

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska Public Service)	Application No. NUSF-139, PO #8
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.)	

PRE-FILED TESTIMONY OF UNITI GROUP

In consideration of the evolving landscape of telecommunications policy and support mechanisms within Nebraska, it is essential to recognize the shifting responsibilities and regulatory frameworks that shape ongoing discussions. Recent legislative initiatives and regulatory orders have prompted both incumbent and competitive telecommunications carriers to reevaluate their roles and obligations, particularly as technological advancements continue to redefine the provision of voice and broadband services.

Uniti Group (“Uniti”), formerly known as Windstream Communications, respectfully submits these comments in response to the Order Seeking Comment and the workshop scheduled for August 26, 2025.

I. Transitioning Support and Exchange Boundaries

Uniti expresses general support for the proposed framework to transition Nebraska Universal Service Fund (“NUSF”) support from incumbent carriers to competitive carriers, in accordance with the Rural Communications Sustainability Act. Historically, regulations for incumbent local exchange carriers (“ILECs”) have operated within established exchange boundaries, which change only when prompted by competitors or neighboring companies through a boundary change. Although incumbents have been required in recent years to use NUSF dollars for broadband buildout on an exchange-level basis, other programs such as the Nebraska Broadband Bridge Program and the Capital Projects Fund have not been so limited. As a result, eligible project areas are often oddly distributed relative to ILEC exchange

boundaries and, since the Rural Communications Sustainability Act relates only to state or federally funded deployment project areas, competitive carriers are not eligible to likewise seek COLR changes in areas overbuilt with internal capital. The new policies may result in areas within ILEC exchanges where competitors receive support and undertake service responsibilities in only portions of an exchange, which could lead to ambiguity.

Uniti recommends that transitions of support from an incumbent to a competitor should be undertaken for entire exchanges, noting that dividing exchanges introduces operational complexities for incumbents and could cause confusion for consumers. While this recommendation may not be adopted, it highlights ongoing challenges and suggests that exchange boundaries for NUSF support may need to be reconsidered. Alternatively, areas transitioned from incumbents to a competitor should be drawn to extend from the edge of the incumbent's exchange – similar to how a boundary change would function – in a way that is meaningful enough to avoid a “donut” effect within incumbent exchange areas.

II. Carrier of Last Resort Definition

Uniti notes that the legislature in LB311 defines “Carrier of Last Resort” (“COLR”) as a facilities-based telecommunications company, determined by the commission and consistent with the Telecommunications Act of 1996. This company, which receives or has received high-cost support from the federal Universal Service Fund or the Nebraska Telecommunications Universal Service Fund, is required to provide voice communications service, upon reasonable request, to all residential and single-line business customers within a defined service or geographic area. Neither industry nor the Commission objected to the way in which LB311 defined COLR obligations, which conforms with the general use of the term by industry throughout the U.S.

Some have suggested that a transition of NUSF support under the Rural Communications Sustainability Act should be accompanied by a COLR obligation that includes a last-resort broadband

obligation. Similarly, the Commission’s August 26, 2025, Order in NUSF-139, PO #8 suggested that receipt of high-cost support would be contingent on a number of factors, including “offer[ing] reliable voice and broadband services to every location in the support area...” First, expanding the COLR definition to include an obligation to provide broadband services to all residential and single-line business customers in an area through rulemaking would conflict with state law and is unnecessary. The COLR designation should not apply to broadband services, as the FCC regulates this service.

III. Competitive Markets and Copper Retirement

The NUSF was created to provide equitable access to voice services for all residents of Nebraska and to normalize customer costs. This framework functioned effectively for an extended period within a regulated, voice-centric market.

In recent years, the Nebraska Legislature has implemented significant changes to the application process, boundaries, and policies associated with NUSF support. Notably, there has been a transition from the conventional voice-focused model to prioritizing broadband connectivity, specifically at speeds exceeding 100/20 Mbps. Contemporary regulations now aim to balance both voice and broadband objectives, while only financially supporting high-speed, wired broadband. Under current policy, connections to emergency services have become secondary to wired broadband services, and NUSF support is individualized by location rather than allocated to entire networks, both marked departures from the fund’s original purpose.

At present, competition among wireless, cable, broadband, and satellite providers is robust, with each offering both voice and broadband services. Uniti observes that Broadband Equity Access and Deployment Program (“BEAD”) funding designated for wireless and satellite will enable statewide coverage with high-speed, voice-enabled broadband, but these providers will remain ineligible for support, adding complexity to exchange mapping. Consequently, incumbents are required to maintain copper

connections in accordance with commission regulations and state law, despite the availability of advanced voice-enabled technologies and the elimination of support funding for this infrastructure. The Nebraska Rural Communications Sustainability Act and changes made to the NUSF statutes by LB1031 (2024) prohibit providing NUSF support for maintaining these copper connections.

Uniti recommends that the commission facilitate copper retirement by eliminating the obligation to serve these exchanges as modern technologies are deployed and embraced by consumers. This will allow the incumbent providers to transition out of these copper networks for voice and broadband services and make more capital available for investment in modern technology to better serve Nebraskans.

IV. Conclusion

We appreciate the Commission's work to expand access to reliable voice and broadband services in Nebraska. We look forward to participating in further workshops and proceedings to structure the future of the NUSF to benefit Nebraskans receiving voice and broadband service for many years to come.

Respectfully submitted on this the 16th day of September, 2025.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 16th day of September, 2025, electronic copies of the foregoing pre-filed testimony were delivered to the Nebraska Public Service Commission at psc.nusf@nebraska.gov and to the parties of record in this proceeding.

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