

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska Public)
Service Commission, on its own Motion,)
to consider appropriate modifications to)
the high-cost distribution and reporting)
mechanisms in its Universal Service Fund)
program in light of federal and state)
infrastructure grants.)

Application No. NUSF-139
Progression Order No. 4

**COMMENTS OF THE NEBRASKA RURAL INDEPENDENT COMPANIES IN
RESPONSE TO NOVEMBER 6, 2024 ORDER**

The Nebraska Rural Independent Companies (“RIC”)¹ submit these Comments in response to the Order Issuing Findings and Conclusions, Seeking Further Comment and Setting Hearing entered by the Nebraska Public Service Commission (the “Commission”) in this matter on November 6, 2024 (the “*November 6 Order*”).²

I. INTRODUCTION

In the *November 6 Order* the Commission invited interested parties to “file comments in response to the proposed 2025 transitional high-cost distribution mechanism . . .”³ Further, with regard to the scope of the *November 6 Order* the Commission stated: “The Commission enters

¹ Consolidated Telephone Company, Consolidated Telco, Inc., Consolidated Telecom, Inc., The Curtis Telephone Company, Great Plains Communications, LLC, 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, Sodtown Communications, Inc., and Three River Telco.

² *In the Matter of the Nebraska Public Service Commission, on its own motion, to consider appropriate modifications to the high-cost distribution and reporting mechanisms in its Universal Service Fund program in light of federal and state infrastructure grants*, Application No. NUSF-139.

³ *Id.*, *November 6 Order* at 14.

this order to further refine the Commission’s proposed distribution mechanism *for determining the allocation of high-cost support in 2025.*”⁴ (emphasis added)

RIC references the foregoing portions of the *November 6 Order* to clearly establish the context for the submission of these Comments and that these Comments are only intended to apply to the NUSF High-Cost Program for the transitional year of 2025. RIC does not waive, and expressly reserves the right to file additional or different comments concerning the issues presented in this docket, including comments “as the Commission moves through the remaining issues raised in the Commission’s August 29, 2023 Order, which will be handled through additional phases of this proceeding.”⁵

II. PROCEDURAL COMMENTS

The RIC member companies wish to express their appreciation to the Commission and to thank the Commission Staff for releasing the updated 2025 transitional High-Cost Program Proposal and particularly Attachment A, the Proposed Distribution spreadsheet, for review and comment by interested parties. This procedural step had been requested by the rural local exchange carriers and is a very helpful measure that allows constructive input to be provided to the Commission and its Staff by all interested parties prior to finalizing the 2025 transitional High-Cost Program Proposal and the distribution of ongoing expense high-cost support for 2025.

III. SUBSTANTIVE COMMENTS

RIC’s comments on substantive elements of the proposed 2025 transitional high-cost Proposal and distribution mechanism are as follows.

⁴ *Id.* at 7.

⁵ *Id.*

Continued use of the NUSF EARN process. Consistent with RIC's prior comments and the testimony of its witness at the August 29, 2024 hearing, at this time RIC continues to remain neutral on the issue of continued use of the NUSF EARN process regarding the 2025 transitional high-cost distribution mechanism. However, RIC is proceeding with its evaluation and analysis of a possible alternative to the NUSF EARN process that could be implemented by the Commission in 2026 and subsequent years.

Determining NUSF Ongoing Expense High-Cost Support for Locations in which COLR Obligations are Transitioned. While the Commission states that for 2025, eligible locations would include only those within Incumbent Local Exchange Carrier areas that meet required speed capabilities, the Commission recognizes that it will need to evaluate mechanisms to provide NUSF ongoing expense high-cost support for areas outside of the ILEC service area when Carrier of Last Resort ("COLR") obligations are transitioned.⁶

RIC reaffirms its past advocacy encouraging the Commission to initiate a rulemaking proceeding pursuant to the authority delegated to the Commission by the Legislature pursuant to *Neb. Rev. Stat.* § 86-1507 to establish procedural and substantive rules to address portability of NUSF ongoing expense high-cost support and to assure that no Nebraska consumer is left without a COLR to provide essential telecommunications and broadband services.⁷

⁶ *Id.* at 8-9.

⁷ See, *In the Matter of the Nebraska Public Service Commission, on its own motion, to consider appropriate modifications to the high-cost distribution and reporting mechanisms in its Universal Service Fund program in light of federal and state infrastructure grants*, Application No. NUSF-139, Section II.C, Tasks 3, 4, 5 and 7 Comments of the Nebraska Rural Independent Companies at 6-7 (Dec. 22, 2023).

Use of Most Up to Date BDC Data. RIC supports and encourages the Commission Staff to utilize the most up to date FCC Broadband Data Collection (“BDC”) data in its calculation of ongoing expense high-cost support.⁸ For the 2025 transitional High-Cost Program, RIC recommends the use BDC data that was current as of June 30, 2024 which was released to the public by the FCC on November 15, 2024.⁹

Request for Explanation. In the *November 6 Order* at page 11, paragraph 10, the following sentence appears: “Unallocated support will be redistributed proportionately until all of the budget is distributed, or until the upper limit of all carriers’ support eligibility is reached.” RIC respectfully requests further explanation by the Commission Staff as to how this statement will be implemented in connection with the distribution of NUSF ongoing expense high-cost support. Is its implementation illustrated anywhere in Attachment A to the *November 6 Order*? If not, RIC would appreciate provision of a hypothetical example of the implementation of the above-quoted process by the Commission Staff in order that RIC may better understand the implications of the above-quoted statement.

Support Adjustments Due to Boundary Changes. RIC supports adjustments to both the 2025 transitional NUSF ongoing expense high-cost distribution mechanism as well as the distribution mechanism for future years based upon boundary changes to carrier service areas resulting from reverse auctions of NUSF ongoing expense high-cost support pursuant to *Neb.*

⁸ *November 6 Order* at 11.

⁹ See, *Federal Communications Commission Public Notice*, WC Docket Nos. 19-195, 11-10, DA 24-1145 (Nov. 15, 2024). It is RIC’s expectation that this updated data will reflect additional build out of Nebraska locations to 100/20 MBPS capability which will, in turn, increase the Support Base currently reflected in Attachment A to the *November 6 Order*. The extent of such increase will not be known until the Commission Staff makes appropriate adjustments to the calculations set forth in Attachment A.

Rev. Stat. § 86-330 as well as service area revisions based on boundary change applications approved by the Commission pursuant to *Neb. Rev. Stat.* § 86-135 to 86-138.¹⁰ RIC encourages the Commission Staff to release its suggestions to implement such adjustments.

IV. CONCLUSION

As stated above, the Nebraska Rural Independent Companies appreciate the opportunity to provide these Comments in response to the *November 6 Order*. RIC looks forward to continuing its participation in this proceeding.

Dated: November 25, 2024.

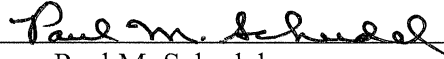
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¹⁰ *Id.* at 8-9 (para. 4) and at 13 (para. 15).

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 25th day of November 2024, an electronic copy of the foregoing pleading was delivered to the Nebraska Public Service Commission at psc.nusf@nebraska.gov and was served electronically on the parties to this proceeding.

A handwritten signature in black ink, appearing to read "Paul M. Schudel", is written over a horizontal line.

Paul M. Schudel