

**Nebraska Universal Service Advisory Board Meeting  
Public Service Commission Hearing Room  
The Atrium, 1200 “N” Street  
Lincoln, Nebraska  
April 30, 2018**

The Nebraska Universal Service Advisory Board met April 30, 2018, at the Public Service Commission Hearing Room, 300 The Atrium, 1200 N Street in Lincoln, Nebraska.

David Rosenbaum, Chair of the Advisory Board, called the meeting to order at 1:00 pm. The following Board members were present:

David Rosenbaum;  
Ann Prockish;  
Christa Porter;  
Doc Wininger;  
SuAnn Witt;  
Gene Hand;  
Ben Backus;  
Gregg Ptacnik.

Present from the Public Service Commission were Cullen Robbins, Shana Knutson, Victor Kapustin and Brandy Zierott.

The Board went through member roll call with eight Board members announcing their presence. Quorum status was established.

**Terms of Board Members and Re-appointments**

The first order of business was discussion regarding the terms of the board members and status of members. Cullen Robbins stated that no applications for the open Rural Health Care seat had not been received, but on-going efforts to fill that seat will be made.

**Vote on Chair and Vice Chair positions**

The next order of business was the nomination of Chair and Vice Chair. Ms. Witt made a motion to retain Mr. Rosenbaum as Chair, seconded by Mr. Hand. Upon a roll call vote of all Board members present, the motion carried. Ms. Prockish nominated Gene Hand as Vice Chair, seconded by Mr. Wininger. Upon a roll call vote of all Board members present, the motion carried.

**Approval of Minutes from April 25, 2017**

A motion was made by Mr. Ptacnik and seconded by Mr. Hand to approve the minutes from the April 25, 2017 Advisory Board Meeting. Upon a roll call vote of all Board members present, the minutes were approved as presented and the motion carried.

## **Schools, Libraries, and Health Care Activities Report**

Ms. Witt presented a written report on E-RATE activities and issues for schools for the Board's review. She noted that funding for 'voice only' services was in its last year of funding, receiving 10% of costs. Further discussion was held regarding schools in rural areas looking into options to provide broadband to home where students lack access and that E-rate rules do not support school to home connectivity.

Ms. Porter provided a written report titled "E-rate Funding Year 2018 – Public Libraries." It was noted that in some areas, up to 20% of K-12 students lack adequate internet at home, and that approximately 200 of the 270 public libraries in Nebraska are below 12Mbps Download speeds for their internet capacity and are the only source of free public Wi-Fi in rural areas. Ms. Porter mentioned that USAC will be moving its banking on E-rate services for the USF from Bank of America to the US Treasury, stating their goal is stronger oversight of the program.

## **NUSF-57 – Telehealth**

Cullen Robbins reported on the Nebraska Statewide Telehealth Network (NSTN), where the requests for federal funding in 2017/2018 exceeded the cap for the first time, resulting in across the board adjustments to funding allocations. This is expected to lead to increased costs to the NUSF. Mr. Robbins also discussed potential changes to the tele-health program over the next year.

## **Nebraska Telephone Assistance Program Update**

Cullen Robbins gave a short explanation of what the program is, who it is for, and what programs qualify participants to receive NTAP in Nebraska, explaining that Nebraska is one of the few states that does the verification of eligibility for applicants to the program.

Mr. Robbins reported that there has been a continued decline in the number of Nebraska households that currently receive NTAP, going from 6,962 households receiving assistance in 2017 to 6,216 in 2018. Mr. Robbins explained potential changes to the program that are a result of changes to the federal Lifeline program. These changes include the implementation of a National Verifier, which would eliminate the need for state verification of eligibility in the program. Changes could also include removing non-facilities based providers from being eligible for federal support from the program.

## **NUSF-92 Wireless Broadband Grants**

Mr. Robbins noted that the Commission had allocated funding of \$4 million for wireless broadband infrastructure build-out. In 2017, applications were approved for US Cellular and Viaero Wireless to build 11 (5 and 6, respectively) towers totaling \$2.15 million for US Cellular and \$1.8 million for Viaero Wireless.

## **NUSF-99 Consideration of Revisions to the High Cost Distribution Mechanism**

Mr. Robbins discussed the modifications to the High Cost program for Price Cap carriers that were implemented in 2016, and described how adjustments to that program have been made to incentivize broadband buildout. \$6.15 million in broadband grants had been approved for Price Cap carriers through the NUSF-99 process.

## **NUSF-108 Adjustment to the High Cost Mechanism and Reporting Requirements**

Mr. Robbins discussed the NUSF-108 proceeding, which was opened to consider making changes to the use of Nebraska Universal Service Fund support for Rate of Return carriers.

Initial comments and reply comments in this docket have been received, and the Commission will soon determine the next steps in the proceeding. It is expected that by the end of 2018, that a final Commission Order will be issued.

## **NUSF-100/NUSF-111**

Mr. Robbins discussed the two dockets (NUSF-100 and NUSF-111) opened to look at modifications to the way the NUSF surcharge is applied to end users. The Commission entered an Order in NUSF-100 in October, 2017 with a decision that a connections-based contribution mechanism would be adopted, but not implemented until issues of rate design and fund size had been determined. Those Commission findings were appealed. The Appeal is currently being held in abeyance.

Mr. Robbins discussed the NUSF-111 proceeding, opened to look at issues of rate design, data sources, and implementation. The proceeding has gone through one round of comments, and one round of reply comments, and a hearing will be held on May 1, 2018.

## **NUSF-4: Discussion Regarding NUSF Surcharge**

Cullen Robbins provided information to the Board on the balance of the universal service fund, the amounts already authorized for support for the broadband programs, support for price cap carriers and rate of return carriers. Currently, the Fund has approximately a 6-month operating reserve.

The Board had a lengthy discussion about the NUSF remittances, the programs supported by the universal service fund, the current surcharge level and various options for the Board's recommendation. A motion was made by Mr. Wininger, seconded by Mr. Hand, to schedule another Board meeting in 6 months. The Board requested information about the historic trends and forecasts of the remittances into the fund for discussion, when the Board next convenes. Upon a roll call vote of all Board member present, the motion carried to schedule another meeting in 6 months.

A motion was made by Mr. Hand and seconded by Ms. Witt, to keep the surcharge rate at 6.95%, but to emphasize in the Board's letter to the Commission to continue support for rural broadband deployment. Upon a roll call vote of all Board members present, the motion carried unanimously.

## **Other Business**

Cullen Robbins updated the Board on the recent Legislation that had passed in the 2018 session, LB157 and LB994.

The Board requested that all members receive by e-mail copies of Bill #994 and #157.

## **Public Comments**

No public comments were presented

## **Adjourn**

A motion was made by Mr. Hand and seconded by Mr. Winger to adjourn. Upon agreement of all Board members the meeting adjourned at 2:08 p.m.