

**BEFORE THE
NEBRASKA PUBLIC SERVICE COMMISSION**

In the Matter of the Nebraska Public)	
Service Commission, on its Own Motion,)	
to Consider Appropriate)	Application No. NUSF-139
Modifications to the High-Cost Distribution)	
and Reporting Mechanisms in its)	Progression Order No. 10
Universal Service Fund Program in)	
Light of Federal and State)	
Infrastructure Grants)	

**CHARTER FIBERLINK - NEBRASKA, LLC,
AND TIME WARNER CABLE INFORMATION SERVICES (NEBRASKA), LLC’S
INITIAL COMMENTS**

Charter Fiberlink - Nebraska, LLC and Time Warner Cable Information Services (Nebraska), LLC (collectively “Charter”) hereby respond to the Order Seeking Comments and Setting Hearing entered on April 28, 2026 (“Progression Order No. 10”). Progression Order No. 10 requested that interested parties submit comments regarding a minimum support amount or alternative pathway for distributing support to small rural incumbent local exchange carriers (“RLECs”), and the limitation or timing of any mid-year adjustment due to changes in eligible locations reflected in broadband data collection updates. Charter offers brief responsive comments on the first issue. Charter urges the Commission to decline to adopt a minimum support amount and, if any support methodology is adopted, to ensure that it accounts for all revenues and support associated with the facilities at issue.

Introduction

Charter appreciates the Commission’s iterative approach to determining how best to move forward with the NUSF. Consistent with the comments Charter filed in response to Progression Order No. 7 on July 1, 2025, Charter urges the Commission to take a comprehensive approach in

this phase of the proceeding by considering **all revenue and support** associated with the supported networks, whether it uses a minimum support amount, a funding benchmark, or the NUSF-EARN form.

As Charter has stated consistently throughout these proceedings, because the focus of NUSF support is to support broadband-capable networks, all the revenues and other cash inflows that Nebraska eligible telecommunications carriers (“NETCs”) receive from those networks should be considered in determining the need for NUSF support. Whether determining a minimum support amount, utilizing a funding benchmark or applying the NUSF-EARN form, it is important to consider all sources of revenue and income, including:

- Both intrastate and interstate services;
- Both telecommunications services and information services;
- Both retail and wholesale revenue; and
- Both revenue from customers and support from governments, including federal universal service support and grants that fund construction of broadband-capable networks.

To accomplish these goals, Charter recommends the following.

1. Do Not Adopt a Minimum Support Amount.

NUSF funding decisions should be carefully calculated for each location and provider, not determined by a “minimum support amount.” Use of revenue benchmarks might be acceptable if the benchmarks accurately reflect the revenues NETCs receive associated with NUSF-supported infrastructure. Nonetheless, support should always reflect a simple principle: NUSF should fund only the difference between the cost of serving a particular unserved location and the revenue and support that the NETC obtains from that location from sources other than the NUSF. Expressed as a simple equation:

Cost to Serve Eligible Locations – Non-NUSF Revenues and Support Attributable

to those Locations = NUSF Support Need

Measuring the cost of service is the topic of other comments and progression orders; Charter focuses here on principles for measuring the revenues that NETCs obtain from other, non-NUSF sources so that NETCs are fairly – but not overly – compensated.

A minimum support amount is an inherently blunt tool that could allow providers that do not require support to collect it anyway. Unless constrained by a comprehensive earnings review, it could require the NUSF to provide support to providers whose costs are already fully recovered through customer revenues, wholesale revenues, federal universal service support, or broadband deployment grants. The proposal to “run the support calculation through the earnings test/redistribution,” as suggested in item 3 of the proposal in Progression Order No. 10, lacks adequate detail for Charter to evaluate.. Without knowing which revenue streams would be included in that test, Charter is unable to assess whether it would adequately prevent over-subsidization. An earnings test that considers all sources of revenue and support for NUSF-supported infrastructure, could address this concern. The test would need to limit support (including a minimum support amount) so that total recovery does not exceed the provider’s demonstrated need for supported locations. But more specificity is needed before the Commission adopts any minimum support approach.

2. Update the Estimate of Expected End-User Broadband Revenue.

If benchmark or estimated revenues are used to calculate any method of support, those estimates must be accurate. To this end, if a benchmark is used, the Commission’s proposed deduction of \$63.69 for expected end-user broadband revenue should be updated. The discussion on pages 13 and footnote 75 of the Commission’s Progression Order No. 5 in this proceeding,

dated January 14, 2025,¹ indicates that the \$63.69 funding threshold was derived from the funding threshold the FCC used for Enhanced A-CAM, which in turn was calculated by multiplying a \$90.98 benchmark rate (for broadband service revenue) taken from the FCC's 2023 Urban Rate Survey² by a 70% take rate.

More recent data shows varying rates, but higher penetration for broadband service. The latest FCC broadband revenue benchmark for 25/3 Mbps service is \$106.66³ – but the Commission may want to consider using benchmarks for the 100/20 Mbps or 1000/100 Mbps service that the NUSF supports. Those current benchmarks are \$123.15 per month for 1000/100 Mbps service and \$96.46 for 100/20 Mbps service.⁴ For penetration or take rate estimates, the November 2025 Pew Research Center Internet, Broadband Fact Sheet indicates that 78% of U.S. adults subscribe to a broadband internet service at home.⁵ Averaged over all locations, this suggests that broadband providers can generally expect \$96.46 x 78%, or roughly \$75.24, per month, from each otherwise unserved location, from 100/20 Mbps broadband service alone. For competitive locations and areas where there are alternatives to the broadband services NETCs offer, penetration and take rates will likely be lower – but NUSF support should not be provided to areas or locations where an unsubsidized competitor offers service. Thus, assuming a fairly high take rate is reasonable and appropriate for purposes of estimating revenue for the unserved, non-competitive locations where NUSF support is used.

¹<https://www.nebraska.gov/psc/orders/telecom/2025-01-14%20NUSF-139%20PO%20NO%205%20Findings%20and%20Conclusions%20and%20Order%20Authorizing%20Payments.pdf>

² That \$90.98 benchmark rate corresponded to 25/3 Mbps service with unlimited usage allowance.

³ FCC Urban Rate Survey December 2025, <https://docs.fcc.gov/public/attachments/DA-25-1088A1.pdf>

⁴ Id.

⁵ Pew Research Center: Internet, Broadband Fact Sheet (November 2025), <https://www.pewresearch.org/internet/fact-sheet/internet-broadband/>

3. *Consider All Other Non-NUSF Revenue and Support Sources.*

In addition to updating the current broadband rates from the FCC Urban Rate survey, the \$63.69 funding threshold must also be updated to include revenues, support, and income from other sources. Limiting any revenue analysis to broadband revenue from end users excludes other material sources of revenue, such as revenue from non-broadband retail services, wholesale revenue, intercarrier compensation, and federal or state support (notably federal universal service support).

Because the same infrastructure is often used to deliver multiple services, all revenue streams must be considered to avoid unnecessary and duplicative support. Establishing a benchmark for broadband revenue is not enough; benchmarks for other revenue sources should be considered (or, as suggested above, the Commission should use a comprehensive earnings test for supported locations). Such a holistic assessment will help avoid over-subsidization, promote efficient use of limited fund resources, and protect Nebraska consumers from unnecessary surcharge burdens. The NUSF should function as a fund of last resort, supporting only those costs that eligible providers cannot recover through other available sources.

For example, consider a hypothetical location with a monthly cost of \$200 to serve.⁶ If that location generates an average of \$75.24 in broadband revenue (see calculations above), \$7.03 in telephone service revenue,⁷ \$2 in wholesale revenue,⁸ and \$80 in federal USF support, only \$35.73 in NUSF support is actually needed. If those other revenues are ignored, however (whether

⁶ This discussion and the table below are hypothetical, illustrative examples – the Commission should (of course) use reliable estimates of such costs to establish a funding benchmark.

⁷ The December 2025 FCC Urban Rate Survey cited above, <https://docs.fcc.gov/public/attachments/DA-25-1088A1.pdf>, for Fixed Voice Service, indicates that the average rate for voice service is \$33.99. The most recent CDC Data (<https://www.cdc.gov/nchs/data/nhis/earlyrelease/wireless202506.pdf>) indicates that approximately 20.7% of adults live in households with a landline (19.8% landline with wireless plus 0.9% landline-only), yielding average revenue per household passed of \$7.03.

⁸ The examples for federal USF support and wholesale revenue are purely hypothetical and are presented for illustration purposes only.

as a benchmark calculation or as part of an earnings test), the NUSF might provide \$124.76 per month—resulting in nearly \$300 in overall revenues for this hypothetical location that costs \$200 to serve.

Example: \$200.00 Cost to serve location:

	<i>Consider All Revenue in calculating NUSF Support:</i>	<i>Consider only Broadband Revenue in calculating NUSF Support:</i>	<i>Revenue windfall if only Broadband Revenue is considered when calculating NUSF Support:</i>
Broadband Revenue	75.24	75.24	75.24
Telephone Revenue	7.03	0.00	7.03
Wholesale Revenue	2.00	0.00	2.00
Federal USF	80.00	0.00	80.00
Total before NUSF Support:	164.27	75.24	164.27
NUSF Support	35.73	124.76	124.76
Total Revenue	200.00	200.00	289.03

The illustration above shows how including all relevant revenue streams results in targeted support that aligns with a provider’s actual need. Considering other revenues – including an imputation of federal USF support provided – allows the Commission to ensure that support is targeted appropriately, addresses legitimate need, and does not provide an inappropriate windfall to providers at the expense of Nebraska ratepayers.

The Commission correctly recognized the need to impute various types of federal support at pages 14-15 of Progression Order No. 5⁹ in this proceeding, and recognized the need to include “new types of support” in imputation calculations at paragraph (i) on page 15 of that Order. Consistent with these principles, other funding and revenue sources should be imputed into

⁹ Progression Order No. 5 (page 15, paragraph (g)) concluded that support from the FCC’s High Cost Loop, A-CAM, and Enhanced A-CAM programs should be imputed in calculating support needed for locations not served by wireline competitors.

funding calculations. There is no sound policy basis to exclude consideration of any such expected revenue/income over newly-built, broadband-capable networks when determining whether and how much need exists. Programs such as the national Broadband Equity, Access, and Deployment (“BEAD”) program, the Rural Digital Opportunity Fund (“RDOF”), the Enhanced Alternative Connect America Fund (“E-ACAM”), the Capital Projects Fund (“CPF”), and the Nebraska Broadband Bridge Program (“NBBP”) require long-term commitments from grant recipients. In exchange for substantial broadband deployment grants through each of these programs, recipients make commitments to build out their network to unserved and underserved locations and then to sustain service for *years*. NUSF funding should not be awarded or considered until after grant recipients have fulfilled both the deployment and service commitments they made in exchange for those grants. Examples include:

- ***Broadband Bridge Program:*** NBBP recipients must commit to “[o]ffer broadband Internet service in the project area for fifteen years after receipt of grant funding.”¹⁰
 - The requirement to serve is not conditioned on the potential receipt of future support – applicants for NBBP support promise the Commission that the funding they receive is sufficient to support the provision of broadband service at 100 Mbps or better for fifteen years. Thus, the Commission has already provided funding in exchange for the first fifteen years of NBBP project service.
 - Duplicating NBBP support with NUSF support to fund service during the service commitment timeframe would risk providing duplicative support to NBBP recipients.
- ***RDOF:*** RDOF rules require a ten-year service commitment from the date of an award, and, in its order announcing the program, the FCC held that it “expect[s] bidders to seek sufficient support to build and maintain their network *without an expectation of ongoing support after the 10-year support term expires.*”¹¹

¹⁰ Neb. Rev. Stat § 86-1308.

¹¹ *In the Matter of Rural Digital Opportunity Fund; Connect America Fund*, Report and Order, WC Docket Nos. 19-126 and 10-90, FCC 20-5, ¶ 31 (February 7, 2020) (emphasis added).

- **BEAD:** BEAD guidelines require similar commitments over a 10-year term following deployment.¹²
 - To that end, the BEAD General Terms and Conditions document requires BEAD recipients to certify that they will not require or accept any additional federal broadband service subsidies, including universal service mechanisms, during the period of performance.¹³
 - Federal BEAD terms reflect the same principle Charter urges here: public broadband subsidies should not be layered on top of one another for the same service obligations without a clear showing of need.
- **Enhanced ACAM:** E-ACAM support runs through 2039.¹⁴
 - Consistent with Progression Order No. 5, providing NUSF support to any of these same locations during the applicable performance period would risk duplicative recovery unless the provider demonstrates that the requested NUSF support addresses costs not already covered by the existing program commitments.

Accordingly, before distributing NUSF funds through a minimum support calculation or any other method, the Commission should verify the scope and duration of any pre-existing commitments made by providers to serve rural locations funded by state or federal grant programs to ensure there is no overlap. This includes a review of locations that will be served, when projects will begin to provide service, and the length of time each provider has committed to serve. The Commission should allocate sufficient resources to confirm that any NUSF-funded projects do not overlap with locations already scheduled for buildout under provider commitments, federal or state broadband deployment programs, or planned private capital investment. To be clear, providers may need support to sustain broadband service after existing grant-funded or support-funded obligations expire, but NUSF support should only be available *after* these prior obligations have

¹²BEAD Uniform Guidance Policy Notice Primer, p. 4 (2025) (https://broadbandusa.ntia.gov/sites/default/files/2025-05/Uniform_Guidance_Policy_Notice_Primer_BEAD.pdf)

¹³ General Terms And Conditions For The NTIA Broadband Equity, Access & Deployment Program (BEAD) Program Funds, https://broadbandusa.ntia.gov/sites/default/files/2026-02/BEAD_GTCs_Nov_18_2025.pdf.

¹⁴ *In the Matter of Connect America Fund: A National Broadband Plan for Our Future High-Cost Universal Service Support*, Report and Order, Notice of Proposed Rulemaking, and Notice of Inquiry, WC Docket Nos. 10-90, 14-58, 09-197, and 16-271, and RM-11868, FCC 23-60, ¶ 31 (July 24, 2023); <https://docs.fcc.gov/public/attachments/FCC-23-60A1.pdf>.

been fulfilled or where a provider makes a specific showing that NUSF support is needed for costs not already addressed by those obligations and funding sources.

Conclusion

Charter appreciates the opportunity to contribute to this phase of the proceeding and will continue to engage actively as the Commission evaluates these important issues.

For the reasons stated above, Charter respectfully urges the Commission to decline to adopt a minimum support amount. At a minimum, any support methodology should be subject to comprehensive earnings review that accounts for all revenues, support, grants, and service commitments associated with the supported infrastructure. This approach will help ensure that NUSF support is targeted to demonstrated need, avoids duplicative subsidies and protects Nebraska consumers from unnecessary surcharge burdens.

Dated: May 28, 2026

Charter Fiberlink - Nebraska, LLC and Time Warner
Cable Information Services (Nebraska), LLC

By: /s/ Kevin M. Saltzman
Kevin M. Saltzman, #20874
KUTAK ROCK LLP
The Omaha Building
1650 Farnam Street
Omaha, NE 68102-2186
Phone: (402) 346-6000
Kevin.Saltzman@KutakRock.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 28th day of May, 2026, the above Charter Fiberlink – Nebraska, LLC, and Time Warner Cable Information Services (Nebraska), LLC’s Comments in Response to Progression Order No. 10 Issued on April 28, 2026, in Application No. NUSF-139, was delivered via electronic mail to the following:

Nebraska Public Service Commission:

psc.nusf@nebraska.gov

shana.knutson@nebraska.gov

Nebraska Rural Independent Companies:

Mr. Paul Schudel

WOODS AITKEN, LLP

301 South 13th Street, Suite #500

Lincoln, NE 68508

pschudel@woodsaitken.com

Rural Telecommunications Coalition of Nebraska:

Mr. Russell Westerhold

EDWARDS WESTERHOLD MOORE

1233 Lincoln Mall, Suite #201

Lincoln, NE 68508

rwesterhold@ewmlobby.com

Nebraska Rural Broadband Alliance:

Mr. Andy Pollock

Mr. Jeffrey Owusu-Ansah

REMBOLT LUDTKE LLP

3 Landmark Centre

1128 Lincoln Mall, Suite 300

Lincoln, NE 68508

apollock@remboltlawfirm.com

jowusuansah@remboltlawfirm.com

Lumen:

Ms. Katherine A. McNamara

MCGRATH, NORTH

Suite 3700 First National Tower

1601 Dodge Street

Omaha, NE 68102

kmcnamara@mcgrathnorth.com

Uniti Group:

Ms. Mary E. Vaggalis
BRUNING LAW GROUP
1125 Q Street, Suite 501
Lincoln, NE 68508
mary@bruninglawgroup.com

/s/ Kevin M. Saltzman
