

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska Public Service Commission, on its own motion, to establish reverse auction procedures and requirements.)	Application No. NUSF-131
)	Progression Order No. 3
)	
)	

COMMENTS OF QWEST CORPORATION D/B/A CENTURYLINK QC AND UNITED TELEPHONE OF THE WEST D/B/A CENTURYLINK

COMES NOW Lumen Technologies Inc. (“Lumen”), by and through its local counsel, and submits these comments to the Nebraska Public Service Commission (the “Commission”) on behalf of Qwest Corporation d/b/a CenturyLink QC and United Telephone of the West d/b/a CenturyLink (collectively “CenturyLink”). These comments are submitted in response to the Commission’s Order Seeking Comment and Notice of Hearing dated April 16, 2024 (“Commission Order” or “Order”). The Commission’s subsequent order dated April 30, 2024, revised the comment deadline to May 8, 2024.

The Order proposes to generally maintain its prior structure for the second reverse auction in 2024 but is accelerating the procedural schedule and asks for comments on five topics associated with the second reverse auction in 2024. Lumen provides the following comments for Topic Nos. 2, 4, and 5:

Topic 2: Participant eligibility (Allowing bids from carriers who do not use allocated support)

Carriers who turned back NUSF support, or that did not file projects to claim allocated support, were allowed to bid in the January 2024 Auction. The Commission seeks comment as to whether the results of this participation were desirable. Should the Commission continue to allow bids from carriers who do not use all allocated support?

Comments:

CenturyLink supports the Commission continuing to allow Price Cap Carriers to participate and bid in the reverse auction regardless of whether the carrier used its allocated support. CenturyLink evaluated multiple projects based on the 2024 broadband data support

(BDS) allocations and none were deemed economical due to increasing costs to deploy fiber to the premise broadband and lack of location density in rural areas. For the past several years, CenturyLink has informally shared concerns that BDS allocations were becoming insufficient and that its ability to utilize allocated support was at risk without increased BDS allocations.

Topic 4: Auction Date and Procedural Schedule

The Commission is considering opening the Second 2024 Auction in early July of 2024. Will the timing of this auction be feasible for interested carriers, given that winning bidders have in past years been granted a two-year term of support? Given the recent influx of state and federal funding for construction of networks, are carriers able to perform the work required to provide service to awarded areas within this time period? If not, should the Commission consider conducting a reverse auction at a later date? Alternatively, should a longer term of support be considered? Given the ongoing BEAD challenge process to determine what locations in Nebraska are or will be served, should the Commission seek to complete the reverse auction at any particular time in the coming months?

The Commission has developed a proposed procedural schedule for the Second 2024 Auction, attached hereto as Attachment A. The Commission seeks comment on this proposed schedule. Should any adjustments be made?

Comments:

CenturyLink understands the Commission's desire to complete the reverse auction earlier in the year given the BEAD challenge process and timing of next steps with that program. However, CenturyLink has the following concerns with the proposed reverse auction schedule:

1. The current reverse auction proposed schedule overlaps with the Nebraska Broadband Bridge Program's (NBBP) proposed cycle. Currently the NBBP application cycle ends on July 8, 2024. It is common that NBBP grant applications will be submitted up to the deadline which can make it challenging for an applicant to finalize applications for NBBP and finalize its review for reverse auction bidding. The current timing of the two programs may be a constraint to CenturyLink and other carriers participating in both programs.

2. Typically, the time from NBBP application to award determination is approximately five months. Running the reverse auction prior to release of NBBP awards may result in inefficient use of constrained resources to preliminarily engineer and assemble grant applications for areas that may also be eligible for the reverse auction. Ideally, the reverse auction should be scheduled after NBBP awards are known. The Commission should consider delaying the reverse auction until at least after NBBP applications can be factored into the areas eligible for the reverse auction.

Topic 5: Other Issues

The Commission also seeks comment on any ways in which the process for future reverse auctions might be improved. Did carriers face any issues or barriers to participation in the January 2024 Auction? Are there other changes the Commission should consider to the reverse auction process? Alternatively, are there other mechanisms for distributing unused support which the Commission should consider?

Comments:

The reverse auction process has been necessitated as the current BDS allocations by exchange are too low and carriers have not been able to identify economical projects. Given the challenge to deconflict NBBP and reverse auction schedules, CenturyLink suggests the Commission consider foregoing the second reverse auction in 2024, increase the BDS allocations by exchange by two times the cost modeled by the State Broadband Cost Model, and allow for project selection via the typical NUSF project selection process after the NBBP deadline and before the release of BEAD defined project areas.

It is unclear how the Commission would proceed in an over budget bidding scenario if price reductions do not result in single bids that then fall within budget. CenturyLink would suggest process clarification to better understand if competing bids are scored by the Commission

to achieve budget, eligible Carrier territory funds remain unused or if some other mechanism will be utilized to award MBU's.

CenturyLink suggests the Commission modify the speed test and pre-qualification requirements as it relates to the 1G bidding tier. Typically, 1G offers reserve space for transmission protocols or overhead resulting in speeds slightly less than 1G. CenturyLink markets its 1G offering under the Quantum Fiber brand as 940/940 Mbps for this reason. It is likely CenturyLink could bid on certain MBU's with a multi-gig offering that could definitively provide at least 1G speeds. However, the multi-gig offering has only been available in certain areas of Nebraska since late 2023 and thus does not meet the 2-year requirement in the pre-qualification application.

CONCLUSION

Lumen appreciates the opportunity to provide comments regarding reverse auction procedures. We look forward to participating in the hearing scheduled for May 15, 2024.

DATED this 8th day of May 2024.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 8th day of May 2024, the foregoing was filed electronically with the Nebraska Public Service Commission via e-mail to the following:

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