

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska)	Application No. NUSF-108
Public Service Commission, on its)	Progression Order No. 6
Own Motion, to make adjustments)	
to its high-cost distribution mechanism)	REPLY COMMENTS OF THE
and make revisions to its reporting)	RURAL TELECOMMUNICATIONS
requirements.)	COALITION OF NEBRASKA
)	
)	

REPLY COMMENTS

A. ONGOING SUPPORT

1. Ongoing Support is Necessary

In the *Order*, the Commission poses the foundational question of whether ongoing support is necessary and should continue. With the exception of Windstream, there appears to be consensus amongst commenters that ongoing support should continue, with some adjustments. As the Nebraska Rural Broadband Alliance (NRBA) correctly states, ongoing support is necessary where the expenses of operating and maintaining a quality network exceed a carrier’s limited rate of return.¹ In such situations and in the absence of ongoing support, the business justification for continuing to provide services does not exist. As several commenters point out, eliminating ongoing support where it is required could result in the loss of progress that the Commission has made in its efforts towards ubiquitous broadband access across Nebraska.

Standing alone, Windstream suggests the elimination of ongoing support and further suggests “transitioning all NUSF programs to a grant-based process and prioritizing deployment of broadband services.”² As rationale, Windstream vaguely points to the supposed use of NUSF support by some carriers for purposes other than its intended use.³ RTCN is unable to respond

¹ *Comments of the Nebraska Rural Broadband Alliance*, pg. 6.

² *Comments of Windstream*, pg. 1.

³ *Id.*

specifically to Windstream’s comments on this topic due to the lack of detail provided. However, we observe that Windstream makes no attempt to explain how the Commission can eliminate ongoing support and prevent the failure of existing networks for which ongoing support is necessary. Likewise, RTCN believes that the Commission’s consideration and adoption of several reforms to ongoing support, as suggested in its initial comments, would cure Windstream’s concerns regarding the appropriate use of ongoing support.

2. Needed Reforms to the Ongoing Support Mechanism

In its initial comments, RTCN suggested that the Commission consider adjustment or reforms to the ongoing support mechanism that conformed to the following principles:

- Expressed as a relative percentage of total support, the ongoing support allocation going forward should equal or exceed the percentage from the 2020 NUSF-108 distribution model results
- Given the availability of deployment funds from other sources (Broadband Bridge Program and ARPA), the Commission should strongly consider increasing the ongoing support allocation percentage above 2020 levels
- The ongoing support allocation mechanism must include a simple, predictable, and efficient means for adjusting the ongoing support allocation upwards each year to account for increased deployment in the preceding year
- The mechanism should be reviewed annually, with opportunity for comment on necessary adjustments
- An emphasis on stability, predictability, and transparency should be maintained.

In its Comments, the NRBA made several related suggestions, including: (1) ongoing support should remain subject to the Commission’s budget controls; (2) ongoing support should reflect,

and not duplicate, federal support being received by a carrier; and (3) ongoing support should remain subject to the Commission’s earnings limitations.⁴ The NRBA’s foregoing concepts for ongoing support are endorsed by RTCN.

II. **ADDITIONAL STATE AND FEDERAL FUNDS SHOULD NOT DELAY REFORMS TO THE COMMISSION’S ONGOING SUPPORT MECHANISM**

A common theme amongst initial commenters was the impending influx of state and federal funds for broadband buildout in Nebraska. On the state side, the Nebraska Legislature recently passed the Nebraska Broadband Bridge Act, which creates a \$20 Million annual grant program for the Commission to administer. Numerous federal efforts, including the American Recovery Plan Act (ARPA), are likely to infuse \$100 Million or more (perhaps much more) into Nebraska for broadband deployment. At present, there exists a lack of clarity as to both the final amounts and specific details of this additional funding on both the state and federal sides.

Given those present circumstances, some commenters have suggested the Commission “not consider changes” to the high-cost program.⁵ Inasmuch as these suggestions relate to modernizing and reforming the ongoing support mechanism, RTCN disagrees. The various potential state and federal funding sources discussed by commenters are largely grant-based for broadband deployment support (BDS). It does not appear that any of these sources will provide additional funding for the costs of operating and maintaining Nebraska’s existing broadband infrastructure. Said another way, none of the additional state or federal support will change the existing issues with the Commission’s ongoing support mechanism – which several commenters noted and the Commission acknowledged in the *Order*. The potential for significant

⁴ *Comments of the Nebraska Rural Broadband Alliance*, pg. 7.

⁵ *Comments of CTIA*, page 2.

additional state and federal funding should not delay the Commission's efforts to reform ongoing support in this docket.⁶

DATED: June 18, 2021.

**RURAL TELECOMMUNICATIONS
COALITION OF NEBRASKA**

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⁶ With respect to other issues raised in the *Order*, the Commission and interested parties may benefit from an additional comment opportunity or workshop in this docket once the extent of additional state and federal funding is clear. RIC's proposal to provide BDS support to capped locations is an example. As stated in RTCN's initial comments, RTCN is not opposed *in concept* to BDS support being provided to capped locations. Rather, RTCN's opposition is based on the shift of ongoing support for this purpose by eliminating the overearning redistribution.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 18th day of June, 2021, one (1) paper copy of the foregoing Reply Comments was sent via U.S. Mail, postage prepaid, to the Nebraska Public Service Commission at 1200 N Street, Suite 300, Lincoln NE 68508 and an electronic copy of the same was emailed to:

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