

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

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

Cox Nebraska Telcom, LLC ("Cox") hereby submits the following Post-Hearing Comments in the above-captioned docket, as allowed by Hearing Officer Commissioner Landis at the conclusion of the hearing held May 1, 2018. Cox offers two primary observations below to reiterate and emphasize the consensus that was reflected by various parties at the hearing.

The Commission Should Stabilize, Not Increase the Size of the Fund

With the exception of the Rural Independent Companies ("RIC"), many parties encouraged the Commission to keep the fund at its current size, and not use the new assessment methodology as the springboard to double the fund size.¹ As Cox indicated in its testimony and in its previously-filed comments, it is important the new contribution methodology not inflict rate shock on customers motivating residential customers to 'cut the cord' or business customers to relocate their operations. Just as other parties have suggested in written comments and via testimony, Cox urges the Commission to stabilize and maintain the Nebraska Universal Service Fund ("NUSF") at its present size.

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¹ Testimony of Joseph Gillan, TR p. 56; Testimony of Alan Lubeck, TR p. 67; Testimony of Robert Logsdon, TR p. 63.

Nebraska
Public Service Commission

**The Commission Should Maintain the Revenues-Based Assessment
on Business Customers**

There was widespread agreement by testifiers that the Commission impose the connections-based methodology only on residential and wireless customers, and to retain the current revenues-based assessment for business customers.² State statutes do not require the use of a single contribution mechanism; therefore, it is permissible for the Commission to utilize a combination of connections-based and revenue-based assessments. Businesses have more communications options than residential customers, and if the NUSF surcharge becomes burdensome, they have the ability to transition to other products. Furthermore, as Cox has stated previously, many of these large call-center based businesses can easily relocate their operations out of state.

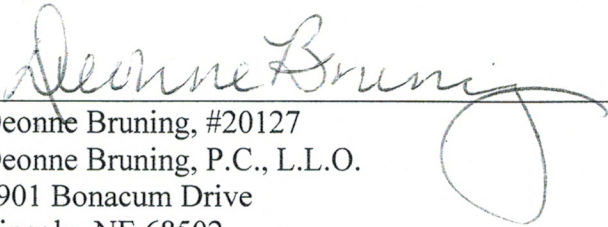
Using the calculations of Commission Staff included in Mr. Robbins' testimony in NUSF-100, a surcharge of \$1.29 on wireless and residential customers netted over 33 million-dollars. That amount alone, with zero contributions from business customers stabilizes the fund to its present size. Therefore, clearly a much smaller assessment on residential and wireless customers would achieve the goals of this docket. In fact, the Commission should monitor collections and receipts closely, as it may be possible to provide business customers with relief from the current 6.95% assessment if revenues from residential and wireless customers exceed what is predicted and deemed necessary.

² Testimony of Ken Pfister, TR p. 25; Testimony of Dan Davis, TR p. 41, 43; Testimony of Joseph Gillan, TR p. 50-52; Testimony of Robert Logsdon, TR p. 61. (*Testimony of William Kreutz was a hybrid approach deserves additional attention, TR p. 14; Testimony of Loel Brooks was a revenue-based system should be utilized across the board, TR p. 72.)

Finally, by excluding business customers, it would hasten and ease implementation of the new connections-based methodology. The need for companies to respond to data requests would be eliminated, as would the need to create a cap on business lines, and a related auditing mechanism. Changes to billing systems would be minimized, thereby lessening the costs incurred and the requisite time involved. Testimony was delivered by parties indicating implementation could be achieved January 1, 2019 (in approximately nine months) when excluding business customers from the connections-based assessment structure.³ In closing, Cox urges the Commission to implement the connections-based methodology only on residential and wireless customers and to exclude business customers from the transition. Cox also encourages the Commission to maintain the NUSF at its existing size.

Respectfully submitted this 18th day of May, 2018.

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³ Testimony of William Kreutz, TR p. 13; Testimony of Ken Pfister, TR p. 34; Testimony of Alan Lubeck, TR p. 67; (*Implementation times ranged from 90 days by Mr. Pfister to 9 to 12 months by Mr. Lubeck.)

Certificate of Service

The undersigned hereby certifies that on this 18th day of May, 2018 an original and one copy of Cox Nebraska Telcom, LLC's Post-Hearing Comments in Application NUSF-111, PI-211 were hand-delivered to the Nebraska Public Service Commission, and a copy of the same was e-mailed to:

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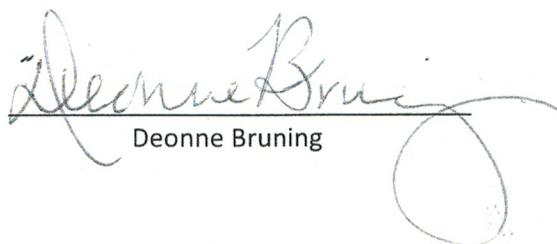
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