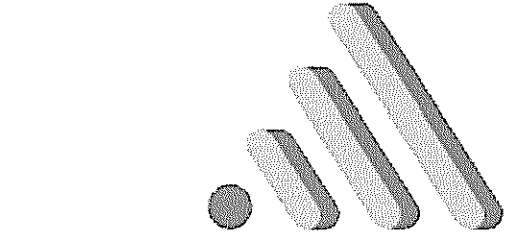
Cellular South Meeting with Commissioner Michael J. Copps

June 4th, 2008



Cellular South Facts

- Founded in 1988; headquartered in Ridgeland, MS (Jackson metro area)
- One of the Nation's largest privately held wireless companies
- Over 700,000 customers – approximately 450,000 in rural areas
- Over 900 employees across the Southeast
- Licensed to provide wireless service in five southeastern states including, Mississippi, Alabama, Tennessee, eastern Arkansas, and the Florida Panhandle - totaling a population of more than 11 million.

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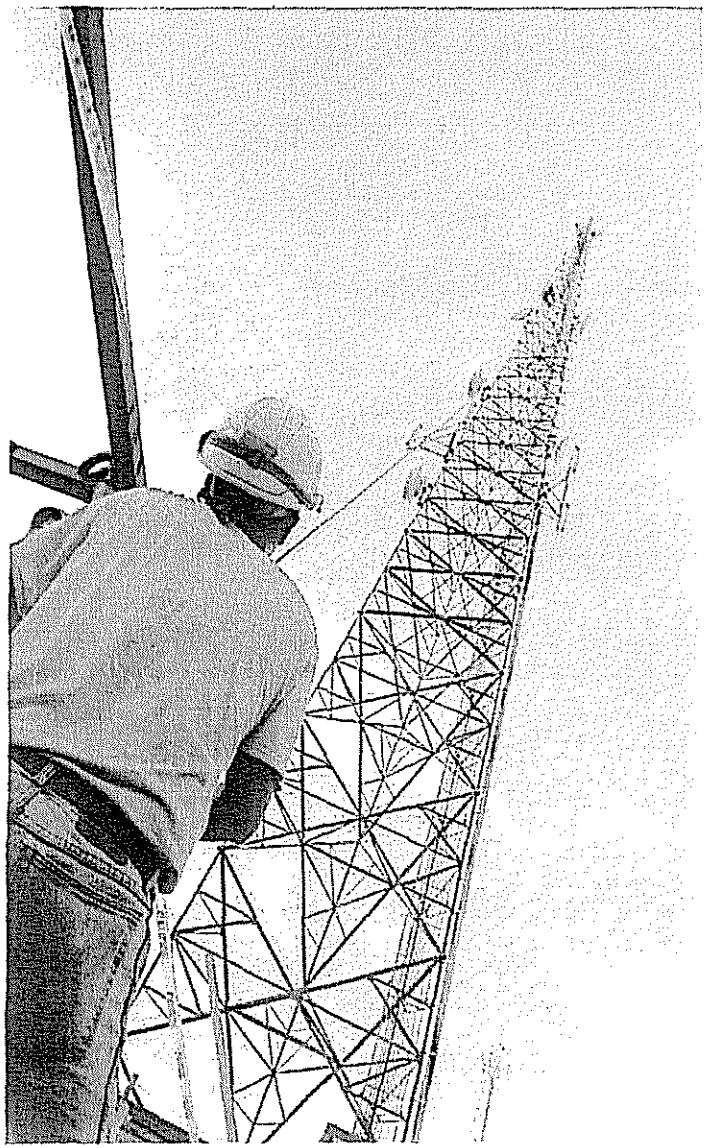

Mississippi Gulf Coast
Post-Hurricane Katrina

- Built back quickly - Never completely lost service even during height of storm in South MS; network 60% operational one day after storm; fully restored in 10 days.

- 470% increase in minutes on network as a result of traffic from other carriers' customers.

- Over 1 million calls on our network in first days after storm.

- Recognized with a concurrent resolution from the Mississippi Legislature commending Cellular South for the company's extraordinary efforts in Hurricane Katrina's wake.

- Fortified the network in preparation for future hurricane seasons through permanent microwave technology, new switches and installation of more than 200 permanent generators in cell sites across Coastal counties.

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Expansion of Wireless Service in Rural America

- Two Keys to Providing Wireless Service to Rural Areas
  - Rural Carriers must be successful in acquiring spectrum
  - USF support to Rural Carriers must remain stable

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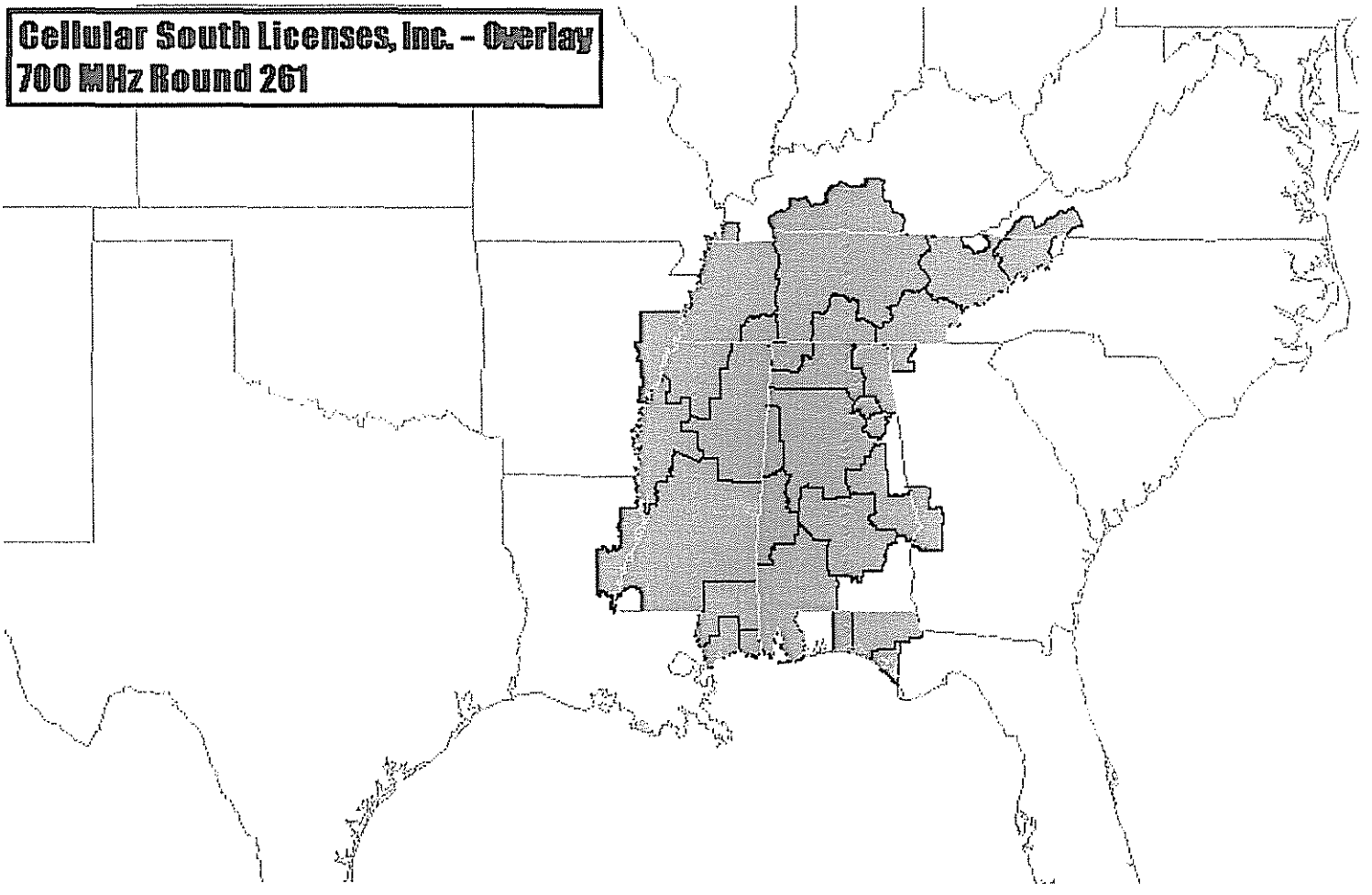
Cellular South Licenses, Inc. – Overlay
700 MHz Round 261

USF is Important for Rural Consumers

- USF advances principles of Telecommunications Act of 1996
  - Services and rates in rural areas that are comparable to those in urban areas
  - Advanced telecommunications services available to all regions of the Nation
  - All consumers have the opportunity to benefit from competition

- Since first receiving ETC designation in December of 2001, Cellular South has invested $227 million in USF support in high-cost areas and has contributed an additional $56 million for network build out in these areas.
  - In the past two years, Cellular South invested over $25 million more in high-cost areas than it received in USF support for those areas.
  - Coverage in high-cost areas has been expanded over 10,000 square miles in MS and 300 square miles in AL.
  - The company has more than doubled the number of cell sites in rural high-cost areas of MS.

Map Legend

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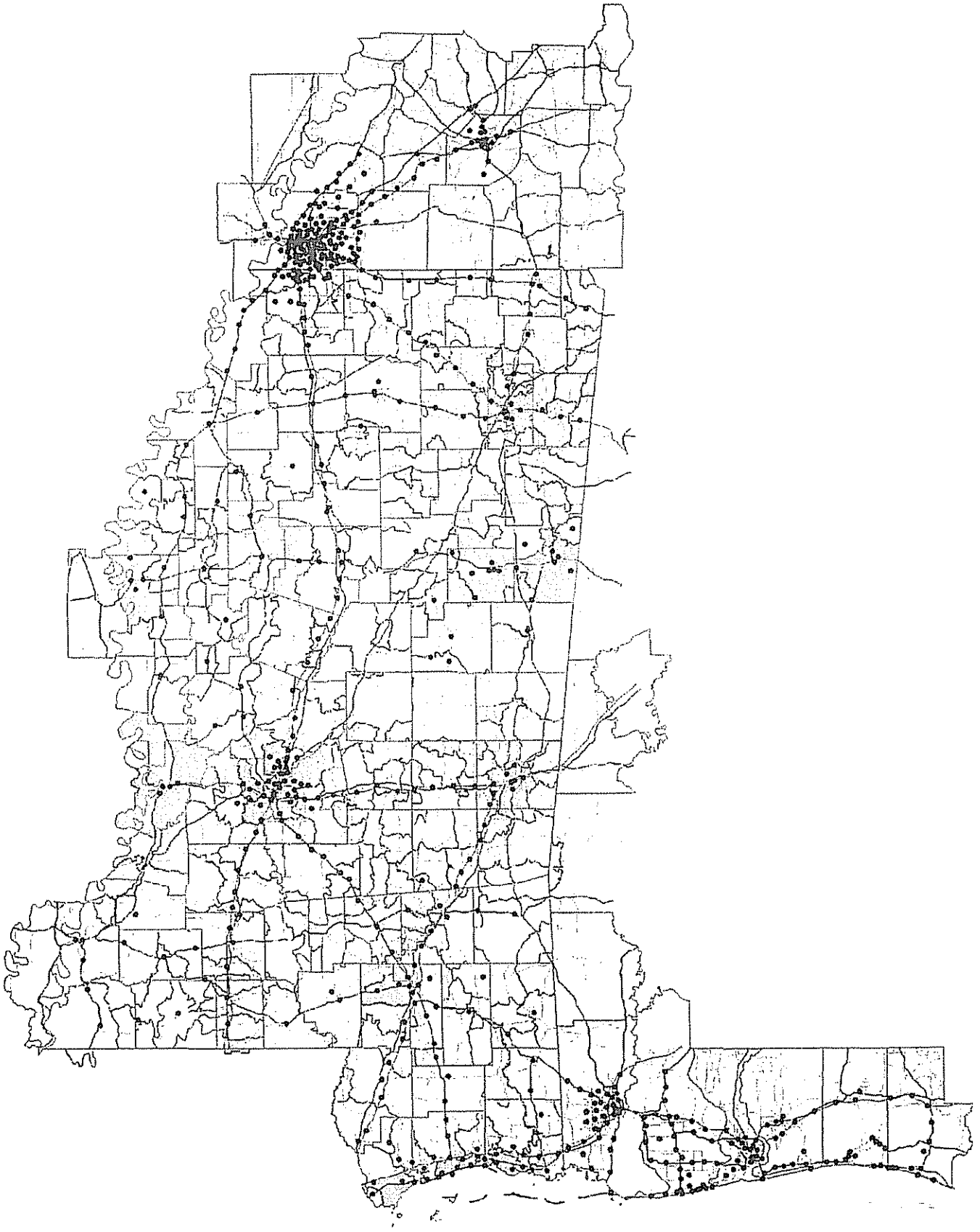
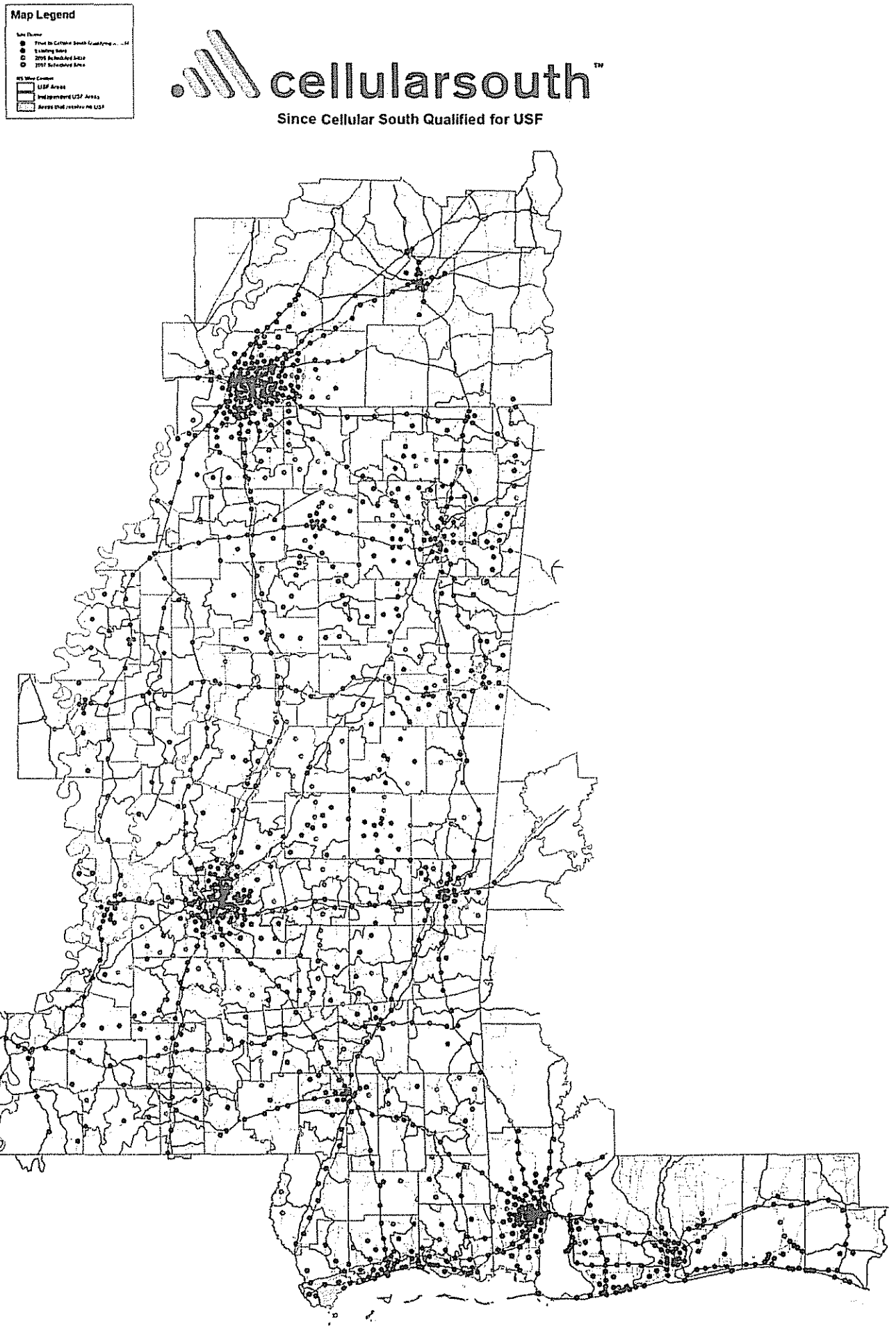
Prior to Cellular South Qualifying for USF




Map Legend
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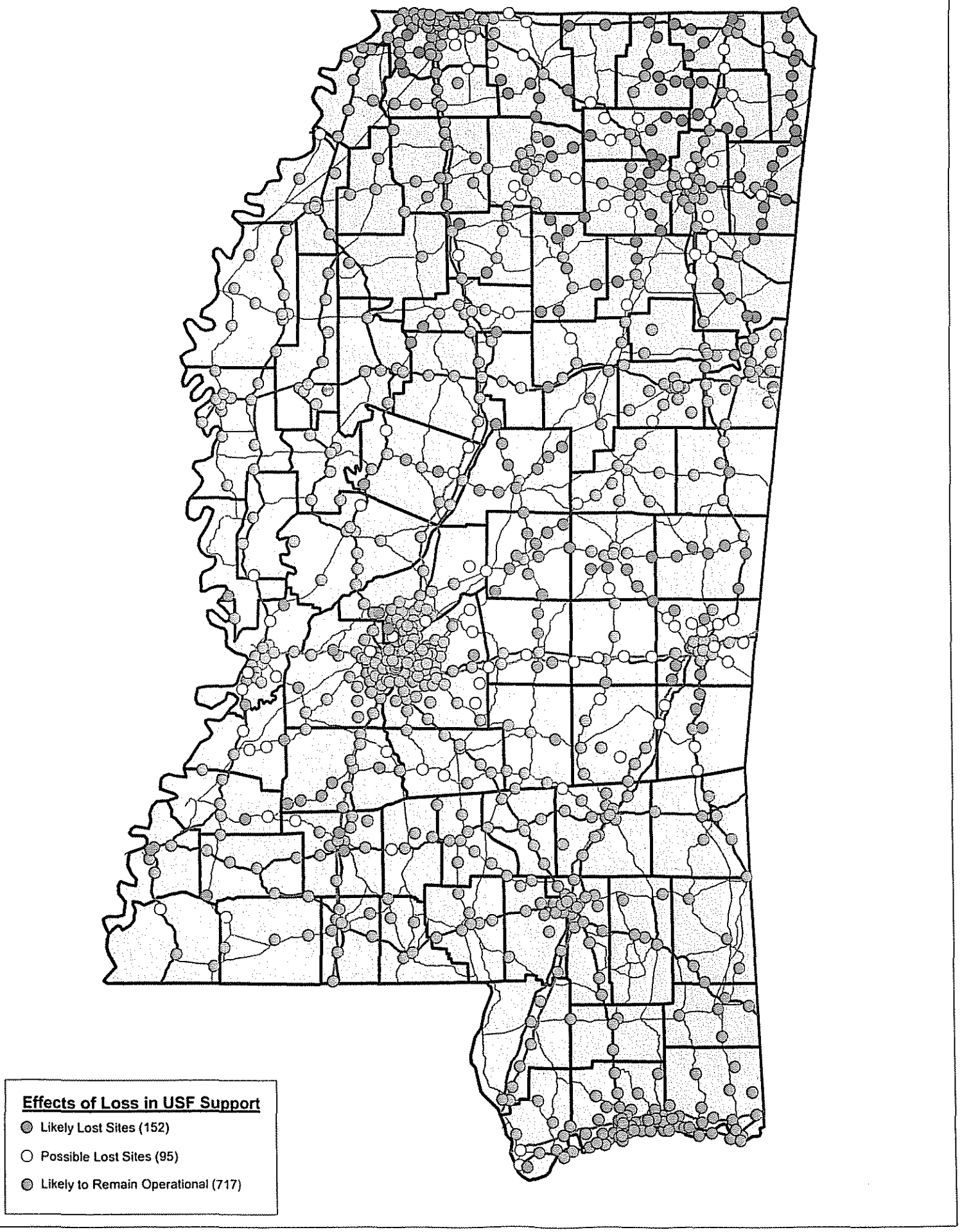
Since Cellular South Qualified for USF


Effects of Loss in USF Support
Likely Lost Sites (152)
Possible Lost Sites (95)
Likely to Remain Operational (717)

Summary

- Cellular South strives to serve all consumers in our footprint – including those in rural areas
- We take pride in our history of delivering wireless services to rural consumers
- Continued USF support is critical for companies like Cellular South to continue providing quality wireless service to rural Americans

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