

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska Public Service )  
Commission, on its own motion, to investigate ) Application No. NUSF-102/ PI-194  
and consider the cost model used by the )  
Federal Communications Commission for )  
Connect America Fund Support, and its )  
corresponding state counterpart. )  
)

COMMENTS OF THE RURAL TELECOMMUNICATIONS  
COALITION OF NEBRASKA

The Rural Telecommunications Coalition of Nebraska (“RTCN”),<sup>1</sup> by and through its attorneys of record, submits these Comments in response the *Order Opening Docket and Seeking Comments* (“Order”) entered by the Nebraska Public Service Commission (“Commission”) on March 24, 2015. The core issue raised by the Commission in its Order is whether the Commission should pursue a license agreement with CostQuest Associates, Inc. (“CostQuest”) for the purpose of investigating the State Broadband Cost Model (“SBCM”).

The RTCN is concerned about the purpose for which the Commission would use the SBCM. As the Commission in its Order stated, according to CostQuest, the SBCM “replicates the processing, logic, inputs and reporting formats of the adopted FCC price cap model (“CACM”).” The Alternate Connect America Cost Model (or A-CAM – a version of the CACM used for rate-of-return carriers) has exhibited extreme variability in allocations from company to company and from state to state when compared with current actual allocations to rate-of-return carriers. The RTCN is not convinced the CACM is a suitable fit for rural states such as Nebraska.

The RTCN does not recommend expending \$30,000 annually to acquire rights through a license to the SBCM for purposes of determining allocation of high cost support from the Nebraska Universal Service Fund (“NUSF”). The Commission should be wary of utilizing a

<sup>1</sup> For purposes of this proceeding, RTCN is made up of the following carriers: Arapahoe Telephone Company d/b/a ATC Communications, Benkelman Telephone Company, Inc., Cozad Telephone Company, Diller Telephone Company, Glenwood Network Services, Inc., The Glenwood Telephone Membership Corporation, Hartman Telephone Exchanges, Inc., Hemingford Cooperative Telephone Co., Mainstay Communications, Plainview Telephone Company, Southeast Nebraska Communications, Inc., Wauneta Telephone Company, and WesTel Systems f/k/a Hooper Telephone Company.

model that has produced extremely disparate allocations to rate-of-return carriers at the federal level. Use of NUSF money for such purposes may not be wise or worthwhile.


It may not be the Commission's intention to use the SBCM for allocation purposes, but the RTCN does not believe the Order speaks clearly as to the actual intent. For these reasons, the RTCN registers the concerns set forth in these Comments and respectfully requests the Commission, if it decides to acquire the CostQuest license, formally set forth the specific purpose for which the SBCM will be used.

DATED: April 30, 2015

RURAL TELECOMMUNICATIONS COALITION  
OF NEBRASKA

ATC Communications,  
Benkelman Telephone Company, Inc.,  
Cozad Telephone Company,  
Diller Telephone Company,  
Glenwood Network Services, Inc.  
The Glenwood Telephone Membership Corporation,  
Hartman Telephone Exchanges, Inc.,  
Hemingford Cooperative Telephone Co.,  
Mainstay Communications,  
Plainview Telephone Company,  
Southeast Nebraska Communications, Inc.,  
Wauneta Telephone Company, and  
WesTel Systems.

By: REMBOLT LUDTKE LLP  
3 Landmark Centre  
1128 Lincoln Mall, Suite 300  
Lincoln, NE 68508  
(402) 475-5100

By:   
Andrew S. Pollock (#19872)  
Troy S. Kirk (#22589)



24620.002/4827-3126-9155, v. 2