

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)

**FURTHER COMMENTS OF SPRINT PURSUANT TO COMMISSION ORDER
SEEKING FURTHER COMMENT AND SETTING HEARING**

Sprint Communications Company L.P., Sprint Spectrum L.P., Nextel West Corp., and NPCR, Inc. (collectively, "Sprint") respectfully submit the following comments in response to the Commission's proposal and request for further comments pursuant to its Order Seeking Further Comment and Setting Hearing dated June 16, 2015 ("Order") in the above-referenced docket.

Sprint commends the Commission for its efforts to create policies for the NUSF support mechanism "that incent carriers to make appropriate investment decisions in Nebraska and extend broadband access where it is needed."¹ Specifically, Sprint applauds the Commission's proposal to "disallow broadband support in areas that already have an unsubsidized carrier providing comparable broadband service."² As Sprint and other commenters observed, this is an important step toward aligning the NUSF support mechanism with the objectives set forth in the federal reforms. Likewise, Sprint commends the Commission for its proposal to discard the outdated NUSF-EARN form and "establish an alternative approach for determining whether the NUSF support used by price cap carriers was used for its intended purpose. . . ."³ Any such alternative approach should require carriers to demonstrate not only how and for what purposes

¹ Order at 5.

² Order at 6.

³ Order at 6.

the support was used, but also a specific and identifiable need for NUSF high-cost support above and beyond their CAF funding.

Sprint disagrees with the proposal to allow price cap carriers to receive 50% of their frozen 2015 support for “continued maintenance” of existing voice and broadband networks, in the absence of a requirement to consider whether CAF support is available in areas for which funding is received. As Sprint explained in its Reply Comments, if price cap carriers continue to receive NUSF funding, while at the same time receiving CAF funding for eligible areas, these carriers would be “double-dipping” by receiving funds from both the federal and state programs.⁴ Double-dipping by price cap carriers would impose an unfair burden on Nebraska consumers who would continue to fund the NUSF, ostensibly to support the same areas for which the price cap carriers receive federal funding.⁵

Likewise, the proposal to establish a “streamlined” process for carriers to apply to the Commission for approval of broadband funding for specific projects is troublesome for the same reason. The Commission’s proposal would “permit” (but would not require) carriers to “coordinate” the use of NUSF funding with their CAF Phase I frozen high-cost support and CAF Phase II support.⁶ The Commission’s proposal does not explain or define what “coordinate” means, but unless it means a carrier does not receive any NUSF support in areas where CAF Phase II funding is available, and unless “permit” is changed to “require,” the potential for double-dipping exists. As explained above, this would be unfair to Nebraska consumers because they would effectively bear the burden of funding two assessments (FUSF and NUSF) for the same areas.

⁴ Reply Comments of Sprint at 2.

⁵ Reply Comments of Sprint at 2.

⁶ Order at 6.

With regard to the Commission's question concerning "whether to restrict or eliminate a price cap carrier's ability to take NUSF support if the carrier declines to take advantage of the CAF II funding for Nebraska,"⁷ Sprint believes carriers should not be eligible for any NUSF funding for an area in which CAF II funding is available but the carrier declines to pursue it. As the Commission noted in its Order, the Commission wants carriers to have the proper incentives to make appropriate investment decisions in Nebraska.⁸ Price cap carriers' broadband investment incentives should be based on the public interest and sound business judgment, and not on which pot of money has less burdensome obligations.

Such a policy would not be inconsistent with the goals of the Nebraska Telecommunications Universal Service Fund Act ("NUSF Act"). Neb. Rev. Stat. § 86-317 provides that, "[T]he purpose of the Nebraska Telecommunications Universal Service Fund Act is to authorize the commission to establish a funding mechanism which supplements federal universal service support mechanisms and ensures that all Nebraskans, without regard to their location, have comparable accessibility to telecommunications services at affordable prices." The statute clearly provides that the NUSF is to "supplement" federal funding mechanisms, meaning that carriers should look to federal funding mechanisms first, and receive funding from the NUSF only if federal funding is insufficient. Accordingly, the statute cannot be violated if NUSF funding is denied to a carrier that declines to pursue federal funding and expects the NUSF to serve as the primary source rather than a "supplemental" source.

In closing, Sprint again commends the Commission for taking steps toward aligning the NUSF mechanism to be consistent with federal reforms. To that end, Sprint recommends the Commission take additional steps to prevent the possibility of double-dipping by the price cap

⁷ Order at 7.

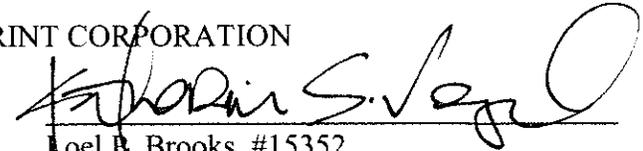
⁸ Order at 5.

carriers, in order to ensure that the Commission's stated goals to create policies that provide proper incentives for price cap carriers to make appropriate broadband investments in Nebraska are not undermined.

Respectfully submitted this 30th day of June, 2015.

SPRINT CORPORATION

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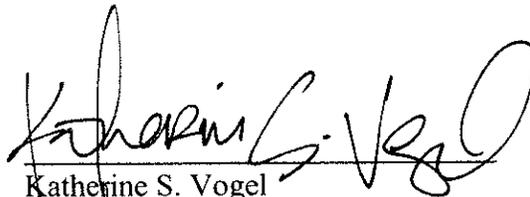
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 30th day of June, 2015, an original, one copy and an electronic copy of the Comments of Sprint in NUSF-99 were delivered to:

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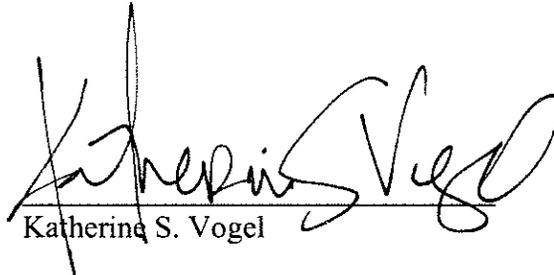
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