

January 30, 2018

VIA HAND DELIVERY

Nebraska Public Service Commission
1200 N Street, Suite 300
Lincoln, NE 68508

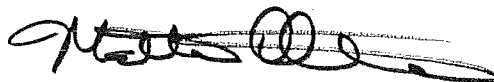
Re: Response to Request for Information

To The Commission:

Enclosed are an original and five copies of the Association of Teleservices International, Inc.'s Response to Request for Information in docket NUSF-111/PI-211.

Thank you for your attention to this matter.

Sincerely,



Matthew Ottemann

Enclosures

MTO:jb

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska Public Service) Application No. NUSF-111/PI-211
Commission, on its own motion, to determine)
rate design and address implementation)
issues with a connections-based contribution)
mechanism.)

**ASSOCIATION OF TELESERVICES INTERNATIONAL, INC.
RESPONSE TO REQUEST FOR INFORMATION**

THE ASSOCIATION OF TELESERVICES INTERNATIONAL, INC. (ATSI), by its attorneys, respectfully submits its comments to the Nebraska Public Service Commission in the captioned proceeding, in response to the Commission’s Order Opening Docket and Seeking Comment (the “Order”) entered December 19, 2017. As its comments in response to the Order, ATSI respectfully states:

The Order seeks to elicit information on the issues of rate design, data sources and implementation of a connections-based contribution methodology to fund the Nebraska Universal Service Fund (NUSF). Of particular interest to ATSI, the Order in ¶4 acknowledges concerns expressed during the proceedings in NUSF-100/PI-193 that a per-line connections assessment could result in a significant adverse impact on business customers. The Order then suggests that an assessment capped at the first one hundred telephone numbers or functional equivalents per subscriber could be a solution to this problem, and requests comment on such a rate design.

ATSI emphatically submits that a “capped” assessment such as discussed in the proceedings in NUSF-100/PI-193 is *not* a suitable or acceptable “solution” to the excessive burden that a connections-based contribution methodology threatens for business customers employing high

capacity telecommunications facilities (e.g., PRIs, T-1s, DS1s and higher capacity facilities such as a DS3 or OC3). Instead, in ATSI's view, an excessive burden can be avoided only if a suitable rate design is developed that recognizes and compensates for the economic efficiencies of high capacity facilities. Linear formulas based on Voice Grade Equivalents (VGEs) or working telephone numbers -- whether or not capped at a certain point -- simply are inherently unable to appropriately recognize this efficiency.

ATSI members are small businesses that commonly employ at least 2-3 PRIs or DS1s in their answering service/call center locations, equipped with approximately 2,000 or more Direct Inward Dial (DID) numbers. Using the proposal advanced by the Rural Independent Companies (RIC) in NUSF-100/PI-193 as an illustration, an ATSI member would be burdened with an NUSF assessment of \$115 or \$120 per month for *each* PRI or DS1, and the "cap" would not apply unless the member is large enough to employ at least four high capacity facilities at a particular location. Alternatively, if a "cap" were to be defined on the basis of working telephone numbers, essentially all ATSI members, no matter how small, would be assessed the maximum NUSF contribution.

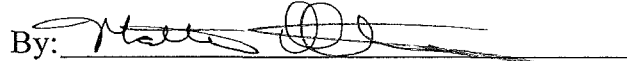
One of the essential characteristics of high capacity facilities is that their per-channel cost declines significantly as capacity is increased. Linear rate schemes such as an assessment per VGE or working telephone number do not recognize this characteristic at all, and therefore become more and more excessive as the capacity of the facility increases. Indeed, for very high capacity facilities such as an OC3, the monthly assessment per VGE or working telephone number readily could approach or exceed 100% of the entire cost of VGE or equivalent to the end user.

It may be that there can be a workable "cap" on monthly NUSF assessments to solve the problem of excessive NUSF assessments on business users. However, the TRS "model" of 100

working numbers definitely is not it, and does not even provide a useful basis for attempting to develop a workable "cap".

Respectfully submitted this 30th day of January, 2018.

ATTORNEY FOR THE ASSOCIATION OF
TELESERVICES INTERNATIONAL, INC.

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Certificate of Service

The undersigned hereby certifies that on this 30th day of January, 2018 an original and five copies of the Response to Request for Information in Application NUSF-111/PI-211 were hand delivered to the Nebraska Public Service Commission, and a copy of the same was mailed or e-mailed to the following:

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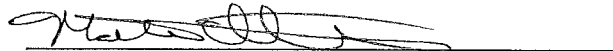
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