

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska Public) APPLICATION NO. NUSF-92
Service Commission, on its Own Motion,)
to Administer the Nebraska Universal)
Service Fund Broadband Program.)

**PETITION OF UNITED STATES CELLULAR CORPORATION REQUESTING
SUPPORT FROM THE NEBRASKA UNIVERSAL SERVICE FUND
BROADBAND PROGRAM**

February 3, 2014

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I. Introduction

United States Cellular Corporation (hereinafter referred to as “USCC or U.S Cellular”) by and through its counsel, hereby submits this Petition to the Nebraska Public Service Commission (“Commission”) to receive support from the Nebraska Universal Service Fund Broadband Program (“NEBP”) to fund the construction of infrastructure to enhance the delivery of wireless broadband service in rural Nebraska. This Petition is being submitted pursuant to Application No. NUSF-92 entered December 10, 2013. In support of its Petition, USCC respectfully submits the following:

II. Petitioner’s Name, Address and Authorization

The Petitioner’s name and address is United States Cellular Corporation, 8410 W. Bryn Mawr, Chicago, IL 60631-3486. USCC has licensed wireless service operations in 26 states, including Nebraska and will provide wireless broadband service through FCC licensed operating entities USCOC Nebraska/Kansas LLC and USCOC of Greater Iowa Inc. The Federal Communications Commission (“FCC”) service area number assigned to USCC is #379019.

III. Proposal for NEBP Support

USCC submits 15 projects for consideration to receive NEBP funding to deliver LTE wireless broadband to rural Nebraska which is either unserved or underserved. Each project upgrades existing towers to deliver high speed, broadband service to customers. The 15 projects are identified on a map that is attached hereto as Exhibit 1. These towers are located near the towns of:

Anselmo
Ansley
Brewster
Brownlee
Burwell
Burwell DT
Callaway
Dunning
Greeley
Long Pine
Merriman
Oconto
Spalding
Stapleton
Verdon

Each of the projects is severable; one or more can be funded, at the Commission's discretion. There is no current plan or timeline to upgrade the towers that are contained in this petition. Support from the NEBP would enable consumers in these rural areas to enjoy wireless speeds comparable to that in urban areas and enhance public safety and economic vitality.

IV. Checklist Items

USCC submits the following information as set forth in the Commission's Application Checklist in NUSF-92.

1. ASSOCIATED COMPANIES

The companies associated with this application are United States Cellular Corporation, d/b/a U.S. Cellular and its FCC licensed operation entities USCOC Nebraska/Kansas LLC and USCOC of Greater Iowa Inc. The main point of contact is:

Stephanie Cassioppi
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Chicago, IL 60631-3486
(630) 201-3501
Stephanie.Cassioppi@USCellular.com

2. DESCRIPTION OF THE PROPOSED BROADBAND PROJECT

USCC's plan consists of deploying LTE wireless broadband service on existing towers. USCC is submitting 15 towers for consideration. Any combination may be funded with no consequence to the others. This approach was chosen to provide maximum flexibility to the Commission in the allocation of funding.

Each project includes three elements: 1) LTE base station equipment; 2) Upgrading necessary backhaul equipment; and 3) Media gateway switching and routing equipment. USCC will provide broadband speeds of at least 4 Mbps on the downlink, and 1 Mbps on the uplink. USCC is seeing average download speeds of 6-12 Mbps where it has deployed this technology elsewhere.

3. "UNSERVED" AND "UNDERSERVED" ANALYSIS

U.S. Cellular has identified "served" areas based on the Commission's criteria of 4 Mbps on the downlink and 1 Mbps on the uplink utilizing the Nebraska State Broadband Map and public maps from competitors. In addition, USCC reviewed the NEBP funding that was awarded in 2012 and 2013, and funded sites while perhaps

not yet showing as receiving broadband on the Nebraska State Broadband Map were removed from consideration. The sites contained in this Petition were determined to be unserved or underserved.

USCC currently provides “EVDO Rev. A” data services in these areas. EVDO Rev. A has a maximum download speed of 3 Mbps which meets the Commission’s definition of “underserved,” and does not meet the definition of “broadband”. U.S. Cellular’s data coverage does not, therefore, appear on the National Broadband Map. U.S. Cellular’s data coverage does appear at some sites on the Nebraska State Broadband Map in the range of 3 Mbps to 6 Mbps. As mentioned previously, EVDO Rev. A enables a maximum speed of 3Mbps. Thus, while U.S. Cellular appears on the Nebraska State Broadband Map in the range of 3 Mbps to 6 Mbps, it is not providing broadband speeds.

4. LIST OF CENSUS BLOCKS IN EXCEL FORMAT

Attached electronically is a list of census blocks in Excel Format where broadband will be deployed at the 15 sites. This submission, due to its length has not been submitted in writing. This information is confidential.

5. ESTIMATE OF THE NUMBER OF NEW BROADBAND SUBSCRIBERS

The number of potential new broadband subscribers is attached hereto and marked Exhibit 2. Exhibit 2 is confidential.

6. DEPLOYMENT SCHEDULE

U.S. Cellular will deploy the projects within the 24-month timeframe established by the Commission. The overall time to completion is estimated to be approximately 36

weeks, excluding unforeseen delays associated with obtaining equipment, licenses, and zoning permits.

Estimated Deployment Schedule:

Phase 1 – Determine if augmentation is required from a core switching equipment perspective to support proposed projects. If augmentation is required, order and commission new core switching equipment.

Phase 2 – Upgrade backhaul facilities, commencing immediately upon project approval.

Phase 3 – Ordering and installation of broadband base station equipment, installation and integration with core switching equipment.

Estimated Project completion time frames and milestones are as follows:

<u>Completion Percentage</u>	<u>Description of Milestone</u>	<u>Time Frame</u>
25%	Completion of equipment ordering, submission of applications, and completion of network design.	8 weeks
50%	Delivery of all equipment and completion of construction plans.	16 weeks
75%	Receipt of all approvals and commitments of construction; implementation and deployment	25 weeks
100%	Completion of all installations, optimization, testing and network integration.	36 Weeks

7. PROPOSED BUDGET

The proposed budget is attached hereto as Exhibit 3. Exhibit 3 is confidential.

8. RETAIL PRICING FOR BROADBAND SERVICE

The retail pricing for USCC's broadband products is attached hereto as Exhibit 4. Customers have the option to purchase a wireless modem for use on laptops, but a modem is not required to receive broadband on wireless phones or tablets. U.S. Cellular also sells handsets and tablets that customers have the option to purchase. Pricing can also be found on U.S. Cellular's website: <http://www.uscellular.com>

9. RETAIL PRICING FOR BASIC VOICE SERVICE

The above-named Exhibit 4 includes information providing U.S. Cellular's voice services prices. USCC does not charge a subscriber line charge.

10. SERVICE COMMITMENT

U.S. Cellular commits to offer broadband service to all households within the coverage area for at least five (5) years.

11. COMMITMENT TO PARTICIPATE IN MAPPING EFFORTS

U.S. Cellular commits to provide broadband mapping data to the Commission and its vendors for the duration of the State Broadband Data and Development Program.

12. FINANCIAL QUALIFICATIONS

To demonstrate its financial qualifications, U.S. Cellular's latest audited financial statements are attached hereto as Exhibit 5. Exhibit 5 is confidential.

13. FINANCIAL, TECHNICAL AND MANAGERIAL COMPETENCE

Originally formed as TDS Cellular Communications Company in 1983, the company changed its name to United States Cellular Corporation on January 26, 1984. The

company is headquartered in Chicago, Illinois and currently has approximately 4.9 million customers. It employs approximately 6,000 full-time associates across its 26-state footprint. U.S. Cellular employs approximately 213 associates, operates 15 company-owned retail locations, and 32 authorized-agent locations in Nebraska. In 2012, U.S. Cellular earned revenue in excess of \$4 billion. The company is traded on the New York Stock exchange under the symbol “USM”.

USCC’s is led by a talented leadership team consisting of the following:

- Kenneth R. Meyers, President and Chief Executive Officer
- Steven T. Campbell, Executive Vice President, Finance, Chief Financial Officer, Treasurer
- Jay Ellison, Executive Vice President, Sales and Customer Service
- Michael S. Irizarry, Ph.D., Executive Vice President and Chief Technology Officer, Engineering and Information Services
- John C. Gockley, Vice President, Legal and Regulatory Affairs

U.S. Cellular, using CDMA-technology, commercially launched in Nebraska in the Omaha and Lincoln markets in 2003. In 2006, U.S. Cellular purchased the Cellular A band market, consisting of 106 cell sites, formerly owned by Western Wireless (d/b/a Cellular One). The opportunity to purchase this network arose when Alltel, now Verizon Wireless, purchased Western Wireless and was required to divest certain spectrum in Nebraska. This presented U.S. Cellular with an opportunity to increase its footprint to serve beyond just Lincoln and Omaha and reach rural Nebraska. U.S. Cellular has continued to grow and presently has 362 towers in Nebraska.

U.S. Cellular was certified as an Eligible Telecommunications Carrier (“ETC”) by the Commission via an Order entered in Application C-3725 on July 3, 2007. USCC has

been subsequently recertified an ETC annually by Commission Orders. USCC's ETC designation has enabled USCC to receive federal high-cost support to construct wireless infrastructure in rural Nebraska.

U.S. Cellular utilizes a state-of-the art mobile switching center located in Omaha. It has a full power back-up system for redundancy. Field teams are based in Nebraska enabling quick dispatch of personnel if problems arise that require on-site repair. For the last several years, U.S. Cellular has earned the "Highest Network Quality Performance Among Wireless Cell Phone Users" award from J.D. Power and Associates. In addition, locally, U.S. Cellular was named by the Omaha Chamber of Commerce as a "Best Places to Work" in 2011 and 2012.

14. FINANCIAL MATCH NEEDED TO MEET PROJECT COMMITMENTS

U.S. Cellular will contribute a 25% financial match toward funding these projects.

15. TRUTH AND ACCURACY AFFIDAVIT

An affidavit attesting the truth and accuracy of this Petition is attached hereto as Exhibit 6.

V. Satisfaction of Other Criteria

In further support of its Petition, U.S. Cellular states as follows:

1. USCC offers a voice grade service to customers and commits to continue to do so;
2. USCC offers access to emergency services throughout its service area and commits to continue to do so;
3. USCC commits to use support from the NEBP only for the purposes intended and which have been approved by the Commission;

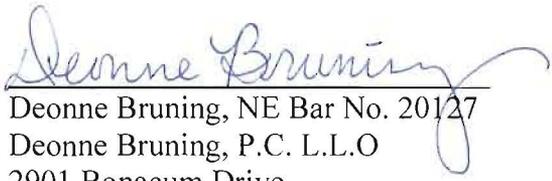
4. USCC commits to fulfill all reporting and audit requirements by the Commission related to the NEBP program; and
5. USCC commits to abide by all applicable Commission rules, regulations and orders.

VI. Conclusion

The addition of high-speed wireless broadband service to these locations would significantly improve public safety, health and economic viability in rural Nebraska. USCC's proposal meets the criteria and objectives of the NEBP, and furthers the goal of nationwide broadband service. USCC respectfully requests the Commission enter an Order approving it to receive NEBP support to deploy LTE wireless broadband service in any or all of the locations identified herein.

Respectfully submitted this 3rd day of February, 2014.

United States Cellular Corporation

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