

**BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION**

In the Matter of the Petition of the Nebraska )      Application No. NUSF-77.21  
Telecommunications Association for )  
Investigation and Review of Processes and )  
Procedures Regarding the Nebraska Universal )  
Service Fund: Application to the Nebraska )  
Broadband Pilot Program (NEBP) received )  
from United States Cellular Corporation. )

**PREFILED TESTIMONY OF STEPHANIE CASSIOPPI**

**ON BEHALF OF**

**UNITED STATES CELLULAR CORPORATION**

**September 27, 2013**

**Intro/Background of Witness**

1 **Q. PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD.**

2 My name is Stephanie Cassioppi and my address is 8410 West Bryn Mawr, Chicago, IL  
3 60631.

4 **Q. ON WHOSE BEHALF ARE YOU PROVIDING THIS TESTIMONY?**

5 **A.** I am testifying on behalf of United States Cellular Corporation. United States Cellular  
6 Corporation has licensed wireless service operations in 26 states, including Nebraska.  
7 Throughout my testimony, I will refer to United States Cellular Corporation as “U.S.  
8 Cellular”.

9 **Q. WHAT ARE YOUR DUTIES WITH U.S. CELLULAR AND HAVE YOU**  
10 **PREVIOUSLY TESTIFIED BEFORE ANY GOVERNMENTAL BODIES?**

11 **A.** My duties include overseeing state legislative and regulatory affairs for U.S. Cellular. I  
12 manage all our federal Eligible Telecommunications Carrier (“ETC”) projects, including  
13 filings, re-certification and compliance. I am also responsible for other general state  
14 regulatory and legislative matters in our states, including managing the outside lobbyists  
15 we retain. I've testified before this Commission in 2010, 2011 and 2012 in NUSF-69  
16 dockets to support U.S. Cellular’s Dedicated Wireless Fund applications. In addition, I  
17 testified before this Commission in support of our federal ETC application. I have also  
18 appeared before the Oklahoma Corporation Commission, the Indiana Utility Regulatory  
19 Commission, as well as legislative committees in Wisconsin, Illinois, Ohio and Missouri,  
20 and the Chicago City Council. Finally, I’ve submitted written testimony in numerous  
21 jurisdictions on a variety of matters.

1 **Q. PLEASE DESCRIBE YOUR RELEVANT EMPLOYMENT AND**  
2 **EDUCATIONAL HISTORY.**

3 **A.** I earned a Bachelor of Science degree from the University of Illinois, Urbana-Champaign  
4 and a graduate degree from DePaul University, Charles H. Kellstadt School of Business.  
5 Prior to working for U.S. Cellular, I was employed by Verizon Wireless for two years as  
6 Director of External Affairs and prior to that I was employed for six years by Ameritech  
7 Cellular in the same capacity. From 2006 to date, my role with U.S. Cellular has been to  
8 provide state legislative and regulatory support to operations in our 26 state territory.

9 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

10 **A.** The purpose of my testimony is to provide information that supports granting U.S.  
11 Cellular support from the Nebraska Broadband Pilot Program (“NEBP”). I will  
12 demonstrate that our application, NUSF-77.21, is in the public interest and benefits  
13 consumers in Nebraska.

14 **Background on U.S. Cellular**

15 **Q. BRIEFLY DESCRIBE U.S. CELLULAR AND ITS PROVISION OF SERVICES**  
16 **IN NEBRASKA.**

17 **A.** U.S. Cellular provides a range of wireless services and products, excellent customer  
18 support, and a high-quality network to approximately five million customers in 26 states.  
19 U.S. Cellular has a strong presence in Nebraska, employing approximately 260 associates  
20 and operating 18 company-owned retail stores, and 48 authorized-agent locations across  
21 the state. Since our founding in 1983, we have been headquartered in Chicago and we  
22 currently employ approximately 7,000 full-time equivalent associates across our  
23 footprint.

1 U.S. Cellular has an exceptionally strong presence in rural areas, including Nebraska.  
2 Our Nebraska operations began in 2003 when U.S. Cellular, who uses CDMA-  
3 technology, commercially launched the Omaha and Lincoln markets utilizing PCS  
4 spectrum. In 2006, U.S. Cellular purchased the Cellular A band market, consisting of  
5 106 cell sites, formerly owned by Western Wireless (d/b/a Cellular One). The  
6 opportunity to purchase this network arose when Alltel, now Verizon, purchased Western  
7 Wireless and was forced to divest certain spectrum in Nebraska. This presented U.S.  
8 Cellular with an opportunity to increase its footprint from serving just the Lincoln and  
9 Omaha areas to providing wireless service to a substantial portion of Nebraska. After the  
10 acquisition, U.S. Cellular upgraded the Western Wireless towers at an expense of roughly  
11 \$70,000 per cell site. We have continued to grow since 2006 and U.S. Cellular presently  
12 has 357 towers in Nebraska.  
13 U.S. Cellular utilizes a state-of-the art mobile switching center located in Omaha. It has a  
14 full power back-up system to provide redundancy. We also have field teams across  
15 Nebraska enabling quick dispatch of personnel if problems arise that require on-site  
16 repair.

17 **Q. WERE YOU INVOLVED IN THE PREPARATION OF U.S. CELLULAR'S**  
18 **APPLICATION FOR SUPPORT FROM THE NEBRASKA BROADBAND PILOT**  
19 **PROGRAM FILED WITH THIS COMMISSION MARCH 1, 2013?**

20 **A.** Yes. I oversaw the preparation of the application and accompanying exhibits and I  
21 interfaced with our entire team to select the locations that were included in our  
22 application. U.S. Cellular's application initially sought NEBP funding to bring  
23 broadband service to 19 existing towers. After discussions with protestants and formal

1 intervenors, U.S. Cellular agreed to reduce the scope of its application. As a consequence  
2 of the reduction in the scope of its applications, all protests and interventions were  
3 withdrawn. U.S. Cellular's amended application sought funding to upgrade seven  
4 existing towers divided into three groups with Group 1 consisting of three sites, and  
5 Groups 2 and 3 consisting of two sites each, respectively.

6 **Q. WHY IS U.S. CELLULAR SEEKING SUPPORT FROM THE NEBP?**

7 A. Funding that has been awarded to U.S. Cellular by the Commission as part of NUSF-69  
8 in 2010, 2011 and 2012 has enabled U.S. Cellular to erect towers in rural locations that  
9 would not be standing today providing service to rural Nebraskans without support from  
10 the Dedicated Wireless Program. We have appreciated receiving that financial support as  
11 it brought better wireless coverage to rural customers for whom there would be no  
12 fiscally responsible way in which to construct towers with which to provide them with  
13 service. The NEBP offers a new opportunity to provide improved telecommunications  
14 services in rural areas. One reason why the NEBP is so helpful is due to the dramatic  
15 changes that have taken place with the federal USF that are significantly reducing  
16 available federal funding. These reductions in federal funding have impacted not only  
17 Nebraskans, but also rural consumers across the country. The NEBP is bringing  
18 broadband service to rural consumers who would otherwise not receive it.

19 **Q. BRIEFLY DESCRIBE YOUR AMENDED APPLICATION.**

20 A. U.S. Cellular's amended application sought funding from the NEBP to upgrade a total of  
21 seven existing towers to deliver LTE wireless broadband services. The towers were  
22 divided into three projects and were located near the following communities:

1 Group 1: Albion, Lindsay and St. Edward

2 Group 2: Leigh and Humphrey

3 Group 3: Silver Creek and Columbus

4 Each group sought funding for the following elements: 1.) LTE base station equipment  
5 for each tower; 2) Upgrading necessary backhaul equipment for each tower; and 3)  
6 Media gateway switching and routing equipment. Those elements in conjunction with  
7 U.S. Cellular's existing network enable U.S. Cellular to provide broadband speeds of at  
8 least 4 Mbps on the downlink and 1 Mbps on the uplink.

9 **Q. ARE THE LOCATIONS IN U.S. CELLULAR'S APPLICATION LOCATED IN**  
10 **AREA UNSERVED OR UNDERSERVED WITH BROADBAND SERVICE?**

11 Yes, I believe the locations included in U.S. Cellular's amended application are located in  
12 areas unserved or underserved with broadband service. U.S. Cellular identified "served"  
13 areas based on the Commission's criteria of 4 Mbps on the downlink and 1 Mbps on the  
14 uplink utilizing the National Broadband Map, as well as public maps from competitors.  
15 Areas that were receiving broadband service were excluded. Some slight overlap  
16 between providers might be unavoidable due to the method of wireless delivery and not  
17 having rigid boundaries, however this should not negate the opportunity to receive  
18 funding.

19 **Q. WILL U.S. CELLULAR UPGRADE THE PROPOSED TOWERS WITHOUT**  
20 **SUPPORT FROM THE NEBRASKA BROADBAND PILOT PROGRAM?**

1    **A.**    The sites identified in the amended application exhibit a need for broadband, but they are  
2           not primary business drivers and therefore are a secondary priority. There are no current  
3           plans to upgrade any of these sites without support from the NEBP.

4    **Q.**    **YOU OBVIOUSLY WOULD HAVE LIKED FOR STAFF TO RECOMMEND**  
5           **GRANTING YOUR APPLICATION IN FULL, BUT SINCE THERE ARE**  
6           **SEVERAL OTHER APPLICANTS AND A LIMITED AMOUNT OF MONEY, DO**  
7           **YOU HAVE ANY THOUGHTS OF THE PARTIAL GRANT THAT STAFF HAS**  
8           **RECOMMENDED?**

9           Yes. We realize the Commission received many applications, and that funding requests  
10          greatly exceeded the amount available. As such, while our application was not granted in  
11          full, we are grateful to have received funding for some of the projects U.S. Cellular  
12          submitted for consideration. Commission Staff recommended funding Groups 2 and 3,  
13          which will result in upgrades to four towers located near the communities of Leigh,  
14          Humphrey, Silver Creek and Columbus. We appreciate the funding that was  
15          recommended by staff and commit to fulfill all expectations required of NEBP recipients,  
16          including meeting the deployment schedule, the 25% financial match, filing broadband  
17          maps and all other requirements.

18   **Q.**    **HOW WILL APPROVAL OF U.S. CELLULAR'S APPLICATION FURTHER**  
19           **AND PROMOTE THE PUBLIC INTEREST AND UNIVERSAL SERVICE IN**  
20           **NEBRASKA?**

21   **A.**    Customers living in the rural areas served by the upgraded towers will enjoy the same  
22           quality mobile broadband service that urban customers receive. Granting U.S. Cellular's  
23           application fulfills the goals of universal service by providing rural customers with  
24           advanced telecommunications services that are comparable to that which is available in  
25           urban areas. Furthermore, offering broadband as a component of a wireless service

1 package may give some consumers the option to choose U.S. Cellular as their principal  
2 telecommunications provider, as opposed to wireless being a secondary communication  
3 tool. Robust competition will encourage all companies, both landline and wireless to  
4 introduce innovative and better-priced offerings which will benefit Nebraska's  
5 consumers. Approving Staff's recommendation and awarding NEBP support to U.S.  
6 Cellular to update the towers identified in Groups 2 and 3 furthers the public interest and  
7 the goals of universal service.

8 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

9 **A.** Yes.