

**BEFORE THE
NEBRASKA PUBLIC SERVICE COMMISSION**

In the Matter of the Nebraska Public Service
Commission, on its Own Motion, to Consider
Revisions to the Universal Service Fund
Contribution Methodology.

Application No. NUSF-100
Application No. PI-193

**REPLY COMMENTS OF CTIA – THE WIRELESS ASSOCIATION®
IN RESPONSE TO THE COMMISSION’S NOVEMBER 13, 2014 ORDER
OPENING DOCKET AND SEEKING COMMENT**

I. INTRODUCTION

On November 13, 2014, this Commission issued its Order Opening Docket and Seeking Comment (the “Order”), initiating a proceeding “to consider revisions to the contribution mechanism of the Nebraska Universal Service Fund (‘NUSF’).” CTIA – The Wireless Association® (“CTIA”) appreciates the opportunity to supplement its previous comments¹ regarding the Commission’s efforts to modernize and reform its NUSF contribution mechanism.

CTIA reiterates the belief, as expressed in its Initial Comments², that the Commission should support and encourage legislation to adopt a point-of-sale methodology for collecting the NUSF assessment from prepaid wireless services. CTIA believes point-of-sale is the most accurate and equitable way to collect the NUSF assessment from prepaid wireless services, and the implementation of point-of-sale for collection of the NUSF assessment from prepaid wireless services is an important step towards modernizing Nebraska’s universal service program.

¹ *Comments of CTIA – The Wireless Association® in Response to the Commission’s November 13, 2014 Order Opening Docket and Seeking Comment*, App. Nos. NUSF-100/PI-193 (February 13, 2015) (“Initial Comments”).

² See Initial Comments, p. 3-6.

Because no other comments raised this issue, and because CTIA does not believe it to be a contested issue, these reply comments will not address the issue further.

As noted in CTIA's Initial Comments, the Federal Communications Commission ("FCC") has referred the issue of assessment mechanisms under the federal universal service programs to the Federal-State Joint Board on Universal Service. The Joint Board's recommendation may have an impact on issues in the present proceeding, especially in light of the Commission's stated desire to align state high-cost funding with federal high-cost funding.³

To help ensure that all parties have complete information as the Commission considers important reforms to the NUSF, CTIA believes that the Commission should not propose to amend any rules regarding contribution methodologies for the NUSF until after the Joint Board has issued its recommendation.

II. THE COMMISSION SHOULD NOT PROPOSE AMENDING RULES REGARDING NUSF CONTRIBUTION METHODOLOGIES UNTIL THE FEDERAL-STATE JOINT BOARD HAS ISSUED ITS RECOMMENDATION ON UNIVERSAL SERVICE

As mentioned in the Order, the FCC is currently considering the issue of universal service contribution methodologies via a referral to the Federal-State Joint Board on Universal Service.⁴ The Joint Board's recommendation was originally due to the FCC on or before April 7th. However, as of the filing of these comments, the Joint Board has yet to release their recommendation.

³ *Order Opening Docket, Seeking Comment, and Setting Hearing*, App. No. NUSF-99 (October 15, 2014) ("NUSF-99 Order"), at 2.

⁴ See *Federal State Joint Board on Universal Service, et al. Order*, 29 FCC Rcd 9784 (August 7, 2014). WC Docket Nos. 96-45, 06-122, GN Docket No. 09-51, available at https://apps.fcc.gov/edocs_public/attachmatch/FCC-14-116A1.pdf (last accessed Feb. 9, 2015).

As CTIA noted in its Initial Comments, the Joint Board's recommendation may have an impact on issues in the present proceeding, especially in light of the relationship between state and federal high-cost universal service contribution mechanisms as noted by the Commission⁵, and the Commission's desire to align state high-cost universal service support with federal high-cost universal service support, as expressed by the Commission in related proceedings regarding NUSF reform.⁶

For that reason, CTIA respectfully requests that the Commission not propose amending any rules regarding contribution methodologies for the NUSF until after the Joint Board has issued its recommendation. Other parties to this proceeding expressed similar views in comments, including Cox⁷ and Charter Fiberlink⁸.

All parties to this proceeding should have the opportunity to fully evaluate the impact of the Joint Board's recommendation on Nebraska's universal service policies. By awaiting the Joint Board's recommendations, the Commission can ensure that all parties more fully consider any modifications to the federal universal service support mechanisms, and best serve its stated goal of aligning state and federal high-cost universal service support.

Further, there is no evidence to indicate that maintaining the status quo with regard to contribution methodologies until the Joint Board has issued a recommendation would have a material negative impact on the stability of the NUSF. Although the Commission has noted that NUSF remittances are declining⁹, the Commission's most recent Quarterly Remittance and Fund

⁵ Order, at 1.

⁶ NUSF-99 Order, at 2.

⁷ *Comments of Cox Telecom Nebraska, LLC*, App. Nos. NUSF-100/PI-193 (February 13, 2015) at 2 ("...it would be sensible for the Commission to await the outcome of the Joint Board's recommendations").

⁸ *Initial Comments of Charter Fiberlink - Nebraska, LLC*, App. Nos. NUSF-100/PI-193 (February 12, 2015) at 3 ("Nebraska should not get out in front of the FCC's reform efforts.")

⁹ Order, at 2.

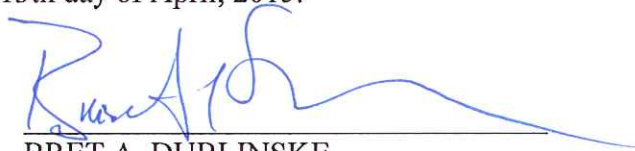
Balance Report (for 4th Quarter 2014) indicates that the NUSF maintains a reserve of over \$8.4 million in funding as of year-end 2014.¹⁰ This surplus suggests that, barring any evidence to the contrary, the NUSF should remain fiscally stable while the Joint Board and the Commission take the necessary time to deliberate on the complex and important issues surrounding high-cost universal service funding reform.

III. CONCLUSION

For the reasons stated above, CTIA believes that the Commission should not propose to amend any rules regarding contribution methodologies for the NUSF until after the Joint Board has issued its recommendation. By allowing all parties to consider the Joint Board's recommendation, the Commission can ensure the benefit of a more complete record as it seeks to align federal and state high-cost universal service support mechanisms in Nebraska.

CTIA also reaffirms its belief that the Commission should take an important step towards modernization of the NUSF by supporting and encouraging legislation to adopt a point-of-sale methodology for collecting the NUSF assessment from prepaid wireless services.

Respectfully submitted this 13th day of April, 2015.



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¹⁰ Available at <http://www.psc.nebraska.gov/ntips/pdf/usf/NUSF%20Fund%20information%20-%20all%20historical%20data.xlsx> (last accessed April 7, 2014).