

Nebraska Universal Service Advisory Board Meeting
Public Service Commission Hearing Room
The Atrium, 1200 “N” Street
Lincoln, Nebraska
April 25, 2017

The Nebraska Universal Service Advisory Board met April 25, 2017 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 2:05 pm. The following Board members were present:

David Rosenbaum;
Ann Prockish;
James Harvey;
Christa Porter;
Loren Duerksen;

Present from the Public Service Commission were Sue Vanicek, Shana Knutson, Cullen Robbins and Laurie Casados.

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

Terms of Board Members and Re-appointments

The first order of business was discussion as to the terms of the board members and status of members. Mr. Harvey informed the Board that he has taken a different job at Bryan Health and will have to resign his post. Upon receipt of his resignation letter the Commission will repost the position. The Commission noted that they will continue to post and search for representatives for the open positions on the Board.

Vote on Chair and Vice Chair positions

The next order of business was the nomination of Chair and Vice Chair. Mr. Rosenbaum nominated himself to continue as Chair which a motion was made by Mr. Harvey for him as Chair and was seconded by Ms. Prockish. Upon a roll call vote of all Board members present, the motion carried with all present members voting in favor of the motion. Ms. Porter was nominated as Vice Chair, a motion for approval was made by Ms. Prockish and seconded by Mr. Harvey. Upon a roll call vote of all Board members present, the motion carried with all present members voting in favor of the motion.

Approval of Minutes from May 3, 2016

A motion was made by Mr. Duerksen and seconded by Ms. Porter to approve the minutes from the May 3, 2016 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 was not in attendance but sent a report with E-RATE activities and issues for schools for the Board's review and Tom Rolfes was available to answer questions. It was noted that funding for voice only services is being phased out via a 20% reduction in discount until entities have reached 0%. Some of the schools will be phased out and not eligible for voice service funding in 2017. Discussion also occurred in regards to FCC Chairman Pai's letter to USAC about operational issues. Mr. Rosenbaum inquired if there was any need for the Board to recommend any action by the Commission on the issue and Ms. Porter did not think that would be necessary at this time.

Ms. Porter noted that the FY2017 filing deadline is May 11, 2017. She also noted that the total number of Libraries receiving funding is down based on the fact that as they stop receiving funding for voice services they are not switching to apply for funding for their internet.

Mr. Harvey reported on the most recent usage report for the Nebraska Statewide Telehealth Network (NSTN), noting the increases in clinical consultations, miles saved and dollars saved from 2010 to 2015. Ms. Vanicek noted that the federal Rural Health cap had been reached for the first time ever this funding year and that the Commission had sent the FCC a letter in support of an increase to the cap.

Nebraska Telephone Assistance Program Update

Ms. Vanicek provided an overview of the Nebraska Telephone Assistance Program. As of April 17, 2017, there were 6,962 Nebraska households receiving assistance. She noted that this number is down from last year but that was due to applicants failing to respond to recertification requests by the department. Ms. Vanicek informed the Board that the Commission has contracted with the Nebraska CIOs office to develop a database system to administer the NTAP program. She also discussed that the states had been granted access to the new National Lifeline Accountability Database (NLAD). She also overviewed changes to the Lifeline program on the federal level, most notably the ability to apply the Lifeline discount to a broadband service or package and changes to the eligibility criteria. The new eligibility criteria will be implemented on the state level as well as state specific eligibility criteria will no longer be allowed but Nebraska will not provide the state level discount to broadband services at this time. Discussion ensued in regards to possible changes to the Lifeline reform order with the new FCC Chair.

Nebraska Broadband Adoption Program Report

Ms. Vanicek reported on the projects that received approval for funding for the NUSF-92 Broadband Adoption program. Ms. Vanicek indicated that for the most recent year the Commission granted support for three Broadband Adoption applications; Lincoln Public schools/Allo Communications offering low income students with low cost internet service, a consortia of rural incumbent carriers offering digital literacy training in their communities, and Cox Communications for a Wi-Fi enabled bus to be offered in two low income neighborhoods in Omaha.

NUSF-92 Wireless Broadband Grants

Ms. Vanicek noted that the Commission had allocated funding of \$4 million for wireless broadband infrastructure and received applications from three wireless service providers for a total of 22 towers, totaling request in the amount of \$9.6 million. The Commission awarded funding for 7 projects and 2 partially funded projects.

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

Ms. Vanicek informed the Board that the Commission had modified the high cost support for price cap carriers in 2016 to work in conjunction with the changes made to support for these carriers on the federal level. She noted that the Commission had found that each of these carrier's support should be split with some allocated for ongoing operating expenses and the remaining for carrier specific earmarked dollars for construction of broadband buildout projects.

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

Ms. Vanicek noted that the split for price cap carriers in 2016 was 50% to ongoing expenses and 50% to broadband buildout projects. For the 2017 support year the Commission made additional revisions to this split and changed it to carriers receiving 20% of their support as support for ongoing expenses and 80% to be earmarked for specific broadband buildout projects by the price cap carrier companies.

NUSF-100 Consideration of Revisions to the NUSF Contribution Methodology

Ms. Vanicek overviewed for the Board how the contributions into the fund currently work and reported that the Commission has proposed an assessment based on connections instead of revenues as the revenue contribution base has continued to decline but actual connection numbers appear to be more stable. She noted the Commission put out a proposal for this and also has requested comments on the size of the high cost fund and proposed funding for 2018.

Mr. Robbins overviewed the specifics of the 3 different options as to how the new connection assessment should work in regards to residential lines versus business lines and wireline services versus wireless services.

NUSF-4: Discussion Regarding NUSF Surcharge

Ms. Vanicek 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. Ms. Vanicek stated that the remittances are forecast to decrease by about 16 percent between 2016 and 2017. She noted that if the current surcharge level of 6.95 percent is not maintained reductions may need to be made in funding for the programs.

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 Ms. Prockish and seconded by Mr. Duerksen to recommend leaving the surcharge at 6.95% for the upcoming fiscal year. Upon a roll call vote of all Board members present, the motion carried unanimously.

Other Business

Mr. Duerksen noted that changes have been made to federal high cost support for rate of return carriers. The Rate of Return order allows carriers to elect A-CAM support or stay on legacy high cost support and if the Commission was reviewing. Ms. Vanicek indicated that the Commission would seek comments prior to making any changes in NUSF support for rate of return carriers.

Public Comments

No public comments were presented

Adjourn

A motion was made by Mr. Duerksen and seconded by Ms. Prockish to adjourn. Upon agreement of all Board members the meeting adjourned at 2:50 pm.