

Exhibit Number:

Issue: ETC Designation and
Public Interest
Witness: Robert C. Schoonmaker
- Surrebuttal Testimony
Sponsor: Small Telephone
Company Group
Case No.: TO-2005-0384

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

**In the Matter of the Application of USCOC)
of Greater Missouri, LLC of Designation as)
a Telecommunications Carrier Eligible for) Case No. TO-2005-0384
Federal Universal Service Support Pursuant)
to the Telecommunications Act of 1996.)**

SURREBUTTAL TESTIMONY OF ROBERT C. SCHOONMAKER

On behalf of The Small Telephone Company Group

October 3, 2005

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2 **SURREBUTTAL TESTIMONY OF ROBERT C. SCHOONMAKER**
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6 Q. Please state your name and address.

7 A. My name is Robert C. Schoonmaker. My business address is 2270 La Montana
8 Way, Colorado Springs, Colorado 80918.

9
10 Q. By whom are you employed and in what capacity?

11 A. I am President and CEO of GVNW Consulting, Inc., a consulting firm
12 specializing in working with small telephone companies.

13
14 Q. Are you the same Robert C. Schoonmaker that previously submitted Rebuttal
15 Testimony in this case?

16 A. Yes.

17
18 Q. What is the purpose of your testimony?

19 A. The purpose of my testimony is to respond to the Rebuttal Testimony of Adam
20 McKinnie, Regulatory Economist for the Missouri Public Service Commission
21 (the "MPSC"), filed on September 12, 2005. Mr. McKinnie recommends that
22 U.S. Cellular ("USCC") be designated as an eligible telecommunications carrier
23 ("ETC") - with conditions - for receipt of Federal Universal Service Funds
24 ("FUSF") in the rural high-cost areas served by the STCG ILECs. I will address
25 certain of Mr. McKinnie's arguments to assist the MPSC in its determination of

1 this matter and describe why I do not believe that USCC has demonstrated that
2 such a designation is in the public interest.

3

4 Q. Staff witness Mr. McKinnie discusses on pages 4-11 of his testimony the first of
5 five requirements in the FCC Order for the provision of a five-year plan, the value
6 of that requirement, and his attempts to solicit such a plan for USCC. Do you
7 agree with his comments on the value of the plan and his observations that USCC
8 has not provided such a plan?

9 A. Generally yes. I agree that such a plan should have been provided by USCC to
10 meet its burden of proof that its application is in the public interest. That would
11 have been appropriate whether the FCC had issued its order and irrespective of
12 whether the order has been challenged or is in effect. It is appropriate information
13 that an applicant for ETC status should file. It is particularly relevant in the case
14 of USCC's application since all the data submitted to date both by USCC and
15 other parties demonstrates that USCC does not currently provide service to many
16 of the areas for which it is requesting ETC certification.

17

18 Q. Do you agree with Mr. McKinnie's conclusion that in spite of USCC's lack of
19 providing such data it should be granted its application to receive ETC status?

20 A. I do not. USCC's lack any service provision in many areas where they have
21 requested ETC status, and the lack of any demonstration that they intend to serve
22 such areas should preclude USCC from receiving ETC status simply for
23 administrative simplicity reasons. It appears that Mr. McKinnie failed to

1 recognize the statutory requirement that an ETC provide service “throughout the
2 area” for which it requests such status.

3

4 Q. Do you agree with Mr. McKinnie’s statements (pp. 12 – 13, lines 19 – 24, 1 – 29)
5 that USCC meets the third of the five minimum FCC requirements contained in
6 the March 2005 ETC Report and Order, “consumer protection and service quality
7 standards.”

8 A. While USCC has agreed to certify that it complies with the CTIA Code of
9 Consumer Behavior, I do not believe that it has adequately demonstrated that it
10 will comply with consumer protection and service quality standards necessary to
11 demonstrate that its application is in the public interest. In my Rebuttal
12 Testimony, I pointed out a number of areas where this Commission has required
13 ILECs to comply with standards beyond those required in the CTIA code and my
14 belief that to meet the public interest standard the Commission should require
15 compliance with standards similar to those imposed on ILECs. I note that in her
16 testimony, OPC Witness, Ms. Meisenheimer, also recommends that the
17 Commission require USCC to comply with additional service standards if it is to
18 be granted ETC status.

19

20 Q. Mr. McKinnie discusses the fourth of the five minimum requirements, that the
21 carrier offer local usage plans comparable to those offered by the ILEC in the
22 areas for which it seeks designation (p. 14, lines 1 – 18). McKinnie states that

1 USCC's local plans are comparable in price and terms of service to ILEC plans
2 (p. 15, lines 27 – 29). Do you agree?

3 A. No. As discussed in my rebuttal testimony and demonstrated on Schedule RCS-2,
4 I do not believe that the plans offered by USCC offer any particular benefits to
5 customers of the STCG companies. That is particularly true in relation to the
6 Lifeline plans that USCC offers as discussed in my testimony and that of Ms.
7 Meisenheimer.

8

9 Q. Mr. McKinnie seems satisfied with USCC's commitment to provide the fifth of
10 the five minimum FCC requirements, equal access if other ETC companies
11 withdraw from providing service. What are your comments?

12 A. Since USCC provides no service in many of the service areas for which they are
13 requesting ETC designation and either partial or less than adequate service
14 coverage in other areas, I find it hard to understand how USCC could live up to
15 this commitment if they were required to do so.

16

17 Q. Do you recommend that USCC be granted its request to be designated as an
18 eligible telecommunications carrier?

19

20 A. No. For the reasons presented in my Rebuttal Testimony submitted to the
21 Commission on September 12, 2005 and for the reasons outlined in this
22 surrebuttal, I would recommend that the Commission deny USCC's Application.

23

1 Q. Does this conclude your testimony?

2 A. Yes.