

**BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION**

In the Matter of the Petition of the )  
Nebraska Telecommunications ) Application No. NUSF-77.19  
Association for the Investigation )  
and Review of Processes and )  
Procedures Regarding the Nebraska )  
Universal Service Fund: )  
Application to the Nebraska )  
Broadband Pilot Program )  
(NEBP) Received from )  
Windstream Communications )

**DIRECT TESTIMONY OF BRAD HEDRICK**

**ON BEHALF OF**

**WINDSTREAM NEBRASKA, INC. (“WINDSTREAM”)**

**September 28, 2013**

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**DIRECT TESTIMONY OF  
BRAD HEDRICK**

1                   **I.     BACKGROUND AND QUALIFICATIONS**

2   **Q.     PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3   A.     My name is Brad Hedrick. My business address is 1440 M Street, Lincoln, NE  
4           68508.

5   **Q.     BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6   A.     I am employed by Windstream as its Division Vice President, Field  
7           Operations, for a fifteen-state region that includes the State of Nebraska.

8   **Q.     ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS  
9           PROCEEDING?**

10  A.     I am testifying on behalf of Windstream.

11  **Q.     PLEASE BRIEFLY DESCRIBE YOUR EDUCATIONAL  
12           BACKGROUND AND PROFESSIONAL EXPERIENCE.**

13  A.     I received a Bachelor of Science degree in Electrical Engineering from the  
14           University of Nebraska-Lincoln in 1979 and a Masters of Business  
15           Administration from the University of Nebraska-Lincoln in 1984. I have  
16           worked in the telecommunications industry for 33 years, all with Windstream  
17           and its predecessor companies (Alltel, Aliant, and Lincoln Telecom). Over the  
18           years, my management responsibilities have encompassed both the wireline  
19           and wireless sides of the communications business and, at various times,  
20           included authority in the areas of transport engineering, planning, marketing,  
21           business development, business sales management, general business unit  
22           management, and field operations management. As part of my management

1 positions, I have made presentations on telecommunications issues before trade  
2 associations, such as the Nebraska Telecommunications Association and  
3 Minnesota Telecommunications Association, I have made presentations on  
4 telecommunications topics at trade shows, including the Mid-America  
5 Telecom Showcase & Seminar, I have appeared before local government  
6 officials to address issues affecting the industry, and I have testified before a  
7 committee of the Nebraska Legislature regarding the merits of a legislative  
8 proposal.

9  
10 **Q. HAVE YOU TESTIFIED IN ANY PRIOR COMMISSION**  
11 **PROCEEDINGS?**

12 A. Yes, I have testified before the Nebraska PSC on numerous occasions  
13 over the last sixteen years. The first such instance was in 1997, when I was the  
14 primary sponsoring witness on Aliant's CLEC application and testified as to  
15 the company's technical and financial ability. I have testified as the primary  
16 sponsoring witness on other CLEC applications and have testified on a variety  
17 of other issues before the Commission over the course of the referenced  
18 sixteen-year period.

19

20 **II. PURPOSE OF TESTIMONY**

21 **Q. PLEASE DISCUSS THE PURPOSE OF YOUR TESTIMONY.**

22 A. The purpose of my testimony is to support and describe Windstream's  
23 application for grants from the Nebraska Broadband Pilot Program; to confirm  
24 Windstream's commitment to build any of its projects that are approved by the

1 Commission; and to reiterate that Windstream will contribute 25% matching  
2 funds for each of its projects that are approved by the Commission.  
3 Windstream appreciates the Commission Staff's thorough review of each  
4 application and supports Staff recommendations to fund some of Windstream's  
5 proposed broadband projects.

6

7 **Q. WHAT EXHIBITS ARE YOU SPONSORING?**

8 A. I am sponsoring, and respectfully request that the Commission admit as an  
9 exhibit in the record of this proceeding, the application that Windstream filed  
10 on February 28, 2013. Because the parties have agreed that all applications  
11 will be treated as confidential, I have not included another copy of the  
12 Application with this testimony. I am sponsoring no other exhibits at this time.

13

14 **III. WINDSTREAM'S APPLICATION FOR FUNDING**

15 **Q. PLEASE DESCRIBE WINDSTREAM'S APPLICATION**

16 A. Pursuant to the Commission's Progression Order No. 7, on February 28, 2013,  
17 Windstream submitted its application for nine grants to fund construction of  
18 fiber interoffice facilities to ten Windstream Central Offices that currently  
19 utilize only copper interoffice facilities.

20

21 **Q. WHAT IMPACT WILL THIS CHANGE HAVE FOR WINDSTREAM**  
22 **CUSTOMERS?**

1 A. Today customers in each of these ten exchanges share a handful of DS-1  
2 circuits to gain Internet access. Each DS-1 circuit has capacity for 1.5 Mbps  
3 downstream. The current capacity from each central office varies depending  
4 on consumer demand and the availability of copper. The change from copper  
5 to fiber interoffice facilities will permit Windstream to expand its backbone  
6 broadband capacity typically in increments of 100 Mbps as necessary to meet  
7 customer needs. Windstream customers will be able to select access speeds  
8 ranging from 12 Mbps downstream within one loop route mile of the CO to 6  
9 Mbps downstream at two loop route miles. Significantly higher download  
10 speeds may be possible depending on the condition of the local loop.

11

12 **Q. WHAT WILL HAPPEN TO THE EXISTING COPPER FACILITIES**  
13 **SUPPLEMENTED BY FIBER FACILITIES?**

14 A. Copper cables are rarely removed. Typically copper facilities will remain in  
15 place to support existing services. For the projects under review in this case, it  
16 is very likely the existing interoffice and local copper facilities will be re-  
17 tasked to serve as intra-exchange distribution facilities.

18

19 **IV. WINDSTREAM'S RESPONSE TO STAFF'S ANALYSIS**

20

21 **Q. HAVE YOU REVIEWED THE COMMISSION STAFF'S ANALYSIS**  
22 **OF WINDSTREAM'S APPLICATION?**

23 A. Yes, I have read the Staff Recommendation, and I attended the technical  
24 conference on September 10, 2013.

1 **Q. WHAT WERE YOUR OBSERVATIONS?**

2 A. Commission Staff reviewed the parties' 16 applications and 60 individual  
3 projects in a professional, thorough manner. The Staff seemed to follow the  
4 same basic processes as last year. Windstream is pleased that Staff  
5 recommends approval of grants for three Windstream projects, Bruno, Cordova  
6 and Octavia. As more state broadband funding is slated to be available next  
7 year, we look forward to re-filing in 2014 some of the projects that were not  
8 approved in 2013.

9

10 **Q. WHAT ARE WINDSTREAM'S OBLIGATIONS IF THE COMPANY**  
11 **RECEIVES REQUESTED STATE BROADBAND FUNDING?**

12 A. Windstream will contribute at least 25% matching funds for each grant  
13 received, and the company will construct the broadband deployment projects  
14 in 2014 as soon as weather and scheduling permit.

15

16 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

17 A. Yes. On behalf of Windstream, I respectfully request that the Commission  
18 approve funding the three Windstream grants as Staff recommended.

19

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