

SECRETARY’S RECORD, PUBLIC SERVICE COMMISSION

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))))) ORDER AUTHORIZING PAYMENTS) Entered: January 27, 2026

BY THE COMMISSION:

O P I N I O N A N D F I N D I N G S

The Nebraska Public Service Commission (“Commission”) initiated this proceeding, on its own motion, on August 29, 2023 (“August 29th Order”), to consider appropriate modifications to the Nebraska Universal Service Fund (“NUSF”) high-cost distribution mechanism and associated reporting requirements.¹ On January 14, 2025, the Commission and entered an order in the above-captioned matter adopting a transitional framework for NUSF high-cost support distribution and authorizing payments for the 2025 calendar year (“Progression Order No. 5”).

The Commission finds it appropriate to continue the transitional support methodology adopted in Progression Order No. 5 for the 2025 calendar year with updated model results and inputs. The Commission will continue to utilize the NUSF EARN Form to determine earnings caps for rate-of-return carriers in 2026 while it further considers whether to eliminate or replace the NUSF-EARN Form mechanism. Consistent with determining support for the 2025 calendar year, the Commission will use a one-year rather than the three-year average period where such a determination is beneficial to the carrier.

Further, with respect to price cap carriers, the Commission finds it appropriate to continue to utilize a rate comparability metric to ensure that the comparability and affordability goals of the NUSF Act are met. Consistent with the

¹ *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, ORDER OPENING DOCKET SEEKING COMMENT AND SETTING HEARING (August 29, 2023)(“August 29th Order”).*

Commission Staff’s prior proposal, the Commission will use the FCC’s urban rate benchmark as an affordability benchmark. Rates charged by price cap carriers for voice capable broadband service at 100/20 Mbps must fall under that benchmark. To meet this threshold eligibility requirement, price cap carriers will be required to provide an annual certification and provide documentation of comparable rates charged in rural and urban areas for services offered.

On December 19, 2025, the FCC released the 2026 reasonable comparability benchmarks for fixed voice and broadband services.² The Commission finds it appropriate to base its affordability standard on the most current reasonable comparability standards. The 2026 benchmark for broadband services offered at 100/20 Mbps is \$96.46. Price cap carriers who cannot certify that their rates statewide fall under the benchmark will not be eligible for NUSF support. Additionally, for ongoing support to be received in 2026, price cap carriers will continue to be subject to the requirements used in 2025 as a condition for ongoing support. Specifically, price cap carriers will be required to file a breakdown of how ongoing support will be used. Ongoing support may be used for the following expenses:

<u>Category</u>	<u>Cost</u>
Service Technicians	Wages
Service Technicians	Transportation
Equipment	Electronics
Equipment	Replacement Cards
Equipment	Switch Upgrades
Equipment	Conduit
Equipment	Fiber repair
Transmission	Transmission
Generators	Generators
Network Security	Network Security
Customer Service (if located in the state)	Customer Service

The Commission will revise the high-cost distributions mid-year to account for: NUSF EARN Form updates, USAC disbursement updates, revisions to the FCC’s list of Enhanced A-CAM supported locations, and BDC service availability data

² See <https://docs.fcc.gov/public/attachments/DA-25-1088A1.pdf>

updates. The model and resulting distribution amounts may also be revised to include corrections if any methodological issues are discovered.

Consistent with the Commission's past practice, the Commission approves a high-cost budget and finds that allocations should be determined using the foregoing elements. For the calendar year of 2026, the Commission hereby authorizes its staff to pay up to \$42 million in high-cost wireline support pursuant to the findings adopted herein³. In addition, consistent with our findings in NUSF -108, Progression Order No. 3 and with past Commission practice, unused broadband deployment support ("BDS") support will be returned to the fund balance and will be allocated to the high-cost distribution mechanism. This will include support remaining from completed but under-budget projects, and BDS support made available to carriers but not claimed within the time period prescribed.⁴ We note also that not all price cap carriers provided a certification in 2025 regarding their rates with respect to the benchmark for voice-capable broadband service at 100/20 Mbps, and as such, the funding allocated in 2025 for those carriers that did not provide the annual certification will be returned to the fund balance and will be allocated to the high-cost distribution mechanism for 2026. Specific details on the allocation of 2026 high-cost support are available on the Commission's website at <https://psc.nebraska.gov>.

All entities receiving ongoing high-cost NUSF support are required to abide by the Commission's speed testing requirements, as set forth in the Commission's NUSF-133 Order. As required by the NUSF-133 Order, ongoing high-cost recipients must submit a broadband customer list to the Commission by April 30 of each year. Price cap carriers must file a rate comparability affidavit in the format prescribed by the Commission, and must provide specific details regarding their proposed use of ongoing support, which must be accepted as a condition precedent to receipt of ongoing support. These filings must be submitted electronically to psc.nusf@nebraska.gov, and are due no later than **March 2, 2026, at 5:00 p.m., Central Time**. Failure to file by this deadline disqualifies the carrier from receiving NUSF high-cost support allocated for the 2026 calendar year.

³ Amount does not include any funding which may be carried over from prior years. For 2026, \$1,150,937.04 in funding from prior years will be added to the overall high cost budget.

⁴ See in the Matter of the Nebraska Public Service Commission, on its own Motion, to make adjustments to its high-cost distribution mechanism and make revisions to its reporting requirements, Application No. NUSF-108, Progression Order No. 3, FINDINGS AND CONCLUSIONS (November 19, 2018) at 8.

The Commission further notes that certain carriers eligible for support in 2026 have not been eligible for high-cost support since the enactment of Neb. Rev. Stat. § 86-324.02. These carriers will be required to demonstrate compliance with any applicable federally enforceable commitments and the requirements of the NUSF as a condition of receiving high-cost support.⁵ This would include the submission of speed tests and documentation showing compliance with the deployment obligations of federally enforceable commitments.

For the calendar year 2026, the requirement to demonstrate compliance with Neb. Rev. Stat. § 86-324.02 includes the Fastwyre entities.⁶ As a significant portion of ongoing high-cost support Fastwyre is eligible to receive includes support for locations which are subject to federally enforceable commitments, we find it appropriate to review these entities' compliance pursuant to Neb. Rev. Stat. § 86-324.02(2)(a). Further, the Fastwyre entities have not previously submitted speed test data or indicated their agreement to submit such data pursuant to Neb. Rev. Stat. § 86-324.02(1). Given the importance of speed tests in evidencing network deployment and determining eligible locations, the Commission finds such data must be submitted before ongoing high-cost support is distributed.⁷ Once that documentation has been provided to the Commission in a manner that meets the Commission's requirements, the allocated NUSF high-cost support will be made available to the Fastwyre entities.

The Commission plans to release further Progression Orders in the near future in order to address the remaining open issues in this proceeding including, but not limited to, whether to retain or how to modify the NUSF EARN Form, and the determination of minimum support amount calculations.

⁵ Any recipient of ongoing high-cost support from the NUSF must agree to submit to speed tests as determined by the Commission. Neb. Rev. Stat. § 86-324.02(1). *See generally In the Matter of the Nebraska Public Service Commission, on its own motion, to implement standards for the verification of broadband service provider coverage and speed data*, Commission Docket No. NUSF-133 (setting forth speed testing requirements in detail).

⁶ The Fastwyre entities referenced herein include Arlington Telephone Company, Blair Telephone Company, Eastern Nebraska Telephone Company, and Rock County Telephone Company.

⁷ We also note the Commission has received a number of complaints from consumers in Fastwyre's exchanges, we believe it is important to determine whether consumers are able to receive service at the speed requirements tied to ongoing high-cost support.

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O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the opinions and findings set forth herein be, and they are hereby, adopted.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska this 27th day of January, 2026.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Eric M. Hamler

[Signature]

[Signature]

[Signature]

Kevin Stocker

Vice Chair

ATTEST:

[Signature]

Executive Director