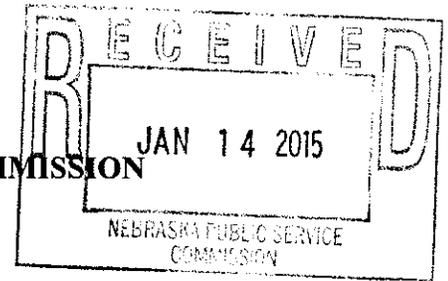


**BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION**



In the Matter of the Nebraska Public Service )  
Commission, on its Own Motion, to Administer ) Application No. NUSF-99  
the Universal Service Fund High-Cost Program )  
)

**COMMENTS OF SPRINT**

Sprint Communications Company L.P., Sprint Spectrum L.P., Nextel West Corp., Nextel Boost West Corp., and NPCR, Inc. (collectively, “Sprint”) respectfully submit the following comments in response to the Commission’s Order Opening Docket, Seeking Comment and Setting Hearing dated October 15, 2014 (“Order Seeking Comment”). In its Order Seeking Comment, the Commission sets forth several specific questions concerning the existing NUSF distribution mechanism for price cap carriers in Nebraska and whether the existing mechanism should be modified to be compatible with the reforms taking place at the federal level under the FCC’s Transformation Order<sup>1</sup> and implementation of the Connect America Fund (“CAF”). Sprint will not comment individually on each question posed by the Commission, but instead will speak broadly to the high-level issues and policy concerns Sprint believes the Commission should consider. Sprint reserves the right to file reply comments based on its analysis of the comments of other parties.

Sprint commends the Commission for taking action to re-evaluate the current NUSF high-cost support mechanism to ensure it is administered consistently with federal programs and does not thwart the policy objectives and directives ordered by the FCC. Sprint strongly encourages the Commission to recognize that the current high-cost support mechanism is outdated and redundant in the context of the FCC’s reforms under the Transformation Order, and

---

<sup>1</sup> See *In the Matter of Connect America Fund et al.*, WC Docket No. 10-92, et al., Report and Order and Further Notice of Proposed Rulemaking (November 18, 1011).

to take the necessary steps to align the NUSF mechanism with the federal reforms. Any NUSF high-cost support mechanism must be consistent and coordinated with the CAF.

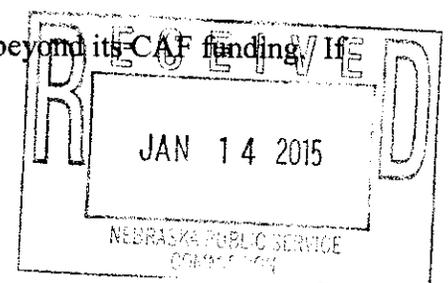
The CAF is designed to provide sufficient funding to support the deployment of broadband in unserved or underserved areas for those carriers who wish to undertake the commitment. As the Commission correctly observed in its Order Seeking Comment, price cap carriers may not take full advantage of opportunities available under the CAF because of the amount of funding currently available under the NUSF.<sup>2</sup> In the absence of reforms to the current NUSF mechanism, carriers will have a disincentive to seek funding under the CAF because the federal funding comes with explicit obligations – among other things, carriers are held accountable for the money they receive and must commit to build out broadband facilities in designated areas. Under the current NUSF high-cost support mechanism, carriers have little or no accountability for the funding they receive, so they have an incentive to avoid the more stringent requirements associated with CAF funding and instead keep collecting NUSF money without explicit assurance that it will benefit the public, including other carriers and their customers funding the NUSF.

Likewise, CAF funding is limited to areas that lack competitive service alternatives. If the NUSF high-cost support mechanism is to be brought into alignment with the policy objectives of the federal reforms, it is essential that funding be eliminated in areas where there are unsubsidized providers. Subsidizing ILECs in areas served by other providers is not competitively neutral and ultimately hurts consumers by thwarting the ability of alternative carriers to compete on a level playing field.

The Commission should ensure that the burden of proof is on the ILEC to demonstrate a specific and identifiable need for NUSF high-cost support above and beyond its CAF funding. If

---

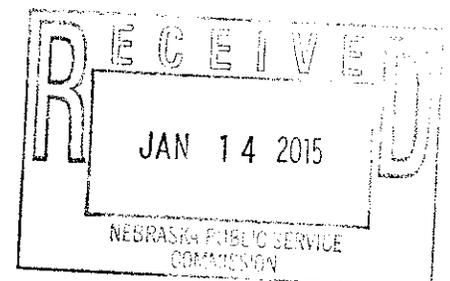
<sup>2</sup> See Order Seeking Comment at p. 2.



an ILEC does not take full advantage of CAF funding, the Commission should not allow the ILEC to receive NUSF high-cost support. If an ILEC declines to pursue CAF funding, it is clear that there are a plethora of alternative providers that are ready, willing, and able to undertake the commitments. As the attached FCC News Release shows, as of Dec. 5, 2014 the FCC has provisionally selected bidders for the rural broadband experiments program, totaling nearly \$99,500,000 and covering 26,867 census blocks in 25 states and Puerto Rico. See Attachment A. Specifically, Skybeam LLC has been provisionally selected to receive funding for projects in Nebraska and the News Release indicates that its network will be capable of delivering broadband speeds over 100 Mbps downstream and over 25Mbps upstream to all price cap locations in each eligible census block in Nebraska. *Id.*

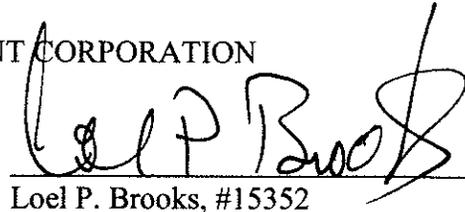
The Commission must ensure that the NUSF high-cost support mechanism is brought into alignment with the federal CAF and other reforms under the FCC's Transformation Order. The existing high-cost mechanism is outdated and not competitively neutral, as it continues to subsidize ILECs at the expense of competitive service providers and ultimately Nebraska consumers. Sprint strongly encourages the Commission to take the necessary steps to reform the NUSF high-cost support mechanism so that it is consistent and coordinated with the CAF, including requiring ILECs to take full advantage of funding opportunities under the CAF before becoming eligible for any NUSF high-cost support, eliminating high-cost support in areas served by competing providers, and requiring ILECs to demonstrate a specific and identifiable need for NUSF funding above and beyond their CAF funding.

Respectfully submitted this 14<sup>th</sup> day of January, 2015.



SPRINT CORPORATION

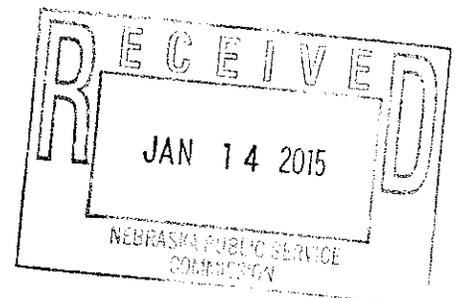
By:



Loel P. Brooks, #15352  
Katherine S. Vogel, #23982  
BROOKS, PANSING BROOKS, PC, LLO  
1248 "O" Street, Suite 984  
Lincoln, NE 68508-1424  
(402) 476-3300  
lbrooks@brookspanlaw.com  
kvogel@brookspanlaw.com

and

Diane Browning  
Counsel, State Regulatory Affairs  
Sprint Corp.  
Mailstop KSOPHN0314-3A459  
6450 Sprint Parkway  
Overland Park, KS 66251  
(913) 315-9284  
diane.c.browning@sprint.com



**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on this 14<sup>th</sup> day of January, 2015, an original, five copies and an electronic copy of the Comments of Sprint in NUSF-99 were delivered to:

Sue Vanicek  
Nebraska Public Service Commission  
1200 "N" Street, Suite 300  
Lincoln, NE 68509-4927  
sue.vanicek@nebraska.gov

Brandy Zierott  
Nebraska Public Service Commission  
1200 "N" Street, Suite 300  
Lincoln, NE 68509-4927  
brandy.zierott@nebraska.gov

  
\_\_\_\_\_  
Loel P. Brooks

