

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska  
Public Service Commission, on  
its own motion, to investigate  
and consider the cost model used  
by the Federal Communications  
Commission for Connect America  
Fund Support, and its corresponding  
state counterpart. )

Application No. NUSF-102/PI-194



COMMENTS OF THE RURAL INDEPENDENT COMPANIES

The Nebraska Rural Independent Companies (“RIC”)<sup>1</sup> submit these Comments in response to the Commission’s Order Opening Docket and Seeking Comment entered in this proceeding on March 24, 2015 (the “Order”). RIC appreciates the opportunity to provide the following Comments to the Commission. For the reasons stated herein, RIC respectfully requests that the Commission take action on the issues addressed in the *Order* in the manner suggested in RIC’s Comments and as set forth below.

- 1. Commission Inquiry: Should the Commission pursue a licensing agreement with CostQuest for the purpose of investigating the SBCM/CACM? Why or why not?

Response: Connect America Cost Model (“CACM”) estimates the cost of building an efficient, forward-looking network capable of providing voice (via carrier grade Voice over Internet Protocol) and broadband-capable service to all locations in the country. CACM calculates the forward-looking economic costs of deploying and operating a fiber-to-the-premise network and should be able to reasonably estimate a level of funding for building, operating, and

<sup>1</sup> Arlington Telephone Company, Blair Telephone Company, Clarks Telecommunications Co., Consolidated Telephone Company, Consolidated Telco, Inc., Consolidated Telecom, Inc., The Curtis Telephone Company, Eastern Nebraska Telephone Company, Great Plains Communications, Inc., Hamilton Telephone Company, Hartington Telecommunications Co., Inc., Hershey Cooperative Telephone Company, Inc., K & M Telephone Company, Inc., The Nebraska Central Telephone Company, Northeast Nebraska Telephone Company, Rock County Telephone Company, Stanton Telephone Co., Inc. and Three River Telco.



maintaining robust infrastructure throughout the State now and into the future that is both predictable and sustainable.

RIC recommends that the Commission pursue a licensing agreement with CostQuest so that it can investigate whether the State Broadband Cost Model (“SBCM”) or CACM can be successfully used in conjunction with other NUSF proceedings, most notably and immediately NUSF-100/PI-193. RIC has obtained access to the CACM to analyze potential impacts of its use in connection with the Federal Universal Service Fund. RIC believes that it would be helpful for the Commission to study the SBCM/CACM more closely as it relates to state broadband network costs.

2. Commission Inquiry: Do you believe this would be a worthwhile use of Nebraska Universal Service Fund monies? If not, why not?

Response: The Commission recognized in Application NUSF-100/PI-193 that “significant changes in telecommunications have taken place since 1999 when the Commission’s NUSF contribution mechanism was established including innovation that has brought new technologies, a more robust infrastructure, and a wide array of communications services to consumers.” (Order Opening Docket and Seeking Comments, p. 1) RIC believes that through the use of SBCM/CACM, the Commission will be better enabled to determine the investment needed and expenses that will be incurred by telecommunications carriers providing service in rural areas of the State to build and operate a robust infrastructure. The SBCM/CACM should be useful to determine whether the NUSF is of sufficient size to fund the build-out and operations of the infrastructure that is needed to support broadband access for all Nebraskans.

3. Commission Inquiry: Have any parties already obtained this level of access to the SBCM/CACM? If so, do you believe it would be helpful for the Commission to study the SBCM/CACM more closely as it relates to state broadband network costs?

Response: Please refer to RIC’s responses to Inquiries 1 and 2 above.

## CONCLUSION

The Rural Independent Companies appreciate the opportunity to provide these Comments and recommend that the Commission proceeds with the licensing of CostQuest's CACM/SBCM for use for the purposes described in the *Order*.

Dated: April 30, 2015.

Arlington Telephone Company, Blair Telephone Company, Clarks Telecommunications Co., Consolidated Telephone Company, Consolidated Telco, Inc., Consolidated Telecom, Inc., The Curtis Telephone Company, Eastern Nebraska Telephone Company, Great Plains Communications, Inc., Hamilton Telephone Company, Hartington Telecommunications Co., Inc., Hershey Cooperative Telephone Company, Inc., K & M Telephone Company, Inc., The Nebraska Central Telephone Company, Northeast Nebraska Telephone Company, Rock County Telephone Company, Stanton Telephone Co., Inc., and Three River Telco ("RIC")

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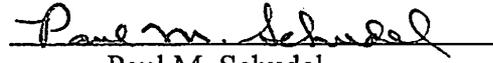
**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on this 30th day of April, 2015, an electronic copy of the foregoing pleading was delivered to:

**Nebraska Public Service Commission**

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Paul M. Schudel