

SECRETARY’S RECORD, PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission, on its own motion, seeking to determine the level of the fund necessary to carry out the Nebraska Telecommunications Universal Service Fund Act beginning July 1, 2026.) Application No. NUSF-4 Progression Order No. 33 ORDER SETTING SURCHARGE Entered: June 16, 2026

BY THE COMMISSION:

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

On March 31, 2026 the Nebraska Public Service Commission (“Commission”) opened the above-captioned Progression Order to determine the surcharge for the statewide Nebraska Telecommunications Universal Service Fund (“NUSF”) for the upcoming fiscal year. The Commission is charged under Neb. Rev. Stat. § 86-328 with the duty of holding a public hearing each year to determine the level of funds necessary to carry out the provisions of the Nebraska Telecommunications Universal Service Fund Act.

In its March 31st Order, the Commission scheduled the hearing in this matter for May 12, 2026. Notice of the hearing appeared in the Lincoln Journal Star of Lincoln, Nebraska, the Omaha World Herald of Omaha, Nebraska, and in The Daily Record of Omaha, Nebraska, on April 21 and April 28, 2026. The public hearing was held in the Commission Hearing Room, Lincoln, Nebraska and via WebEx on May 12, 2026. Shana Knutson appeared for the Telecommunications and NUSF Department of the Commission (“Department”). Paul Schudel entered an appearance on behalf of the Nebraska Rural Independent Companies. Andrew Pollock entered an appearance on behalf of the Nebraska Rural Broadband Alliance. Katherine McNamara entered an appearance on behalf of Lumen Technologies, Inc. Exhibit Nos. 1 through 7 were entered into the record without objection.

Cullen Robbins, Director of the Telecommunications and NUSF Department, testified on behalf of the Department. Mr. Robbins described the NUSF fund balance of \$69.6 million as of May 1st, noting that the balance significantly decreased over the past year.¹ He stated that reduction marked significant progress in reducing the

¹ Hearing Transcript (TR) at 9.

Application No. NUSF-4
Progression Order No. 33

Page 2

fund balance.² Mr. Robbins commended the good policy decisions of the Commission, the diligence of the companies, and the hard work of the staff which contributed to closing out projects, implementing reform, and decreasing the fund balance.³ Mr. Robbins provided specific information reflecting the high-cost obligations that were still outstanding. This information was offered and received into the record as Exhibit No. 6.⁴ He stated that the staff has been working on identifying older projects and obligations that could potentially be closed out.⁵ Mr. Robbins stated the Commission had approximately \$62 million committed to programs. That committed amount includes NUSF-57 telehealth demand for each of the past several years. Mr. Robbins testified that he will most likely request an increase in the telehealth cap to account for increased demand.⁶

Mr. Robbins further testified that remittances for the past few years have held steady at approximately \$51 million per year, or around \$4.25 million per month.⁷ However, he stated the Department has seen some significant drops in prepaid remittances coming into the fund. Starting last October, prepaid remittances have dropped about 40 to 50 percent. That equates to an annual drop in remittances of about \$1.3 to \$2 million.⁸ Mr. Robbins stated that the Department has not yet isolated the cause of this drop in prepaid remittances, but it means that instead of receiving the typical \$51 million in remittances, we will likely bring in \$49 to \$49.5 million this year.⁹

Following Mr. Robbins, Mr. Dan Davis, Director of Policy and Analysis at Consortia Consulting, testified for the Rural Independent Companies ("RIC").¹⁰ Mr.

² See *id.* at 10.

³ See *id.*

⁴ See *id.* at 11.

⁵ See *id.* at 10.

⁶ *Id.* at 11.

⁷ See *id.*

⁸ See *id.*

⁹ *Id.*

¹⁰ See *id.* at 20.

Application No. NUSF-4
Progression Order No. 33

Page 3

Davis testified that RIC supported the recommendation of the NUSF Advisory Board and of the Commission to maintain the per connection and percentage of assessable revenues surcharge rates at their current levels.¹¹ He stated that RIC believes it is important that certain additional relevant considerations be brought to the Commission's attention. First, the level of remittances and the decrease in prepaid wireless remittances is significant as he anticipates an increase in demand for distributions in the high cost program.¹² Mr. Davis explained that with newly eligible broadband locations being added, the demand for NUSF high-cost support will be increased.¹³ In addition, Mr. Davis stated, there is currently a proceeding pending before the Federal Communications Commission ("FCC") which may result in material reductions in federal support received by carriers. The consequences of the FCC decision may shift more cost burdens to the state jurisdiction.¹⁴

Second, he recommended the Commission close out existing commitments by setting a specific deadline. To that end, RIC asked the Commission to open a docket that would require recipients of outstanding grants to deploy projects for which these grants were made by no later than December 31, 2026.¹⁵ He stated that RIC fully supported the Commission's approval of NUSF-92, Progression Order No. 10 which reallocated the \$772,000 broadband COVID program funds to the general NUSF budget used for redistribution.¹⁶

On April 7, 2026, the Nebraska Universal Service Fund Advisory Board ("Advisory Board") filed a letter with the Commission. That letter was marked and received as Exhibit No. 5.¹⁷ The Advisory Board met on April 6, 2026. Following a discussion, the Advisory Board voted to recommend that the current connections-based surcharge adopted in Docket No. NUSF-119 remain at \$1.75 per connection for

¹¹ *Id.*

¹² *Id.* at 20.

¹³ *See id.* at 24.

¹⁴ *See id.* at 27.

¹⁵ *See id.* at 21.

¹⁶ *Id.* at 23.

¹⁷ *See id.* at 6.

Application No. NUSF-4
Progression Order No. 33

Page 4

the next fiscal year.¹⁸ The Advisory Board further recommended that all other services remain at the current surcharge level of 6.95 percent of assessable revenues.¹⁹

No additional witnesses testified or presented evidence. No member of the public appeared. The hearing was then closed.

The Commission has considered the testimony and exhibits provided in this proceeding. Upon review of the recommendations offered by the NUSF Advisory Board and the Department, the Commission finds that the NUSF surcharge should remain at its current level. Therefore, the Commission finds that for the fiscal year beginning on July 1, 2026, the NUSF surcharge level for services identified in NUSF-119 which are subject to the connections-based contribution mechanism shall remain at \$1.75 per connection. All other services will remain at 6.95 percent of assessable revenues.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that for the fiscal year beginning July 1, 2026, the Nebraska Telecommunications Universal Service Fund surcharge level for services identified in NUSF-119 which are subject to the connections-based contribution mechanism shall remain at \$1.75 per connection, and that all other services will remain at 6.95 percent of assessable revenues.

IT IS FURTHER ORDERED that all affected telecommunications companies are hereby required to collect said surcharge and remit it to the Nebraska Public Service Commission as set forth herein and as required by the Commission's Rules and Regulations.

¹⁸ See Exhibit No. 5.

¹⁹ See *id.*

SECRETARY'S RECORD, PUBLIC SERVICE COMMISSION

Application No. NUSF-4
Progression Order No. 33

Page 5

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 16th day of June, 2026.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Eric M. Hamler
[Signature]
Kevin Stocker
[Signature]

Tom Schram

Chair

ATTEST:

[Signature]
Executive Director