

**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)	
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
COMMENTS IN RESPONSE TO PROGRESSION ORDER NO. 6, ISSUED
APRIL 8, 2025**

Introduction

Charter Fiberlink - Nebraska, LLC and Time Warner Cable Information Services (Nebraska), LLC (collectively “Charter”) submit these comments in response to the Nebraska Public Service Commission’s Order Seeking Comment and Setting Hearing entered on April 8, 2025 (“Progression Order No. 6”).

Charter appreciates the Commission’s continued thoughtful approach and offers comments on two key issues:

- 1. Support should be limited to locations that are truly unserved – those not currently served or in the process of being built out; and***
- 2. The Commission should take into account all revenue and support sources available to providers when assessing the need for support.***

Comments

- 1. Support Should be Limited to Truly Unserved Locations.**

As Charter has previously noted, the Nebraska Universal Service Fund (“NUSF” or “Fund”) is sustained by one of the highest surcharges in the country, which is paid exclusively by

customers of intrastate telecommunications services. To minimize customer burdens, and enhance telephone service affordability, support must be narrowly targeted to meet actual need.

The Commission has rightly determined that funding should not be awarded for locations with existing service. Equally important is avoiding duplicate funding for locations in the process of being built out or scheduled for buildout with private investment or other federal or state funding sources. 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 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 commitment promises providers made in exchange for those grants.

For instance, under Neb. Rev. Stat § 86-1308, NBBP recipients must commit to “[o]ffer broadband Internet service in the project area for fifteen years after receipt of grant funding.” 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 guarantee the presence of broadband service at 100 Mbps or better for fifteen years. Thus, the Commission has already funded the first fifteen years of NBBP project service. Duplicating NBBP support with NUSF support to fund service during the service commitment time frame would amount to a windfall to NBBP recipients.

Likewise, BEAD requires similar commitments over a 10-year term following deployment.¹ 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.*”² E-ACAM support runs through 2039.³ Providing NUSF support to these same locations during the applicable performance period would amount to a duplicative subsidy.

Before allocating NUSF funds, 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 the initial grant funding is exhausted, but NUSF support should only be available *after* these prior obligations have been fulfilled.

2. The Commission should consider all revenue and support sources when assessing support needs.

The Commission’s proposed deduction of \$63.69 for expected end-user broadband revenue is a good starting point but is not sufficient on its own. Limiting the analysis to broadband revenue

¹ BEAD Uniform Guidance Policy Notice Primer, p. 4 (https://broadbandusa.ntia.gov/sites/default/files/2025-05/Uniform_Guidance_Policy_Notice_Primer_BEAD.pdf)

² Report and Order, WC Docket Nos. 19-126 and 10-90, FCC 20-5, ¶ 31 (February 7, 2020) (emphasis added).

³ 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>.

from end users excludes other material sources of revenue, such as revenue from retail services other than broadband service, wholesale revenue, intercarrier compensation, and federal or state support (notably federal universal service support).

A more accurate approach would include all cash inflows generated by broadband-capable networks. This includes:

- Intrastate and interstate service revenues;
- Telecommunications and information service revenues;
- Retail and wholesale revenues; and
- Both revenue from customers and from government grants and other subsidies (including, as described above, grants that fund construction of broadband-capable networks).

As the same infrastructure is often used to deliver multiple services, all revenue streams must be considered to avoid unnecessary and duplicative support. 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.⁴ If that location generates an average of \$63.69 in broadband revenue,⁵ \$7.21 in telephone service revenue,⁶ \$2 in wholesale revenue, and \$100 in federal USF support, only \$27.31 in NUSF support

⁴ 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.

⁵ The FCC's [2025 Urban Rate Survey](#) for Fixed Broadband Service reflects a benchmark of \$87.58 for 25/3 service and \$85.85 for 100/20 service. The Pew Research Center [Internet, Broadband Fact Sheet](#), dated November 13, 2024, indicates that 79% of U.S. adults subscribe to a broadband internet service at home.

⁶ The [FCC's 2025 Urban Rate Survey](#) for Fixed Voice Service, relevant to rural areas per 47 U.S.C. § 254(b)(3), indicates that the average rate for voice service is \$30.67. The most recent [CDC Data](#) indicates that 23.5% of households have a landline, yielding average revenue per household passed of \$7.20745.

is actually needed. If those other revenues are ignored, the NUSF might provide \$136.31 per month—far more than the cost of service.

	Consider other revenue	Ignore other revenue
Cost	200.00	200.00
Broadband Revenue	63.69	63.69
Telephone Revenue	7.21	-
Wholesale Revenue	2.00	-
Federal USF	100.00	-
<i>NUSF Support Example</i>	<i>27.10</i>	<i>136.31</i>
<i>Total Revenue Received</i>	<i>200.00</i>	<i>309.00</i>

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 allows the Commission to ensure that support is targeted appropriately, addresses legitimate need, and does not provide an unnecessary windfall to providers at the expense of Nebraska ratepayers. There is no valid reason to exclude consideration of any such expected revenue/income over newly-built, broadband-capable networks when determining whether and how much need exists.

Finally, on the “cost” side of determinations of NUSF support, Charter agrees that the Commission should account for the costs associated with efficiently building and maintaining broadband-capable networks. Charter supports the Commission’s proposal to use a carrier agnostic cost model and generally supports the Commission continuing to obtain data from CostQuest as part of a necessary “micro” level examination of need. Charter also supports the Commission opening a broader proceeding to consider cost model modifications. Charter takes no positions at this time regarding specific methodologies and inputs for CostQuest modeling.

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.

Dated: July 1, 2025

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 1st day of July, 2025, the above Charter Fiberlink – Nebraska, LLC, and Time Warner Cable Information Services (Nebraska), LLC's Comments in Response to Progression Order No. 6 Issued on April 8, 2025, in Application No. NUSF-139, was delivered via electronic mail to the following:

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