

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska Public Service) Application No. NUSF-69.15
Commission on its own motion, seeking to)
implement policies and procedures related to)
providing dedicated universal service support)
for wireless telecommunications services:)
Petition received July 1, 2013 from United)
States Cellular Corporation for support.)

PREFILED TESTIMONY OF STEPHANIE CASSIOPPI
ON BEHALF OF
UNITED STATES CELLULAR CORPORATION

October 22, 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. I
7 will refer to United States Cellular Corporation as “U.S. Cellular” throughout my
8 testimony.

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 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, including managing the outside lobbyists we retain.
15 I've testified before this Commission in 2010, 2011 and 2012 in support of U.S.
16 Cellular’s previous NUSF-69 Dedicated Wireless Program applications. I also testified
17 before this Commission in support of U.S. Cellular’s federal ETC application. And, I
18 have submitted pre-filed Direct Testimony with this Commission as part of U.S.
19 Cellular’s NUSF-77 application in the current Nebraska Broadband Pilot Program
20 (“NEBP”). Finally, I have testified before the Oklahoma Corporation Commission, and
21 have appeared before the Indiana Utility Regulatory Commission, as well as legislative

1 committees in several states and before the Chicago City Council. I have submitted
2 written testimony in numerous jurisdictions on a variety of matters.

3 **Q. PLEASE DESCRIBE YOUR RELEVANT EMPLOYMENT AND**
4 **EDUCATIONAL HISTORY.**

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

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

12 **A.** The purpose of my testimony is to provide information that supports granting U.S.
13 Cellular support from the Nebraska Universal Service Fund (“NUSF”) Dedicated
14 Wireless Program. I will demonstrate that our application, NUSF-69.15, is in the public
15 interest, promotes public safety and competition and benefits consumers in Nebraska.

16 **Background on U.S. Cellular**

17 **Q. BRIEFLY DESCRIBE U.S. CELLULAR AND ITS PROVISION OF SERVICES**
18 **IN NEBRASKA.**

19 **A.** U.S. Cellular provides wireless services and products, excellent customer support, and a
20 high-quality network to approximately five million customers in 26 states. U.S. Cellular
21 operates 18 company-owned retail stores and 48 authorized-agent locations in Nebraska,
22 and employs approximately 260 associates in the state.

1 Since our founding in 1983, U.S. Cellular has been headquartered in Chicago and we
2 currently employ approximately 7,000 full-time equivalent associates across our
3 footprint. U.S. Cellular has a strong presence in rural areas, including Nebraska.
4 Our Nebraska operations began in 2003 when U.S. Cellular, who uses CDMA-
5 technology, launched the Omaha and Lincoln markets utilizing PCS spectrum. In 2006,
6 U.S. Cellular purchased the Cellular A band market, consisting of 106 cell sites, formerly
7 owned by Western Wireless (d/b/a Cellular One). The opportunity to purchase this
8 network arose when Alltel, now Verizon Wireless, purchased Western Wireless and was
9 required to divest certain spectrum in Nebraska. This presented an excellent opportunity
10 for U.S. Cellular to increase its footprint from serving just the Omaha and Lincoln
11 markets to serving a substantial portion of rural Nebraska. Once the acquisition was
12 complete, U.S. Cellular upgraded the Western Wireless towers at a cost of roughly
13 \$70,000 per cell site. U.S. Cellular has continued to grow and today has 357 towers in
14 Nebraska.

15 U.S. Cellular utilizes a state-of-the art mobile switching center located in Omaha. It has a
16 full power back-up system for redundancy. We also have field teams in Nebraska to
17 provide rapid dispatch of personnel if on-site repair is needed.

18 U. S. Cellular is committed to supporting the communities in its footprint. Through the
19 charitable campaign, Calling All Communities, U.S. Cellular has supported elementary
20 and secondary education by donating \$1 million to schools annually since 2009. U.S
21 Cellular has given \$200,000 to Nebraska schools through this initiative. U.S. Cellular
22 also supports local non-profits by donating phones and minutes to organizations such as

1 the Siena-Francis House and by making charitable contributions to entities such Girls
2 Incorporated of Omaha and Heartland Family Services in Omaha. And U.S. Cellular was
3 honored to be recognized as one of the Best Places to Work in Omaha in 2011 and 2012.

4 **Q. WERE YOU INVOLVED IN THE PREPARATION OF U.S. CELLULAR'S**
5 **APPLICATION FOR SUPPORT FROM THE NUSF DEDICATED WIRELESS**
6 **PROGRAM FILED WITH THIS COMMISSION JULY 1, 2013?**

7 **A.** Yes. I oversaw the preparation of the application and the exhibits. I interfaced with our
8 Nebraska engineering team to select the site that was included in our application. Our
9 application seeks funding for the construction of one tower and its infrastructure.

10 **Q. DID YOU ALSO OVERSEE THE PREPARATION OF U.S. CELLULAR'S**
11 **APPLICATIONS FOR SUPPORT FROM THE NUSF DEDICATED WIRELESS**
12 **PROGRAM IN PREVIOUS YEARS?**

13 **A.** Yes. I oversaw the preparation of the applications that were filed in 2010, 2011 and 2012
14 as well. U.S. Cellular is grateful for the funding that has been awarded by this
15 Commission through the Dedicated Wireless Program, as it brought towers to rural
16 Nebraskans who were receiving inadequate wireless coverage. We are hopeful the
17 Commission will approve funding for U.S. Cellular this year as well.

18 **Q. WHY IS U.S. CELLULAR SEEKING SUPPORT FROM THE NUSF**
19 **DEDICATED WIRELESS PROGRAM?**

20 **A.** The Dedicated Wireless Program funds awarded in 2010, 2011 and 2012 enabled U.S.
21 Cellular to construct towers in rural locations that would not be standing today but for the
22 Commission's assistance. A need exists to provide better wireless coverage to rural
23 customers, but financial constraints prevent construction to every location. As such, the
24 Dedicated Wireless Program has filled a need to bring towers to unserved and
25 underserved areas. While federal USF support historically enabled wireless companies to

1 expand coverage to rural consumers, changes at the federal level have impacted rural
2 deployment. Thus, the assistance wireless companies receive from the NUSF will be of
3 growing importance to help residents in rural areas receive wireless service that is
4 comparable to that in urban areas.

5 **Q. BRIEFLY DESCRIBE YOUR APPLICATION FOR FUNDING.**

6 **A.** U.S. Cellular filed an application seeking funding from the Dedicated Wireless Program
7 for the construction of one tower and its associated infrastructure near DeWitt at the cost
8 of \$444,193. We greatly appreciate Commission Staff recommendation that suggests
9 funding the DeWitt tower, but we ask the Commission review funding “leasehold
10 improvement” expenses in future years as the NUSF-69 fund merges with the NUSF-77,
11 NEBP fund. Changes in the federal USF prevent wireless carriers from using the federal
12 USF to help fund rural tower sites. And yet, leasehold improvement costs are legitimate
13 expenses related to items such as fencing, zoning, permit architecture, and compliance all
14 of which are necessary to build a tower. We respectfully ask the Commission consider
15 allowing for the recovery of leasehold improvement expenses as a part of the NEBB in
16 NUSF-77. The inability to recover leasehold improvement expenses will be magnified in
17 the NEBP, since the program requires companies to contribute 25% of the project
18 funding, something not required in the Dedicated Wireless Program. For example, U.S.
19 Cellular’s application requested \$444,193 to build the DeWitt tower, while staff
20 recommended funding \$398,859, a reduction of 11%, before the company’s matching
21 25% funding is taken into account. In the alternative, the Commission could allow for
22 leasehold expenses to part of a company’s 25% matching obligation.

1 **Q. IS THE PROPOSED DEWITT SITE LOCATED IN AN UNSERVED OR**
2 **UNDERSERVED AREA?**

3 Yes, the proposed site near DeWitt is in an unserved or underserved area. U.S. Cellular
4 generally knows the presence of its competitors, just like they know our presence in the
5 market. We review publicly available material, and use numerous tools that monitor
6 growth of the wireless network. Attached to our application was the coverage that U.S.
7 Cellular currently provides in the DeWitt area, and a map showing the coverage that
8 would exist if a new tower was constructed. The map shows vastly improved coverage.
9 U.S. believes wireless coverage is insufficient in this area to provide consumers with
10 quality wireless service, including wireless broadband. Some slight overlap between
11 providers may exist, but that is unavoidable due to wireless coverage not having rigid
12 boundaries.

13 **Q. WILL U.S. CELLULAR CONSTRUCT THE DEWITT TOWER WITHOUT**
14 **SUPPORT FROM THE NUSF DEDICATED WIRELESS PROGRAM?**

15 **A.** No. While there is a need for improved service in this area, the Dewitt tower is at best, a
16 secondary priority. The tower will not be constructed without support from the NUSF
17 Dedicated Wireless Program.

18 **Q. WOULD U.S. CELLULAR BE WILLING TO ENTER INTO ROAMING**
19 **AGREEMENTS WITH OTHER CARRIERS AT THE DEWITT TOWER IF**
20 **TECHNICALLY FEASIBLE?**

21 **A.** Yes. U.S. Cellular currently allows such a practice and agrees to enter into future
22 roaming agreements on reasonable terms at all facilities that receive NUSF support.

23 **Q. IS U.S. CELLULAR WILLING TO ACCOMMODATE THE COLLOCATION OF**
24 **OTHERS' EQUIPMENT WHERE TECHNICALLY FEASIBLE?**

1 **A.** Yes. U.S. Cellular constructs its towers to accommodate the collocation of additional
2 equipment. A carrier interested in collocating simply needs to submit an application to
3 U.S. Cellular.

4 **Q.** **WILL THE DEWITT TOWER BE CAPABLE OF PROVIDING BROADBAND**
5 **SERVICES TO CONSUMERS?**

6 **A.** Yes. At this time, U.S. Cellular commits that the DeWitt tower will be constructed with
7 3G capability. Technical upgrades are constantly occurring and it is possible a faster
8 technology could be deployed.

9 **Q.** **DOES U.S. CELLULAR PROVIDE EMERGENCY SERVICES AND WILL THE**
10 **DEWITT TOWER HAVE PHASE II E911 CAPABILITY?**

11 **A.** Yes. U.S. Cellular provides customers with access to emergency services throughout its
12 coverage area and U.S. Cellular will provide Phase II E911 service immediately anytime
13 a county is Phase II E911 capable.

14 **Q.** **HOW WILL APPROVAL OF U.S. CELLULAR'S APPLICATION FURTHER**
15 **AND PROMOTE PUBLIC SAFETY AND WELFARE IN NEBRASKA?**

16 **A.** Customers of not just U.S. Cellular, but of any carrier who enters into a roaming
17 agreement with U.S. Cellular, will have improved access to a wireless signal benefitting
18 the public safety network and 911 availability. When a new tower is constructed, the
19 volume of calls placed to emergency services increases. A tremendous public benefit is
20 realized when customers have improved access to reach 911 in an emergency.

21 **Q.** **WILL APPROVAL OF U.S. CELLULAR'S APPLICATION ADVANCE THE**
22 **GOAL OF UNIVERSAL SERVICE?**

23 **A.** Yes. Constructing a tower near DeWitt will extend advanced telecommunications
24 services to rural Nebraskans, and will give consumers near DeWitt better choices in their

1 telecommunication provider. Wireless service is flourishing in urban areas so much so
2 that consumers are ‘cutting the cord’ and relying exclusively on wireless service.
3 However, without adequate wireless coverage this will never be a viable option for rural
4 customers. Increasing coverage by constructing a new tower gives consumers the option
5 to choose U.S. Cellular as their principal provider, as opposed to wireless service being a
6 secondary communication tool. The addition of a tower in this area will enhance the
7 level of telephone competition. Competition will encourage all companies, wireline and
8 wireless to introduce innovative and advanced services which benefits consumers. The
9 new tower near DeWitt will provide rural consumers with telecommunications services
10 comparable to that available in urban areas. U.S. Cellular asks that its application be
11 granted.

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

13 **A.** Yes.