

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of

Reforming Legacy Rules for an All-IP Future

Accelerating Network Modernization

WC Docket No. 25-311

WC Docket No. 25-208

**COMMENTS OF THE NEBRASKA PUBLIC SERVICE COMMISSION**

The Nebraska Public Service Commission (“NPSC”) respectfully submits these comments in response to the Notice of Proposed Rulemaking (“NPRM”) released by the Federal Communications Commission (“FCC”) on February 19, 2026 in the above-captioned dockets. The NPSC applauds the efforts of the FCC to modernize existing frameworks. These reforms should not be undertaken lightly, however, as the impacts of any changes will be felt by the industry, by consumers, and by states. To that end, the NPSC wishes to provide some comments regarding the potential financial impact to Nebraska providers, to the Nebraska Telecommunications Universal Service Fund (“NUSF”), and to our 911 service system by the reforms contemplated in this NPRM. Additionally, although carrier of last resort (“COLR”) regulations are not directly addressed in the NPRM, the NPSC would like to provide some insight as to how a transition to an all-IP network may affect COLR.

## I. An All-IP Network Must be Adequately Regulated

This NPRM seeks to facilitate a transition from circuit-switched networks to packet-based IP networks.<sup>1</sup> In the modern digital era, it makes sense to support an IP-based approach to telecommunications services. However, a full transition to an IP network should not be taken without careful planning. While the NPSC does not oppose this transition, the question of how an IP network will be regulated must be carefully thought through. Just as an all-IP network may provide new benefits, it may also present unforeseen challenges. The customer experience should remain at the forefront of regulators' minds as we navigate these challenges.

Historically, states have been at the forefront of telecommunications regulation, to include the issuing of certificates of authority, ensuring consumer protection, and ensuring quality of service. States are able to quickly address issues unique to their geographic areas and respond immediately to individual customer concerns. For example, following multiple 911 service system outages in Nebraska in 2023, the NPSC was able to initiate investigations and hold hearings into each outage within three months.<sup>2</sup> These hearings allowed the public to understand the cause of the outage, and the NPSC was able to make findings and take action to prevent any reoccurrence within a short timeframe.

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<sup>1</sup> NPRM at ¶ 3.

<sup>2</sup> NPSC Docket No. 911-076/PI-249, *In the Matter of the Nebraska Public Service Commission, on its own motion, conducting an investigation into the 911 service outage that began on September 2, 2023 in areas of Nebraska served by Windstream and its affiliates*, Order Opening Investigation (Sept. 12, 2023); NPSC Docket No. 911-075/PI-248, *In the Matter of the Nebraska Public Service Commission, on its own motion, conducting an investigation into the 911 service outage that began on August 31, 2023 in areas of Nebraska served by Lumen and its affiliates*, Order Opening Investigation (Sept. 12, 2023).

The NPSC also retains a full-time telecommunications Consumer Advocate, who responds to an average of 36 informal consumer complaints per month.<sup>3</sup> These informal complaints are immediately forwarded to the appropriate carrier, usually within the same day, and are typically addressed very quickly by the carrier thereafter. Although very few of the informal complaints received by the NPSC result in formal regulatory action by the agency, the regulatory authority held by the NPSC incentivizes carriers to respond promptly when contacted by our Consumer Advocate or by Commissioners.

The regulatory authority held by the NPSC also allows it to take formal action against a carrier in order to remedy serious issues. In these circumstances, the NPSC might issue fines,<sup>4</sup> set out a requirement to take remedial action, or even cancel a certificate of authority or ETC designation.<sup>5</sup> Although the NPSC endeavors to use these tools judiciously, carriers understand the gravity of potential penalties. The accountability to the Commission encourages carriers to provide high-quality service. Individual state regulatory authority must be preserved in order to ensure customers are adequately protected.

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<sup>3</sup> Data based on informal complaints filed in calendar year 2025 and YTD 2026.

<sup>4</sup> Administrative fines by the NPSC are governed by Neb. Rev. Stat. § 75-156, which allows for fines up to \$10,000, per violation, per day.

<sup>5</sup> In recent years, the NPSC, along with several other states, denied an application for ETC designation to LTD Broadband. The FCC ultimately rejected this carrier's Rural Digital Opportunity Fund application due to a lack of technical capability, following actions by Nebraska and other states. *See* NPSC Docket No. C-5256/NUSF-130, *In the Matter of the Application of LTD Broadband LLC, Las Vegas, Nevada, seeking designation as an Eligible Telecommunications Carrier in the State of Nebraska*, Order Denying Application for Eligible Telecommunications Carrier Status (Dec. 14, 2021), available at <https://www.nebraska.gov/psc/orders/telecom/2021-12-14%20C-5256%20NUSF-130%20Order%20Denying%20Application%20for%20Eligible%20Telecommunications%20Carrier%20Status.pdf>; Federal Communications Commission, *FCC Rejects Applications of LTD Broadband and Starlink for Rural Digital Opportunity Fund Subsidies*, <https://docs.fcc.gov/public/attachments/DOC-386140A1.pdf>.

## II. The Removal of Intercarrier Compensation Would Harm Universal Service in Nebraska

Small rural carriers in Nebraska rely on intercarrier compensation (“ICC”) and Connect America Fund (“CAF”) ICC support for a significant portion of their ongoing expenses. Removing those revenue streams will have a detrimental impact on carriers. Absent this funding, the carriers will either be forced to increase rates on consumers, defer maintenance or capital improvements, or seek state universal service support. Rural consumers in Nebraska are already facing significant economic challenges and should not be expected to bear the burden of additional costs placed on the local side of the network without any corresponding benefit.

As an early adopter state, Nebraska had already significantly reduced access rates, rebalanced local rates, and established an explicit recovery mechanism. In a largely rural state like Nebraska, every dollar is essential to providing universal service in high-cost areas. If cost recovery from the ICC and CAF ICC support mechanisms is no longer available, the NPSC expects that carrier earnings will go down, thereby increasing the demand upon the NUSF.

At present, carriers in Nebraska receive slightly over \$8 million annually in intercarrier compensation.<sup>6</sup> Carriers may also proactively seek additional support from the NUSF. If more high-cost support is needed, the NUSF surcharge would need to be raised, ultimately increasing customer bills as the surcharge is passed on to them. Such a change would undercut the goals of universal service by making service more expensive across the board. This is a financial burden the Commission specifically recognized, and sought to prevent, in its Transformation Order

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<sup>6</sup> High Cost Funding Disbursement Search, UNIVERSAL SERVICE ADMINISTRATIVE COMPANY, <https://opendata.usac.org/High-Cost/High-Cost-Funding-Disbursement-Search/cegz-dzzi> (using filters, listing ICC funding sent to Nebraska carriers by calendar year) (last visited Apr. 21, 2026). The USAC website states that Nebraska carriers received \$8,501,568 in 2023, \$8,440,782 in 2024, and \$8,095,836 in 2025. *Id.*

relative to ICC reform.<sup>7</sup> The NPSC therefore opposes the removal of intercarrier compensation as proposed in the NPRM.

### **III. Consumers in Rural Areas Continue to Depend upon Carrier of Last Resort Regulations**

Discussion of the transition to an all-IP network should include thoughtful consideration of the potential impacts on COLR. The vast majority of Nebraska, from a geographic perspective, consists of rural, high-cost locations. Because these locations are difficult to serve, the NPSC focuses heavily on ensuring all locations can receive adequate service. The NPSC approaches this issue through various means, including the creation of the NUSF, but also through COLR regulations.<sup>8</sup>

Paragraph 22 of the NPRM seeks information on the effect on consumers in rural or high-cost areas where providers have not upgraded networks or improved service. Unfortunately, the NPSC has seen these effects in action. Beginning in 2021, the NPSC conducted an investigation into service quality by the price cap carriers in Nebraska.<sup>9</sup> These price cap carriers serve large

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<sup>7</sup> See *In the Matter of the Connect America Fund*, WC Docket No. 10-90 *et al.*, 26 FCC Red 17663, Report and Order and Further Notice of Proposed Rulemaking (“Transformation Order”) at ¶ 795 (“...adopting a uniform federal transition and recovery mechanism will free states from potentially significant financial burdens. Our recovery mechanism will provide carriers with recovery for reductions to eligible interstate *and* intrastate revenue. As a result, states will not be required to bear the burden of establishing and funding state recovery mechanisms for intrastate access reductions, while states will continue to play a role in implementation.”) (emphasis in original).

<sup>8</sup> See 291 NEB. ADMIN. CODE § 5-009.02A5 (requiring applicants for ETC status to provide service throughout its proposed designated service area to all customers making a reasonable request for service within a timely manner); NEB. REV. STAT. § 86-1601(1) (defining carrier of last resort).

<sup>9</sup> NPSC Docket No. C-5303/PI-240, *In the Matter of the Nebraska Public Service Commission, on its own motion, to determine whether adequate service quality is being provided by carriers operating within the State of Nebraska*, Order Opening Docket and Seeking Comment (Aug. 10, 2021), available at <https://www.nebraska.gov/psc/orders/telecom/2021-08-10%20C-5303%20PI-240%20Order%20Opening%20Docket%20and%20Seeking%20Comment.pdf>. The price cap carriers in Nebraska include Windstream Nebraska, Inc., United Telephone Company of the West d/b/a CenturyLink, Qwest Corporation d/b/a CenturyLink QC, and Citizens Telecommunications Company of Nebraska d/b/a Frontier Communications of Nebraska.

geographic areas in Nebraska which are generally both rural and high-cost. In the course of the investigation, the NPSC received significant public input reporting patterns of outages, poor call quality, difficulty reaching customer service representatives, and missed service technician appointments. In its order closing the docket, the NPSC found that ongoing reporting on service quality was warranted due to consistent patterns of poor service quality and customer service.<sup>10</sup> These patterns appear to be continuing as the price cap carriers increasingly turn their focus away from maintaining copper networks and towards IP-based or wireless solutions.

In a hearing conducted on March 3, 2026, a representative of Lumen testified that if a portion of Lumen's copper network encounters issues, Lumen intends to provide customers with an Air-Line wireless device rather than repairing the copper network.<sup>11</sup> These Air-Line devices will require a power supply and will provide service through a third-party wireless carrier's network.<sup>12</sup> Customers will not have the option to retain traditional voice service over a copper line through Lumen in some circumstances.<sup>13</sup> The NPSC is concerned that this transition may result in unreliable service in emergency situations.

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<sup>10</sup> NPSC Docket No. C-5303/PI-240, *In the Matter of the Nebraska Public Service Commission, on its own motion, to determine whether adequate service quality is being provided by carriers operating within the State of Nebraska*, Order Issuing Findings and Closing Docket (Oct. 29, 2024), available at <https://www.nebraska.gov/psc/orders/telecom/2024-10-29%20C-5303%20PI-240%20Order%20Issuing%20Findings%20and%20Closing%20Docket.pdf>.

<sup>11</sup> See NPSC Docket No. C-5667/PI-255, *In the matter of the Nebraska Public Service Commission, on its own motion, to review and consider the impact upon Nebraskans of the pending sale of certain assets of Lumen Technologies, Inc., Monroe, LA, to Forged Fiber 37, LLC, Dallas, TX, a subsidiary of AT&T Inc., Dallas, TX*, Order Opening Investigation, Seeking Comment, and Notice of Hearing (Sept. 9, 2025), available at <https://www.nebraska.gov/psc/orders/telecom/2025-09-09%20C-5667%20PI-255%20Order%20Opening%20Investigation,%20Seeking%20Comment,%20and%20Notice%20of%20Hearing.pdf>. An order following the hearing in this docket is pending at the time of this filing.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

Indeed, many carriers have been forthright about their lack of interest in maintaining their copper networks.<sup>14</sup> The NPSC has seen carriers invest less and less into their copper networks without plans to upgrade the network to a fiber model. We are concerned that residents in high-cost areas would be left behind by an all-IP framework. Any changes to the intercarrier compensation framework must incentivize carriers not to abandon the copper portions of their networks without first ensuring an equivalent – or better – network is in place.

#### **IV. The NPSC Requests Clarification of the Proposed Preemption of End-User Charges**

Paragraph 193 seeks comment as to whether states should be barred from assessing intrastate access or end-user charges. The NPSC respectfully requests clarification of this proposal. The NPSC assesses three surcharges on carriers' monthly billing, for the purposes of the Nebraska Universal Service Fund ("NUSF"), Telecommunications Relay Services ("TRS"), and support of the 911 service system. These surcharges are assessed on the carriers, generally on a per-line, per-

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<sup>14</sup> The NPSC understands that cost to maintain, workforce issues, and the availability of network components may all be contributing to the disrepair of existing copper networks. Despite these challenges, the reality is that many customers still rely on existing copper networks until such time as a new solution – preferably a broadband-capable fiber network – can be installed. Retaining COLR obligations should incentivize carriers to upgrade and replace failing networks with more workable solutions. In the absence of COLR obligations, some carriers may choose to abandon customers entirely. The NPSC opposes any changes which would counteract or undermine the progress made towards universal service.

month basis.<sup>15</sup> Carriers then pass the surcharges on to customers, with the revenue then remitted to the Commission on a monthly, quarterly, or annual basis.<sup>16</sup>

These three funds and corresponding surcharges reflect Nebraska’s adoption of statutes and regulations to preserve and advance universal service as provided by 47 U.S.C. § 254(f). If surcharges such as those assessed by the NPSC would be considered end-user charges that would be preempted, the NPSC would oppose this proposal. These three surcharges fund programs that are vital to providing telecommunications and emergency services to Nebraskans. Removing the surcharge-based funding for these programs would significantly increase the burden shouldered by carriers, likely leading to lower quality service offerings at a higher price. The NPSC therefore respectfully requests that end-user surcharges that support universal service as contemplated by 47 U.S.C § 254(f) remain under the authority of the states.

## **V. IP Services Must Provide Adequate Service in an Emergency**

The NPSC would also note that broadband-based services are not equivalent to traditional voice services with regard to safety protections and emergency preparedness. These concerns have led the NPSC to critically review applicants for ETC designation. In one circumstance, inadequate emergency capability was part of the basis for denial of an ETC application.<sup>17</sup> Unlike traditional

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<sup>15</sup> For the most part, these surcharges are assessed per voice line or functional equivalent. A small portion of NUSF surcharges are still assessed based on the carrier’s revenues at a rate of 6.95%. This category includes prepaid wireless services, fixed local private line, radio paging, alternative access and directory, switched toll, toll private line, and other toll private services. *See* NPSC Docket No. NUSF-119/PI-233, *In the Matter of the Nebraska Public Service Commission, on its own motion, to consider revisions to the contribution methodology and determine a rate design for services currently subject to a revenues-based surcharge*, Order (May 11, 2021), available at <https://www.nebraska.gov/psc/orders/telecom/2021-05-11%20NUSF-119%20PI-233%20Order.pdf>.

<sup>16</sup> *See* Memorandum: Information for New Carriers (Mar. 1, 2025), available at <https://psc.nebraska.gov/sites/default/files/doc/2025%20Cover%20Memo%20to%20New%20Carriers%20-%202025-7-28.pdf>.

<sup>17</sup> *See* NPSC Docket No. C-5256/NUSF-130, *In the Matter of the Application of LTD Broadband LLC, Las Vegas, Nevada, seeking designation as an Eligible Telecommunications Carrier in the State of Nebraska*, Order Denying

copper networks, IP-based solutions generally rely on an external power supply. While battery backups may be available, they often come with a cost, leading some customers to choose not to purchase the backup. Additionally, customers may not be adequately educated on the importance of maintaining a battery supply in emergency situations. These concerns have led the NPSC to require each new ETC provider using a VoIP-based solution to provide information to its customers about the limitations of VoIP-based emergency service capability, particularly with regard to battery backup in case of a power outage.<sup>18</sup>

## **VI. A Single Point of Interconnection May Result in Inadequate Network Redundancy**

The NPRM asks, in paragraph 61, whether states should be required to designate a single point of interconnection (“POI”) for TDM and VoIP traffic, and to designate that POI as the network edge.<sup>19</sup> The NPSC would caution against any approach that leaves a network with a single point of failure. Indeed, even a single backup may not be sufficient, as the Commission discovered in the course of its investigation into a 911 outage that occurred in the fall of 2023.<sup>20</sup> Downtime

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Application for Eligible Telecommunications Carrier Status (Dec. 14, 2021), *available at* <https://www.nebraska.gov/psc/orders/telecom/2021-12-14%20C-5256%20NUSF-130%20Order%20Denying%20Application%20for%20Eligible%20Telecommunications%20Carrier%20Status.pdf>.

<sup>18</sup> See, e.g., NPSC Docket No. 5012/NUSF-115, *In the Matter of the Application of Inventive Wireless of Nebraska, LLC d/b/a Vistabeam, Gering, Nebraska, for Designation as an Eligible Telecommunications Carrier in the State of Nebraska*, Order Granting Application (Feb. 20, 2019), *available at* <https://www.nebraska.gov/psc/orders/telecom/C-5012.NUSF-115.1.pdf>.

<sup>19</sup> The NPSC notes that Paragraph 197 of the NPRM asks whether states should be preempted from designating the network edge. Requiring states to designate a single POI, which would function as the network edge, while simultaneously preempting states from defining the network edge, is logically inconsistent. Should the FCC find that it has the power to preempt states on this issue, the NPSC requests that the bounds of such preemption, as well as any instances where the FCC may wish to delegate authority to the states, be clearly set forth in any final rule.

<sup>20</sup> See NPSC Docket Nos. 911-075/PI-248, *In the Matter of the Nebraska Public Service Commission, on its own motion, conducting an investigation into the 911 service outage that began on August 31, 2023 in areas of Nebraska served by Lumen and its affiliates*; 911-077/C-5581/PI-252, *In the Matter of the Nebraska Public Service Commission, on its own motion, conducting an investigation into 911 service outages occurring in areas of Nebraska served by Lumen and its affiliates*, Order Issuing Findings and Closing Investigation (Jan. 14, 2025), *available at* <https://www.nebraska.gov/psc/orders/state911/2025-01-14%20911-075%20PI-248%20911-077%20C->

and outages on any network, but especially a 911 system, has real and sometimes life-threatening consequences for end users.

Nebraska currently maintains two POIs for TDM traffic within each Local Access and Transport Area, as well as two POIs for IP traffic. This approach promotes redundancy and continuity of emergency communications service. From a public safety and 911 reliability perspective, maintaining more than one POI is critical to reducing single points of failure and ensuring continued routing capability during outages, network disruptions, or maintenance events.

A single statewide POI may reduce carrier costs in the short term, but it also concentrates operational risk. The NPSC therefore recommends that the FCC avoid adopting a mandatory single-POI framework and instead preserve flexibility for states to maintain multiple POIs where necessary to support redundancy and public safety objectives.

The location of POIs is also critical. Reliance on regional POIs located outside the state may impair effective regulatory oversight and emergency response coordination. If interconnection facilities or network edges were located entirely outside Nebraska, the State's practical ability to investigate outages, coordinate restoration activities, enforce state requirements or support compliance with the FCC, would be significantly diminished. This concern is particularly acute in the context of 911, where rapid coordination among carriers, PSAPs, and state authorities is essential during service disruptions.

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[5581%20PI-252%20Order%20Issuing%20Findings%20and%20Closing%20Investigation.pdf](#) (“While the Commission acknowledges that multiple fiber cuts are rare, they happen. The fact that network traffic carrying 911 calls were disrupted by two cuts is unacceptable to the Commission . . . The lack of diversity and redundancy was the root cause of this failure.”).

The NPSC therefore recommends that the FCC permit and encourage geographically diverse POIs sufficient to support reliable and resilient emergency communications. At minimum, the FCC should avoid policies that require consolidation to a single POI where states determine that multiple POIs are necessary.

### **Conclusion**

The NPSC commends the efforts of the FCC to modernize its telecommunications regulations in this rapidly changing landscape. We further appreciate the efforts of the FCC to proactively include states in this process, and hope we can continue to collaborate on how best to approach the issues raised in the NPRM. Please reach out to us if you have any questions or wish to discuss these issues further.

Respectfully submitted,

*/s/ Cullen Robbins*

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