy process.”

The Universal Service Fund may need an overhaul in the way it operates. One of the options is to hold reverse auctions and award subsidies to the carrier that will offer the service at the lowest price. But capping the fund at 2006 levels is not acceptable to many, from area residents to some telecommunications companies and agricultural groups, such as the American Corn Growers Association.



Even if Illinois wireless carriers such as US Cellular receive ICC approval to receive Universal Service Fund money, if the funding levels are capped — and a vote is expected within the next few weeks — no money will be available for subsidizing Illinois wireless carriers.

“This confluence of events does not spell good things for Illinois,” US Cellular Corp. CEO John Rooney said last week. “There is an urgency in rural America to get this service. The only way to get the message across now is a real grass-roots approach to let our representatives in Washington know we do not want the Universal Service Fund capped.”

For more information about Connecting Rural America, and to send a letter opposing the Universal Service Fund cap proposal, go to [www.connectingruralamerica.com](http://www.connectingruralamerica.com)

“Rural Illinois needs cell phone service,” Johnessee said. “It is an economic issue, as well as public safety issue.

“We need everyone to join our campaign to tell our legislators in Washington that we are against this cap, and we expect the money we pay into that fund as Illinois citizens to work for each and every one of us throughout this great state.”