

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska Public Service Commission, on its own motion, to determine whether to discontinue ported support for grandfathered lines.

Application No. NUSF-110

**COMMENTS OF QWEST CORPORATION d/b/a
CENTURYLINK QC AND UNITED TELEPHONE COMPANY OF THE WEST d/b/a CENTURYLINK**

The Nebraska Public Service Commission (“Commission”) opened Application No. NUSF-110 on May 9, 2017 to determine whether it should discontinue the porting of Nebraska Universal Service Fund (“NUSF”) support to competitive local exchange carriers (“CLECs”). The practice of porting universal service support to competitive carriers started 20 years ago with the Federal Communications Commission (“FCC”) and the Commission sought to be consistent with the FCC.¹ However, with the 2011 *Transformation Order*, the FCC started to phase out ported support to CLECs. In addition, the Commission has made a number of significant changes to NUSF support provided to price cap carriers.² In light of these changes, the Commission requests comment on whether it should discontinue the porting of NUSF support

¹ *In the Matter of the Nebraska Public Service Commission, on its own motion, to determine whether to discontinue ported support for grandfathered business lines*, Application No. NUSF-110, page 1 (“The history of taking universal service support from an incumbent local exchange carrier and giving that support to a competitive local exchange carrier started with rules implemented by the Federal Communications Commission in its 1997 Universal Service First Report and Order. Initially, pursuant to rules established by the Federal Communications Commission (FCC) federal universal service fund support was ‘ported’ away from the underlying ILEC to a competitive eligible telecommunications carrier (CETC) capturing the line. This support was deducted from the ongoing support received by the ILEC and paid to the CETC. Consistent with those federal regulations, the Commission once determined that Nebraska competitive local exchange carriers designated as NETCs and providing service by leasing Unbundled Network Elements (UNEs) from the ILEC could have universal service support ported for lines captured from the ILEC.” (citations omitted))

² For 2017, the Commission has designated 80% of the support received by price cap carriers be used for grant based broadband deployment projects.

to CLECs for grandfathered lines that are providing service through unbundled network elements (“UNEs”).

Qwest Corporation d/b/a CenturyLink QC and United Telephone Company of the West d/b/a CenturyLink (collectively, “CenturyLink”) supports this move by the Commission. As the Commission has noted, there have been significant changes to the distribution of NUSF support over the years.³ In addition, the amount of support that CenturyLink and other carriers receive has declined dramatically. However, there has been no change to the per line support amounts that the Commission established for CLECs in 2007.⁴ That amount no longer reflects the per line support received by CenturyLink QC. This disparity is inherently unfair and should not be allowed to continue. These NETCs are receiving ported support that, in theory, originally went to CenturyLink. However, because of the continuing declines in NUSF distributions, and the changes in how the distributions are to be used, CenturyLink QC actually receives far less in support per access line than what is received by NETCs.

In addition, the number of access lines to which the ported support applies has dropped dramatically. In the Order Opening Docket and Seeking Comment in this proceeding, the Commission states that only 13 grandfathered lines continue to receive ported support.⁵ UNEs and ported support were to be used by CLECs as a means to begin offering service without having to first build a network; however these mechanisms were to be transitional in nature, and it was never meant that CLECs should have that support, and that level of support, indefinitely. However, two decades later, there are still some NETCs that are receiving support

³ Application No. NUSF-110, pages 1-2.

⁴ The Commission adopted the initial per line NUSF porting amounts on November 3, 2004 in NUSF-26 (*Findings and Conclusions*, paragraphs 27 and 29). It later modified those amounts on October 10, 2007 in NUSF-50 (*Order*, page 12).

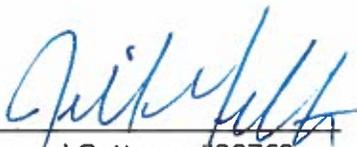
⁵ Application No. NUSF-110, page 2.

through the use of UNEs. CLECs have had ample opportunity to build their networks, and many have already done so. It is time to eliminate the “transitional” ported support for CLECs.

Dated June 16, 2017

Respectfully submitted,

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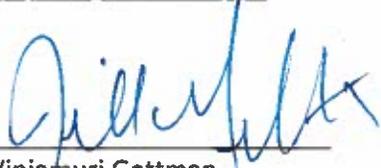
CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 15th day of June, 2017, a true and correct copy of the foregoing was delivered to the following:

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