



BEFORE THE

NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska Public)	
Service Commission, on its Own Motion,)	
Seeking to Implement Policies and)	Application No. NUSF-143
Procedures Related to Providing)	
Dedicated Universal Service Support)	
For Wireless Telecommunications)	
Services)	

**CHARTER FIBERLINK - NEBRASKA, LLC,
AND TIME WARNER CABLE INFORMATION SERVICES (NEBRASKA), LLC'S
COMMENTS IN RESPONSE TO ORDER OPENING DOCKET**

Charter Fiberlink - Nebraska, LLC and Time Warner Cable Information Services (Nebraska), LLC (collectively "Charter") hereby respond to the Order Opening Docket entered on February 4, 2025 ("Order Opening Docket"). The Order Opening Docket requested comments responsive to four questions. Charter responds here to Question 4.

Background and Introduction

Charter serves approximately 145,000 customers in Nebraska who contribute nearly \$2 million each year to the Nebraska Universal Service Fund ("NUSF"). Because Nebraska customers already pay one of the highest state USF surcharges in the nation, Charter is keenly interested in the Commission's deliberations concerning what services and/or facilities should qualify for NUSF support. As the Commission revisits these issues – this time in the wireless context – Charter urges the Commission to remain mindful that only customers of intrastate telecommunications services pay the NUSF surcharge. Therefore, the Commission should strive to keep the NUSF surcharge as low as possible to ensure that telephone service in Nebraska is affordable.

In Question 4 of the Order Opening Docket, the Commission notes that it has historically not provided support to wireless carriers for operational and maintenance costs. The Commission now asks whether it should change that practice. Charter strongly urges the Commission against providing ongoing support for operational and maintenance costs related to wireless infrastructure.

Such a policy would:

- **Unfairly burden** the intrastate telecommunications service customers who fund the NUSF.
- **Be premature**, as there is **no demonstrated and unmet need** for such support--particularly given the existence of multiple programs aimed at expanding rural broadband and rural mobile wireless infrastructure, such as:
 - the Broadband Bridge program,
 - the Federal Broadband Equity, Access and Deployment (“BEAD”) program, and
 - The FCC’s 5G Fund.

1. The Commission should work to minimize the NUSF burden on customers.

The Commission should not expand NUSF obligations in ways that increase demands on the fund. Currently, as parties have noted in Application No. NUSF-139, Nebraska’s NUSF surcharge is **one of the highest** state universal service surcharges in the nation. Only **customers of intrastate telecommunications service** contribute to the fund. Consequently, these high surcharges make service less affordable for Nebraska residents.

If the Commission further expands NUSF obligations - requiring customers to subsidize not only wireline support obligations and wireless capital expenses, but also ongoing maintenance - this would effectively amount to a tax increase on consumers. Rather than expanding the fund’s scope, the Commission should instead focus on reducing the burden on Nebraska voice customers by avoiding new and unnecessary obligations.

Furthermore, before making any decision on operational and maintenance funding, the Commission must ask – and answer – key questions including:

- *What is the actual need for such support, and how is that “need” to be calculated?*
- *How would the Commission measure costs associated with funded wireless infrastructure?*
- *How would the Commission assess revenues derived from funded wireless infrastructure?*
- *What is the projected impact on the NUSF surcharge over the next five to ten years?*

It would be imprudent to approve ongoing operational and maintenance support without a clear understanding of the financial impact. Determining this would require extensive analysis of wireless costs, revenues, funding models, and sustainability factors.

Moreover, allocating costs and revenues for wireless service and infrastructure differs significantly from wireline support models. Unlike traditional wireline services – where support models are based on loop facilities or customers – wireless coverage areas are dynamic. For example, a wireless carrier operating in western Nebraska may generate revenue not just from local customers but also from subscribers from Omaha or even Denver who travel to that region and appreciate coverage near the areas where they camp, fish, or vacation. It would be nearly impossible to accurately measure and properly allocate revenue generated from transient users. Similarly, apportioning maintenance costs to specific, funded wireless towers would be highly complex and resource-intensive.

2. New wireless infrastructure projects supported by NUSF funds should be self-sustaining.

Any new wireless infrastructure projects and/or business supported by NUSF should be self-sustaining. Currently, the Commission requires providers to commit to sustaining service

for at least five years after receiving funding. This commitment should remain a fundamental criterion for project selection.

- No ongoing support should be expected or provided.
- Providers already receiving support should not receive additional funds to meet prior commitments.

Charter acknowledges that some rural areas may present financial challenges for wireless providers constructing infrastructure such as cell towers. However, once a tower (or other infrastructure) is built and integrated into a provider's network, it should become self-sustaining as part of the overall business model.

Thus, the Commission should explicitly require that NUSF funds cover *only* initial deployment costs. Entities unwilling to fund their own ongoing maintenance should not bid for NUSF support in the first place.

3. The NUSF should not fund wireless infrastructure projects that can be funded from other sources and/or that are subject to duplicative support.

Before considering new NUSF obligations, the Commission must first evaluate the impact of other existing funding programs. The following federal and state programs are already funding network expansion in remote, unserved and underserved areas:

- The FCC's 5G Fund for Rural America (the "5G Fund") rules, 47 C.F.R. § 54.1001 et seq.;
 - This program became effective in January.¹ The 5G Fund is a \$9 billion program intended to bring voice and 5G mobile broadband service to rural areas of the country unlikely to otherwise see unsubsidized deployment of 5G-capable networks.²

¹See Fed. Reg. 101358 (Dec. 13, 2024), noting effective date of rules as January 13, 2025.

² *Id.* at 101359. See also *Establishing a 5G Fund for Rural America*, Second Report and Order, Order on Reconsideration, and Second Further Notice of Proposed Rulemaking, FCC 24-89, GN Docket No. 20-32 (2024).

- The Nebraska Broadband Bridge program; and
- The BEAD program (expanding broadband infrastructure across Nebraska).

The 5G Fund specifically targets rural regions lacking unsubsidized 5G service (minimum 7 Mbps download and 1 Mbps upload). The FCC will soon release an updated Public Notice identifying eligible areas. Furthermore, new fiber deployments under BEAD and the Commission's Broadband Bridge program will significantly alter the economics of wireless towers and backhaul in rural Nebraska.

Coordinating the various funding programs is essential. A 2023 GAO report observed the need for coordination among more than one hundred broadband funding programs that exist at just the federal level:

We identified at least 133 funding programs—administered across 15 agencies—that can be used to support broadband access, including support for planning and deploying infrastructure, making service affordable, providing devices, and building digital skills. Some of these programs support broadband as their main purpose or one possible purpose, and others can be used for multiple purposes related to broadband. Eligible recipients for these programs range widely and include: internet providers; other private sector entities; nonprofits; tribal, state, and local governments; education agencies; and healthcare providers. Through these programs, federal agencies invested at least \$44 billion in broadband-support activities from fiscal years 2015–2020, according to our analysis of agencies' data... ***Having numerous broadband programs can be helpful to address a multifaceted issue like broadband access, but this fragmentation can also mean that programs overlap and lead to the risk of duplicative support.***³

Given these substantial funding sources and the risks of fragmentation, overlap, and duplication, it is premature for the Commission to consider any additional NUSF support for wireless projects. Before expanding NUSF obligations, the Commission must carefully assess how

³ Testimony Before the Subcommittee on Oversight and Investigations, Committee on Energy and Commerce, House of Representatives, *BROADBAND: A National Strategy Needed to Coordinate Fragmented, Overlapping Federal Programs*, Government Accountability Office, Statement of Andrew Von Ah, Director, Physical Infrastructure (May 10, 2023, at page 3 (emphasis added)) (accessible at <https://www.gao.gov/assets/gao-23-106818.pdf>).

these projects change investment incentives for wireless providers. The high burden of Nebraska's NUSF surcharge counsels against expanding the fund to cover wireless operational and maintenance costs. The financial impact of such support remains unclear, and multiple state and federal programs already exist to expand wireless infrastructure.

For these reasons, Charter urges the Commission to refrain from providing NUSF support for wireless operational and maintenance costs at this time.

Thank you for your consideration of this important issue.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 3rd day of March, 2025, the above Charter Fiberlink – Nebraska, LLC, and Time Warner Cable Information Services (Nebraska), LLC's Comments in Response to Order Opening Docket in Application No. NUSF-143, was delivered via electronic mail to the following:

Nebraska Public Service Commission:
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