

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska Public Service Commission, on its Own Motion, to Administer the Nebraska Universal Service Fund Broadband Program

Application No. NUSF-92
Progression Order No. 1

COMMENTS OF QWEST CORPORATION d/b/a/ CENTURYLINK QC AND UNITED TELEPHONE COMPANY OF THE WEST d/b/a CENTURYLINK

On July 22, 2014, the Nebraska Public Service Commission (“Commission”) issued an Order in the above referenced proceeding. In this Order, the Commission requests interested parties to file comments on a number of issues related to the Nebraska Universal Service Fund Broadband Program (“NEBP”). In particular, the Commission requests comments on definitions surrounding mobile and fixed broadband services, funding for multi-year broadband projects, implementation of funding caps on broadband, and creating funding for broadband adoption projects. Qwest Corporation d/b/a CenturyLink QC and United Telephone Company of the West d/b/a CenturyLink (collectively “CenturyLink”) appreciate the Commission’s attention on these important issues and respectfully provide the following comments.

MOBILE vs. FIXED BROADBAND

The Commission first asks for comments regarding the definition of mobile broadband access and fixed broadband access. The Commission previously determined that comparable access to broadband service means access to one fixed provider and one mobile provider.¹ On its face the definitions of “fixed” broadband service and “mobile”

¹ See *In the Matter of the Nebraska Public Service Commission, on its Own Motion, to Administer the Nebraska Universal Service Fund Broadband Program*, Application No. NUSF-92, Progression Order No. 1, issued July 22, 2014, p. 1.

broadband service seem pretty straightforward. However, as different technologies are being used to deploy broadband across Nebraska, those technologies have blurred the distinction between fixed and mobile broadband service.

CenturyLink recommends the Commission maintain a simple definition of fixed and mobile broadband services. Rather than defining the service based on the technology that is being used, the Commission should look at *how* the service can be used by the subscriber. A broadband project is “mobile” when a subscriber may utilize the service wirelessly from any location within the project area, for example by using a smartphone or tablet computer. Conversely, a broadband project is “fixed” when a subscriber is limited to using the broadband service at a single location, such as with most wireline broadband projects.

Under this definition, a broadband project utilizing fixed wireless service would be considered a “fixed” project. While the service is provided using unlicensed wireless spectrum, it is provisioned using a series of antennas, one of which is attached to the subscriber’s home or business. While the subscriber can use the service wirelessly anywhere within the limited range of the antenna, he would be unable to utilize the service to which he subscribes if he were to take his laptop to the local coffee shop. If the subscriber were to travel outside of the limited range of the antenna, he would have to utilize another network to access the internet. A truly mobile broadband service would allow a subscriber to easily move and continue use the service over a broad area.

MULTI-YEAR PROJECTS

The Commission also asks parties to provide comments on whether applications for multi-year projects should be considered. CenturyLink believes that it is not

necessary for the Commission to consider multi-year projects. Under the current rules, broadband providers have two years to deploy broadband service for those applications that have been approved by the Commission. This time period should be adequate for providers to complete the build out and turn up service, even for a large project. Companies seeking support from the NEBP may also consider breaking extremely large projects down into a series of smaller projects if more time is needed to complete deployment. CenturyLink is concerned that committing future resources to a multi-year project may constrain the Commission from providing support to eligible and worthy projects in later years. CenturyLink also notes that in this Progression Order the Commission is considering a cap of \$450,000 per project; if the Commission were to ultimately approve such a cap, the issue of providing funding for multi-year projects likely would be moot.

PROJECT CAPS

The Commission seeks comments on whether it should impose an upper limit on the amount of funding that would be provided to any single project. The Commission believes that such a cap would help ensure that projects covering all areas of Nebraska receive support by preventing a significant amount of funding to be applied to a single project.

CenturyLink recommends against the implementation of a cap on the amount of support provided to a single project. As stated in previous comments, CenturyLink believes that creating a project cap may unnecessarily exclude otherwise eligible projects for support. An arbitrary cap on the size of the project may cause carriers not to seek support for a large project that may provide broadband service for the first time to a

significant number of customers in a high-cost area of the state. The Commission has created a system for scoring and weighting the applications for NEBP support to allow for the most efficient distribution of the funds. The Commission should continue to utilize that mechanism to ensure the best use of the available funding. The implementation of an arbitrary cap on project size will unnecessarily exclude otherwise eligible projects and slow the deployment of broadband service to Nebraskans who would not be able to obtain service otherwise.

BROADBAND ADOPTION

Finally, the Commission requests comments on setting aside a portion of the NEBP support for projects that are focused on increasing broadband adoption, especially among low-income customers. The Commission proposes setting aside \$500,000 of NEBP support in 2015 to be used for broadband adoption projects. CenturyLink applauds the Commission's efforts to increase broadband adoption within the state and its awareness that a number of factors, other than the availability of broadband, contribute to low subscription rates.

CenturyLink recommends that the Commission not designate a specific amount of funding for broadband adoption projects; rather CenturyLink recommends that the Commission allow for funding of broadband adoption projects up to a designated amount. Any funds not used for broadband adoption projects in a given year should be repurposed to the broadband deployment fund in that same funding year. In doing so, the Commission will not needlessly tie up funds should not enough qualified broadband adoption projects be submitted to utilize the full amount of support and the Commission

would then have the option to use any remaining funds for broadband deployment projects.

CenturyLink also recommends that the Commission consider designating a smaller amount of funding for broadband adoption in the first year. Half a million dollars is a significant amount of funding and the Commission has no understanding at this time on how that funding will be used or who will apply for it. After a year or two of experience with broadband adoption programs, the Commission can consider increasing the amount of funding designated for these types of projects, if the demand exists.

Dated August 4, 2014

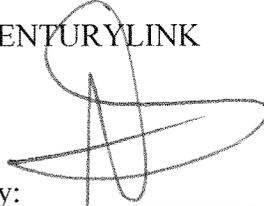
Respectfully submitted on behalf of CenturyLink,

By: 

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Dated this 4th day of August, 2014.

CENTURYLINK



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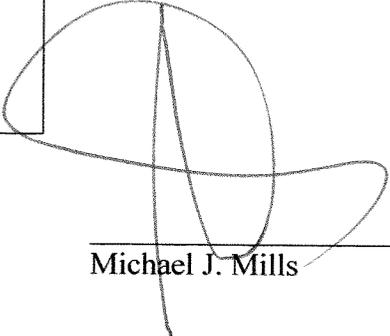
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 4th day of August 2014, a true and correct copy of the Comments of Qwest Corporation d/b/a CenturyLink QC and United Telephone Company of the West d/b/a/ CenturyLink was provided to the following interested persons by electronic mail as follows:

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