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March 1, 2013

Nebraska Public Service Commission
Steve Meradith, Executive Director
300 The Atrium, 1200 N Street
Lincoln, NE 68508

RE: Application No. NUSF-77, Petition from United States Cellular Corporation

Dear Mr. Meradith,

United States Cellular Corporation (“U.S. Cellular”) hereby files the enclosed petition seeking funding from the Nebraska Broadband Pilot Program, as established in Application No. NUSF-77. Such petition is being submitted pursuant to the Commission’s Order entered in NUSF-77, Progression Order No. 7 on January 15, 2013.

Please note the application contains confidential information, and certain pages have been noted accordingly. Specifically, Exhibit 2 (Coverage Maps), Exhibit 3 (Proposed Budget) and Exhibit 5 (Financial Qualifications) contain proprietary, confidential information. Accordingly, U.S. Cellular asks that such information be kept and filed under seal.

U.S. Cellular will provide the Commission with an electronic, redacted copy for public distribution.

If you have any questions, please do not hesitate to contact me or Stephanie Cassioppi at U.S. Cellular at (630) 201-3501.

Sincerely,


Deonne L. Bruning

Encl.

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Petition of the) APPLICATION NO. NUSF-77
Nebraska Telecommunications)
Association for Investigation and)
Review of Processes and Procedures)
Regarding the Nebraska Universal)
Service Fund.)

**PETITION OF UNITED STATES CELLULAR CORPORATION REQUESTING
SUPPORT FROM THE NEBRASKA BROADBAND PILOT PROGRAM**

March 1, 2013

USCC has subsequently been recertified as an ETC by the Commission via Orders entered September 18, 2007, September 16, 2008, September 22, 2009, September 21, 2010, September 20, 2011 and September 25, 2012. USCC's ETC designation has enabled USCC to receive federal and state support to construct wireless infrastructure in rural Nebraska.

III. Proposal for NEBP Support

USCC submits three (3) projects for funding from the NEBP which will deliver LTE wireless broadband coverage to a substantial area of rural Nebraska which is either unserved or underserved. The projects seeking NEBP funding herein are not like the applications that USCC has previously presented to the Commission for consideration in NUSF-69 (Dedicated Wireless Fund). Rather, the three projects seeking NEBP funding take existing towers that are already in use and upgrade their capability to deliver high speed, broadband service to customers. The addition of broadband in these rural areas furthers the goal of universal service and adheres to the principals of the NEBP. The locations of the proposed sites are attached hereto as Exhibit 1. USCC commits to providing 25% of the funding necessary to complete these projects. USCC believes all these projects meet the criteria for funding as set forth in the Commission's Orders previously entered in this docket. Each of the projects is severable; one or more can be funded, at the Commission's discretion. This proposal will provide high speed, mobile LTE broadband and capability for data roaming to these underserved areas. This deployment will benefit the safety, health and economic vitality of these areas.

This type of upgrade is occurring across the country, including in the more populated areas of Nebraska. However, there is no current plan or timeline to upgrade

the more rural towers, such as those contained in this application to deliver broadband speeds. Support from the NEBP for these projects would enable rural consumers in these rural areas to enjoy wireless speeds comparable to that available in urban areas.

IV. Checklist Items

USCC submits the following information as set forth in the Commission's Proposed Application Checklist detailed in NUSF-77 Progression Order No. 5 (entered November 21, 2011).

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 which will provide the broadband service to consumers contemplated by this Application.

2. DESCRIPTION OF THE PROPOSED BROADBAND PROJECT

USCC's plan consists of deploying LTE wireless broadband service on existing U.S. Cellular towers/sites. USCC is submitting three (3) groups of sites for the Commission's consideration. Group 1 consists of six (6) sites, Group 2 consists of six (6) sites, and Group 3 consists of seven (7) sites. Each group would provide high speed broadband coverage to rural Nebraska and may be funded at the commission's option. All three groups may be funded to maximize the benefit to rural Nebraska. Or, each group may be funded individually with no consequence to the other groups. This approach was chosen to provide maximum flexibility to the Commission in the allocation of funding.

The proposed project plan for each of these areas includes three elements: 1) LTE base station equipment for each site (19 total for all three areas); 2) Upgrading necessary backhaul equipment; and 3) Media gateway switching and routing equipment. In concert with USCC's existing network in rural Nebraska (towers, cabling, backup power, equipment, and other network related equipment), U.S. Cellular will provide broadband speeds within the specified area of at least 4 Mbps on the downlink, and 1 Mbps on the uplink. U.S. Cellular 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 National Broadband Map, as well as public maps from competitors. Areas which met the "served" criteria have been excluded from this submission. All remaining areas within the scope of the Application are considered underserved, as U.S. Cellular currently provides "EVDO Rev. A" data services in those areas. EVDO Rev. A has a theoretical maximum download speed of 3 Mbps which meets the Commission's definition of "underserved," but does not meet the FCC's definition of "broadband". U.S. Cellular's data coverage does not, therefore, appear on the National Broadband Map.

4. ELECTRONIC MAPS OF THE PROJECT AREA

U.S. Cellular has included in this application maps representing U.S. Cellular's proposed broadband coverage for the project areas. Coverage maps are attached

hereto on a confidential basis as Confidential Exhibit 2. The mapping process was performed using 2010 Census Block boundaries as required by the Commission.

5. ESTIMATE OF THE NUMBER OF POTENTIAL NEW BROADBAND SUBSCRIBERS

The number of potential new broadband subscribers are included in the proposed project budget attached hereto and marked Confidential Exhibit 3.

6. DEPLOYMENT SCHEDULE

U.S. Cellular estimates it can deploy the proposed project groups on the schedule set forth below. This estimate falls within the 24-month timeframe established by the Commission. These estimates are based on sound engineering experience, as U.S. Cellular is currently in the midst of bringing LTE broadband services to more densely populated areas in Nebraska. The overall time to project 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. Total time: 16 weeks.

Phase 2 – Upgrade backhaul facilities, commencing immediately upon project approval. Total time: 36 weeks.

Phase 3 – Ordering and installation of broadband base station equipment, installation and integration with core switching equipment. Total time: 25 weeks.

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 Confidential Exhibit 3.

8. PROPOSED RETAIL PRICING

The proposed retail pricing for U.S. Cellular's broadband products are attached hereto as Exhibit 4. This pricing reflects current pricing offered by U.S. Cellular in its service area and may change during the course of this proceeding or during construction. Pricing may also be viewed on U.S. Cellular's external website: <http://www.uscellular.com>.

9. SERVICE COMMITMENT

U.S. Cellular commits to offering broadband service to all households within any approved service area for at least five (5) years.

10. COMMITMENT TO PARTICIPATE IN MAPPING EFFORTS

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

11. FINANCIAL QUALIFICATIONS

To demonstrate its financial qualifications, a copy of U.S. Cellular's audited financial statements as of December 31, 2011 (the latest audited financials available) is attached hereto as Confidential Exhibit 6.

12. FINANCIAL, TECHNICAL AND MANAGERIAL COMPETENCE

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

The company is headquartered in Chicago, Illinois and currently has approximately 5.9 million customers. The company employs approximately 9,000 full-time associates across its 26-state footprint. U.S. Cellular has a strong presence in Nebraska, employing approximately 260 associates and operating 18 company-owned retail locations, and 48 authorized-agent locations across the state.

In 2011, U.S. Cellular earned revenue in excess of \$4 billion. The company is traded on the New York Stock exchange under the symbol "USM". Confidential Exhibit 6 depicts USCC's strong financial position.

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

- Mary N. Dillon, President and Chief Executive Officer
- Steven T. Campbell, Executive Vice President, Finance, Chief Financial Officer, Treasurer

- Jeffrey J. Childs, Executive Vice President and Chief Human Resources Officer
- Carter Elenz, Executive Vice President, Sales and Customer Service
- Michael S. Irizarry, Ph.D., Executive Vice President and Chief Technology Officer, Engineering and Information Services
- David Kimbell, Senior Vice President, Marketing and Chief Marketing Officer
- 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 a tremendous 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 396 towers in 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. And field teams are based in Nebraska enabling quick dispatch of personnel if problems arise that require on-site repair.

In both 2011 and 2012, U.S. Cellular won the honor of “Highest Network Quality Performance Among Wireless Cell Phone Users” 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.

13. FINANCIAL MATCH NEEDED TO MEET PROJECT COMMITMENTS

U.S. Cellular will contribute a 25% financial match toward funding this project. The proposed budget and financial match are attached hereto as Confidential Exhibit 3.

14. TRUTH AND ACCURACY AFFIDAVIT

The Truth and Accuracy Affidavit attesting the truth and accuracy of the information contained in this Application is attached hereto as Exhibit 6.

V. Satisfaction of Eligibility Requirements

USCC satisfies each of the Eligibility Requirements established by the Commission in each of the Progression Orders entered in his Docket and in support thereof states as follows:

1. USCC hereby commits to offer the supported broadband services described in this Application upon completion of the Project to all households within the service areas defined in this Application for a minimum of five (5) years;
2. USCC already offers a voice grade service to customers within the service area of USCC’s Project defined in this Application and commits to continue to do so;
3. USCC already offers access to emergency services throughout its service area and commits to continue to do so;

4. USCC hereby commits to use support from the NEBP only for the purposes intended and which have been approved by the Commission through the application process established in this Docket;
5. USCC hereby commits to offer its services at reasonably comparable rates for comparable services in urban areas;
6. USCC hereby commits to fulfill all reporting and audit requirements by the Commission for oversight by the NEBP program; and
7. USCC hereby commits to abide by all applicable Commission rules, regulations and orders.

VI. USCC Contact Information

The U.S. Cellular representatives authorized to serve as contacts for this

Application are:

Stephanie Cassioppi
United States Cellular Corporation
8410 W. Bryn Mawr
Chicago, IL 60631-3486
(630) 201-3501
Stephanie.Cassioppi@USCellular.com

Deonne Bruning
Deonne Bruning, PC LLO
2901 Bonacum Drive
Lincoln, NE 68502
(402) 421-6405
deonnebruning@neb.rr.com

VII. Conclusion

The addition of high speed wireless broadband service to these rural locations would significantly improve access the public safety, health and economic viability for these areas. 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 support to deploy LTE wireless broadband service in any or all of the three areas identified herein.

Respectfully submitted this 1st day of March, 2013.

United States Cellular Corporation

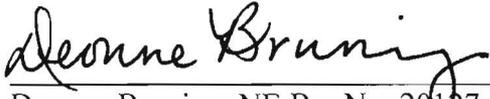
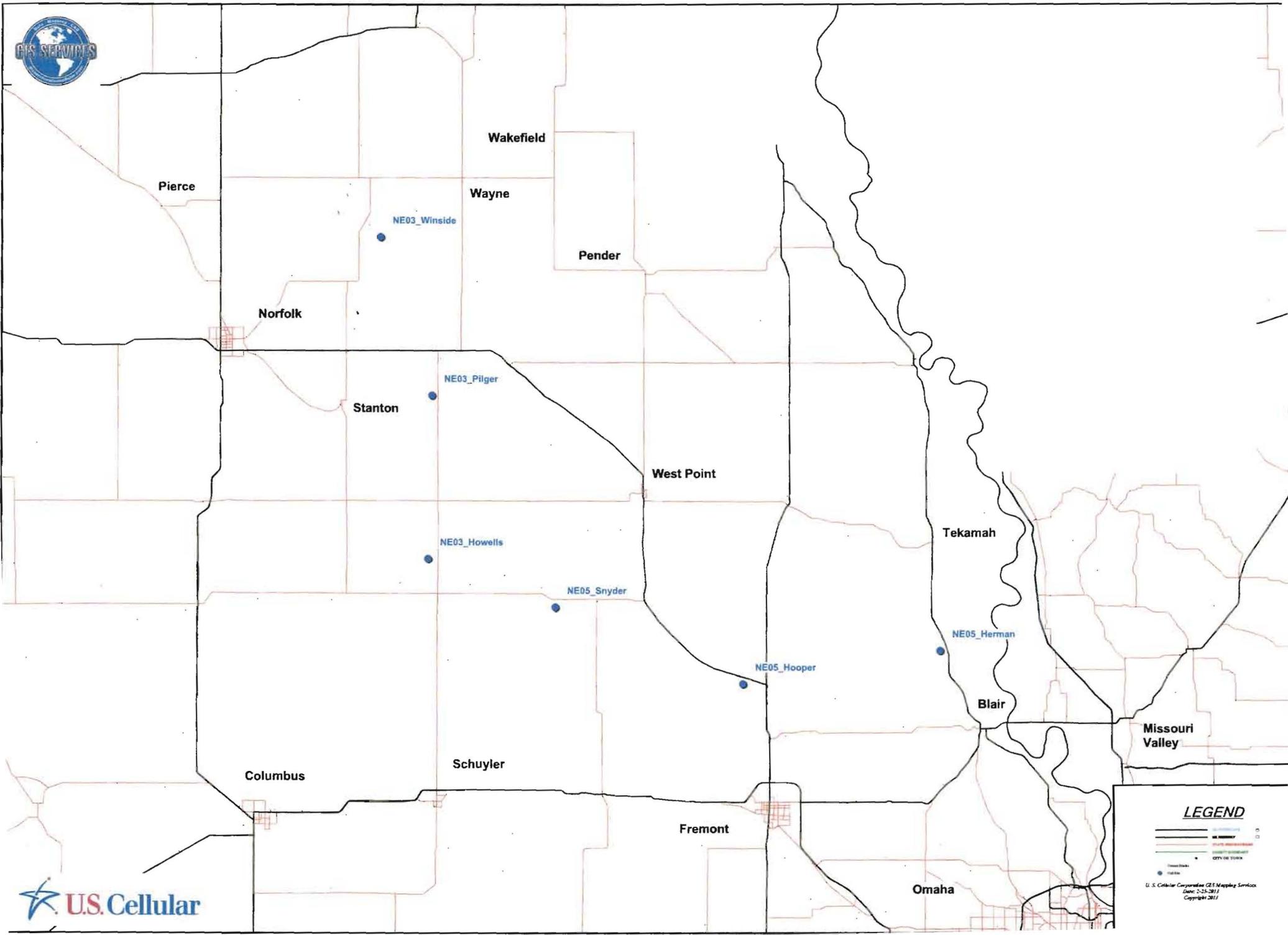
By: 
Deonne Bruning, NE Bar No. 20127
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Exhibit 1

Proposed Sites

Nebraska Broadband Fund Proposed Sites Group 1



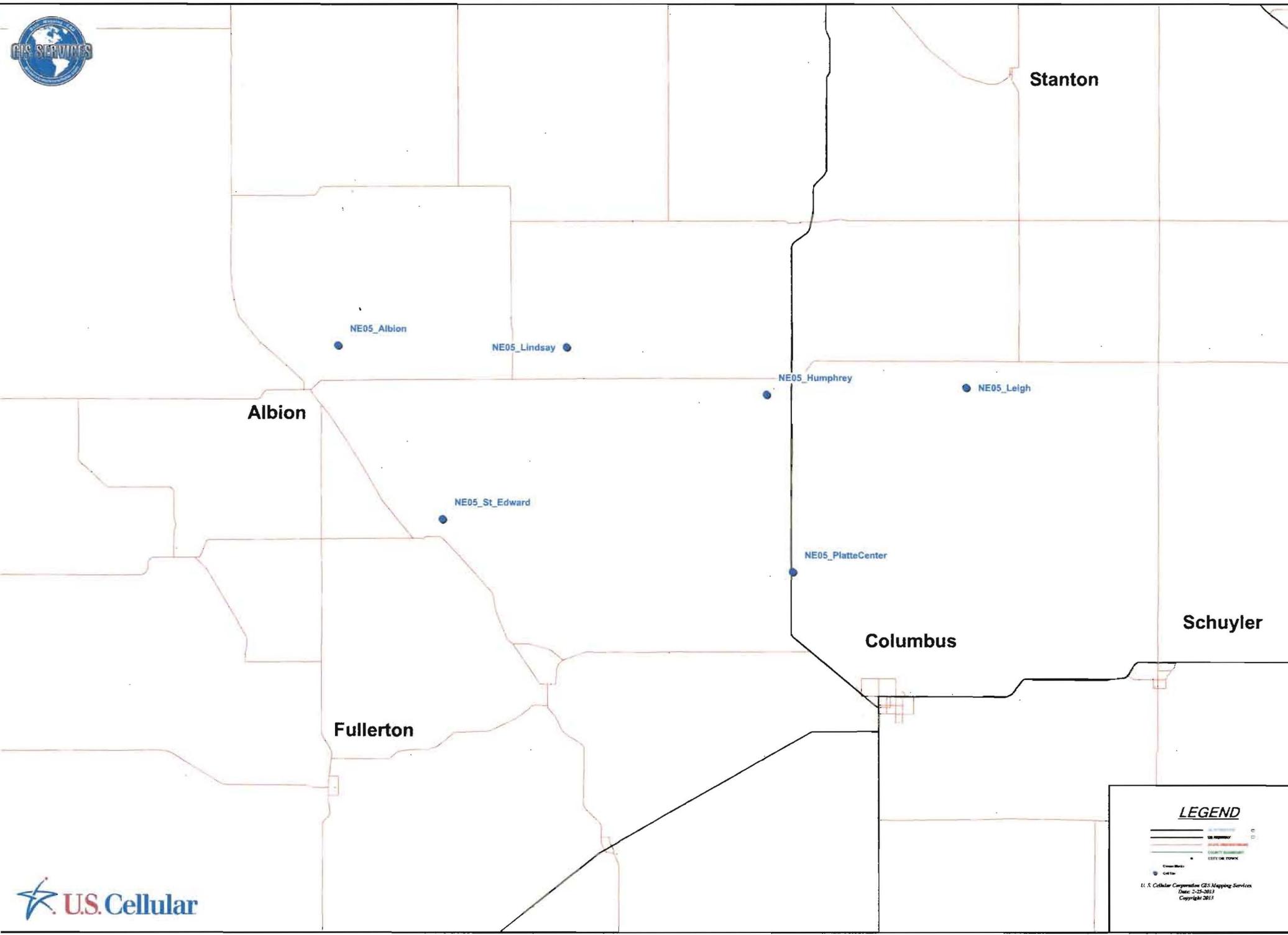
LEGEND

- County Boundary
- City Boundary
- Proposed Broadband Site
- City of Omaha
- Water
- State

U.S. Cellular Corporation GIS Mapping Services
Date: 2-25-2011
Copyright 2011



Nebraska Broadband Fund Proposed Sites Group 2



Albion

Stanton

Fullerton

Columbus

Schuyler

NE05_Albion

NE05_Lindsay

NE05_Humphrey

NE05_Leigh

NE05_St_Edward

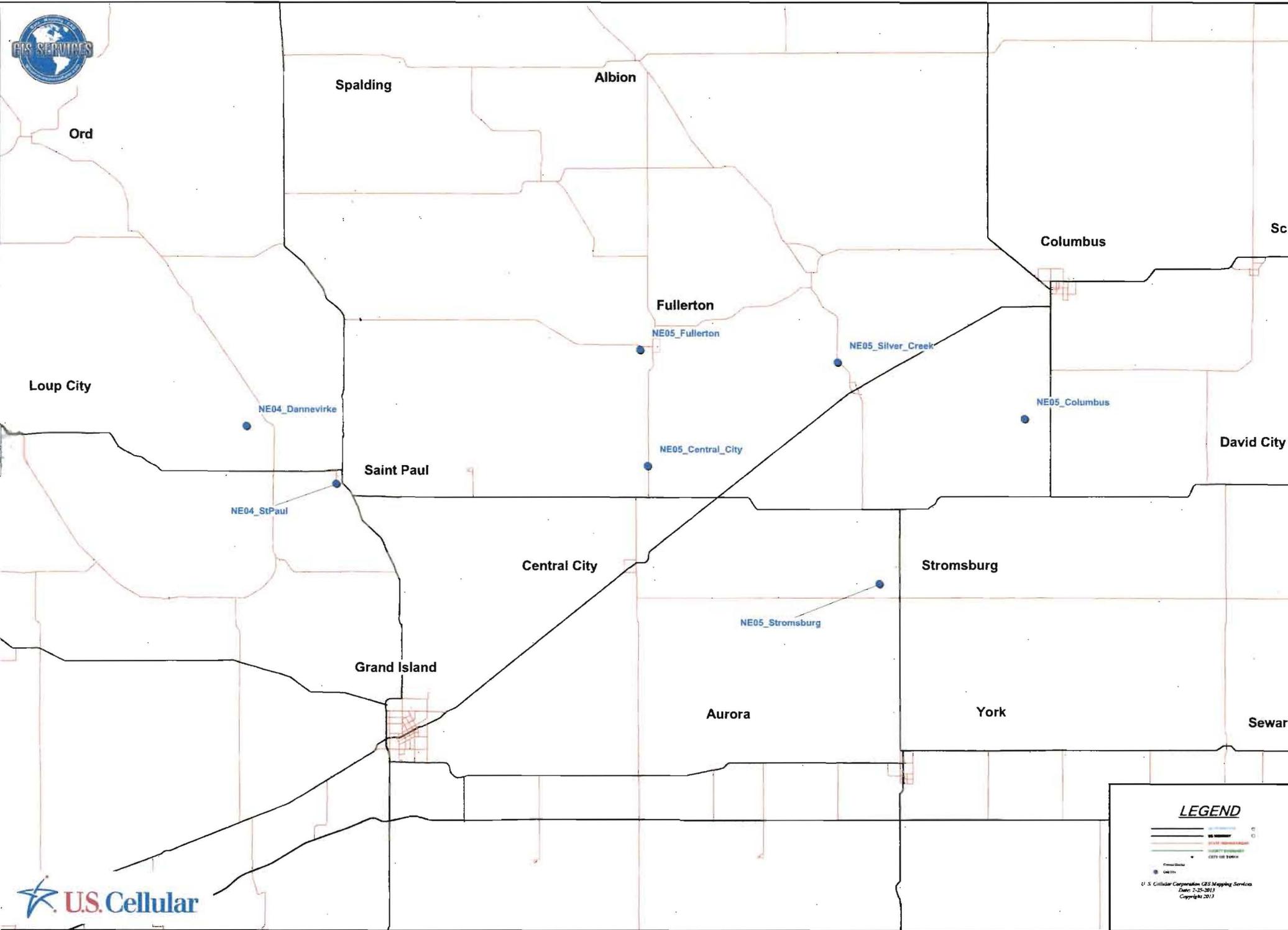
NE05_PlatteCenter

LEGEND

- County Boundary
- City Boundary
- City of Platte
- City of Platte Center
- City of Platteville
- City of Plattsmouth
- City of Platteville
- City of Plattsmouth
- City of Platteville
- City of Plattsmouth



Nebraska Broadband Fund Proposed Sites Group 3



LEGEND

- County Boundary
- City Boundary
- City Center

U.S. Cellular Corporation GIS Mapping Services
Date: 7-25-2013
Copyright 2013

CONFIDENTIAL

Exhibit 2

Coverage Maps

Redacted

CONFIDENTIAL

Exhibit 3

New Subscribers and Proposed Budget

Redacted

Exhibit 4

Retail Pricing

Summary of Service Offerings		
March 1, 2013		
Service Plan Name	Monthly Cost*	Minutes of Service
CONSUMER PLANS:		
Single line plans:		
450 Voice	\$39.99	450
450 Voice and Unlimited Messaging	\$49.99	450
1000 Voice	\$49.99	1000
1000 Voice and Unlimited Messaging	\$69.99	1000
Unlimited Voice	\$69.99	unlimited
Unlimited Voice and messaging	\$89.99	unlimited
Family Plans (monthly price includes 2 lines)		
1000 shared minutes voice only	\$69.99	1000
1000 shared minutes voice and unlimited messaging	\$99.99	1000
2000 shared minutes voice only	\$89.99	2000
2000 shared minutes voice and unlimited messaging	\$119.99	2000
Unlimited shared voice	\$119.99	unlimited
unlimited shared voice/messaging	\$149.99	unlimited
Data plans available with above Single Line and Family Plans:		
100 MB/month/line	\$10.00	
300 MB/month/line	\$20.00	
2GB/month/line	\$25.00	
5GB/month/line	\$50.00	
10GB/month/line	\$90.00	
Prepaid:		
Unlimited Minutes, messaging, 2GB data	\$65.00	
Unlimited Minutes, messaging, 1GB data	\$50.00	

Tablets/wireless modem/mobile hotspot:		
2GB data		\$25.00
5GB data		\$50.00
10GB data		\$90.00
BUSINESS PLANS:		
Single Line unlimited minutes with data plan	50 plus data plan	
	1GB	\$10.00
	2GB	\$25.00
	5GB	\$50.00
	10GB	\$90.00
Shared (monthly price includes 2 lines, up to 6 lines available)		
1000 shared minutes voice only		\$69.99 1000
1000 shared minutes voice and unlimited messaging		\$99.99 1000
2000 shared minutes voice only		\$89.99 2000
2000 shared minutes voice and unlimited messaging		\$119.99 2000
Unlimited shared voice		\$119.99 unlimited
unlimited shared voice/messaging		\$149.99 unlimited
Data plans available with above Single Line and Family Plans:		
100 MB/month/line		\$10.00
300 MB/month/line		\$20.00
2GB/month/line		\$25.00
5GB/month/line		\$50.00
10GB/month/line		\$90.00
Business plans for more than 6 lines are available with data plans similar to those above.		
*taxes and fees apply and include but may not be limited to: NUSF, FUSF, E911 and regulatory cost recovery fees. Also, \$30 device activation fee may apply.		

CONFIDENTIAL

Exhibit 5

Financial Qualifications

Redacted

Exhibit 6

Truth and Accuracy Affidavit

AFFIDAVIT OF UNITED STATES CELLULAR CORPORATION

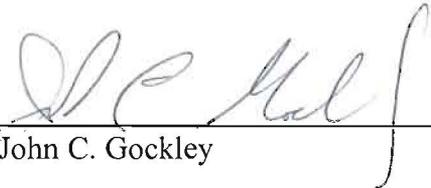
Nebraska Broadband Pilot Program

NUSF-77

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

I, the undersigned, being duly sworn, state as follows:

1. I am the Vice President, Legal and Regulatory Affairs, of United States Cellular Corporation, FCC service area number 379019.
2. I have read the foregoing Application seeking funding from the Nebraska Broadband Pilot Program and state the information provided herein is true and correct to the best of my knowledge, information and belief.



John C. Gockley

Subscribed and sworn to before me

this 28 day of February, 2013.

Karen F Wierer, Notary Public
Cook County, Illinois



My Commission Expires 01/04/17