

Nebraska Universal Service Advisory Board Meeting
Public Service Commission Hearing Room
The Atrium, 1200 “N” Street
Lincoln, Nebraska
April 29, 2019

The Nebraska Universal Service Advisory Board met April 29, 2019, 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 1:33 pm. The following Board members were present:

David Rosenbaum;
Ann Prockish;
Christa Porter;
Gene Hand;
Ben Backus;
Gregg Ptacnik.

On the phone was Doc Wininger, and Tom Rolfes appeared in SuAnn Witt’s absence.

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

The Board went through member roll call with six 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 announced that terms had expired for SuAnn Witt, Christa Porter and Doc Wininger. All three have submitted in writing their wish to renew their term. Mr. Hand made a motion to accept Ms. Witt, Ms. Porter and Mr. Wininger’s letters to serve another term, seconded by Ms. Prockish. Motion passed unanimously.

Cullen Robbins stated that no applications for the open Rural Health Care seat had 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. Mr. Hand made a motion to retain Dr. Rosenbaum as Chair, seconded by Ms. Prockish. Upon a roll call vote of all Board members present, the motion carried. Dr. Rosenbaum made a motion to retain Gene Hand as Vice Chair, seconded by Mr. Ptacnik. Upon a roll call vote of all Board members present, the motion carried.

Approval of Minutes from April 30, 2018

Gene Hand discussed several corrections in the minutes. A motion was made by Mr. Hand and seconded by Mr. Ptacnik to approve the updated minutes from the April 30, 2018 Advisory Board Meeting. Upon a roll call vote of all Board members present, the minutes were approved with corrections and the motion carried.

Schools, Libraries, and Health Care Activities Report

Mr. Rolfes, representing SuAnn Witt, presented a written report on E-RATE activities and funding commitments for FY 18/19 and, issues schools are facing for the Board's review.

Ms. Porter provided a written report titled "E-rate Funding for 2019-Public Libraries," reminding the Board that funding for 'voice only' services was no longer being funded. Of the 62 libraries seeking funding in 2019, only 44 had been approved so far and that the applications would probably go until September thru the first of the following year. Ms. Porter reported on the partnership with the CIO and the Library Commission for a \$25,000 Sparks Grant. From this grant, homework "hotspots" will be created in five communities with the Library Commission funding a 6th location.

NUSF-57 – Telehealth

Laurie Casados reported on the Nebraska Statewide Telehealth Network (NSTN). Ms. Casados reported that the FCC/USAC continue to make adjustments to federal funding in 2018/2019. Potential changes to the tele-health program on the Federal and State level over the next year were discussed.

Nebraska Rural Broadband Task Force

Cullen Robbins reported on the formation and ongoing efforts of the Rural Broadband Task Force. The Task Force was created after LB 994 was passed into law last year. The Task Force was formed to examine several issues related to rural broadband, including the use of the Nebraska Universal Service Fund to deploy broadband to rural areas.

Nebraska Telephone Assistance Program Update

Cullen Robbins reported that Nebraska has always and continues to perform the task of determining applicant eligibility for NTAP; however changes currently underway by the FCC/USAC will transfer this away from the states. The FCC/USAC have been moving forward with this plan for the last 2 years, transitioning groups of states to the National Verifier. It is expected that Nebraska will transition to a "soft-launch" mid-year 2019, with a "hard launch" in the fall of 2019.

Currently, there are approximately 5,700 NTAP recipients in Nebraska, down from 6,200 in 2018. The total NTAP credit to each recipient is \$12.75 per month, with the Federal portion making up \$9.25, and the State portion covering the remaining \$3.50.

NUSF-92 Wireless Broadband Grants

Mr. Robbins noted that the Commission had allocated in its NUSF-92, PO #7 Order, entered September 11, 2018, funding of \$3.2 million for wireless broadband infrastructure build-out. Multiple

tower applications were received from two carriers, Viaero and US Cellular. US Cellular was approved to build 6 towers, and applications from Viaero were still pending.

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

Mr. Robbins discussed the High Cost program for Price Cap carriers and described how adjustments to that program have been made to incentivize broadband buildout. The Price Cap carriers in Nebraska are Windstream, Frontier Communications and CenturyLink.

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.

The initial time-line for implementation was January 1, 2019 however in Commission Order NUSF-111 entered on November 27, 2018, that date was pushed back to April 1, 2019 for implementation, with the first filing due on May 15 for monthly NUSF filers. The Commission also developed a new remittance site to allow carriers to file worksheets and pay remittances in the same process. A webinar on the new system was held on March 12, 2019, and the system will go live May 1, 2019.

Mr. Robbins stated that the reporting requirements will be changing with the April, 2019 data period, in that carriers will be required to breakout Residential vs. Business lines. The Residential surcharge of \$1.75 will be applied to each connection, with the Business surcharge rate of 6.95% remaining the same. Carriers will be required to report line counts on their NUSF worksheets, but these numbers are for PSC purposes only and will not be used in the calculation of the remittances due.

Rules and Reg. 202 – Reverse Auction, Wireless Registry

Mr. Robbins discussed that the Commission has opened a Rule and Regulations docket, R&R 202, to implement provisions of LB 994 that directs the Commission to develop guidelines for a reverse auction and wireless registry.

NUSF-4: Discussion Regarding NUSF Surcharge

Cullen Robbins discussed the current level of the NUSF was approximately \$62 million of which approximately \$50 million had been encumbered for future allocations. Discussion was also held on the cause of the Fund's reduction of monthly/quarterly remittances and the new surcharge methodology. With the implementation of the new system, connection data for businesses will be collected for future analysis, but not used for the calculation of the surcharge. Mr. Robbins estimated 3 to 4 months of this data would enable staff to get a better idea of the level of support available to the NUSF for distribution.

Discussion was held on the Advisory Board's role regarding a recommendation to the Commission for the surcharge rate for the 2019/2020 FY. A motion was made by Mr. Hand, seconded by Mr. Ptacnik to draft a letter to the Commission prior to the May 22, 2019 NUSF-4 Hearing, stating the Board's support of the Commission's current surcharge rate. Upon a roll call vote of all Board members present, the motion carried.

Public Comments

No public comments were presented

Adjourn

Upon agreement of all Board members the meeting adjourned at 2:44 p.m.