

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska Public)	
Service Commission, on its own Motion)	Docket NUSF-117
to consider implementing a program to)	
incentivize new fiber construction for)	April 3, 2020
E-rate eligible entities.)	

REPLY COMMENTS FROM EDUCATIONAL SERVICE UNIT NETWORK OPERATIONS COMMITTEE

The Public Service Commission (Commission) is currently seeking additional comments related to the specifics of a proposal for incentivizing fiber construction for E-rate eligible entities within LB 922. Educational Service Units of Nebraska (ESUs) frequently perform the E-rate duties of schools as their “consultants” (a term used by the Federal Universal Service Administrative Company) and are therefore most familiar with the benefits that this proposal could bring to E-rate eligible entities throughout the state. The Educational Service Unit Network Operations Committee (ESU NOC) is an advisory group to the Administrator of the Educational Service Unit Coordinating Council and is largely responsible for management of the K-12 connections to Network Nebraska - Education.

Regarding the “Budget and Support Window,” it is difficult to predict the demand, but a \$1 million initial budget is fair, as is a four-year initial timeline. If the Commission adopts a first-come, first-served priority, an annual cap (which may or may not be identical per year) may also be needed to ensure that the proposed application window is fully available for facilities with significant needs that may take multiple years to plan their connectivity. We are hopeful that this allocation is an initial amount, and that the four-year window is also an initial timeline that will be subject to review and renewal. If application demands exceed available funds, use of the E-rate discount percentage is a good measure of need. The E-rate discount already takes rural, urban, and suburban status into account, so separately including such status as a variable is likely unnecessary.

As to the eligibility questions, the Commission included both libraries and schools in its initial comment period, yet none of the discussion includes schools, nor does LB 992. ESU NOC is happy to see the Commission ask about including schools again. Though a vast majority of Nebraska schools already have fiber connectivity, many of the schools that remain are difficult and expensive to connect with fiber; frequently, the difficulty is due to their rural status. Schools should be included in the E-rate Special Construction fund in addition to libraries.

Further, the Commission should consider a Nebraska Eligible Telecommunications Carrier list specific to E-Rate Special Construction. Because this list will be a subset of federal E-rate providers, both the list and process for vendor inclusion on the list should be clear and available to libraries and schools to avoid confusion during their E-rate bidding process. For instance, if it is possible for a carrier to be added to the provider list during or after a bid opportunity (maybe based on favorable results after a school or library proposal), that will result in an entirely different bidding process than having an annual deadline for provider inclusion with the quantity of available providers remaining fixed during the bid.

The Commission also questioned whether any existing fiber-connected facilities should be included. ESU NOC believes that for an initial evaluation period of at least two years, funding should be limited to facilities without fiber. If including facilities that do have existing fiber, the Commission should establish parameters surrounding eligibility such as a minimum fiber age or inability to accomplish a needed bandwidth should be a component of the evaluation.

ESU NOC agrees that for an institution to be eligible for these funds, the school or library served by the provider should first apply for E-rate funding. The application process has a very specific order and timeline. We propose the following for consideration:

1. The school or library applicant should complete a bid process through a Form 470, complete the evaluation process, and select a provider through an award or intent to award. Such award may be subject to approval of both E-rate and NUSF Special Construction funding.
2. The E-rate applicant should submit an application to the Commission for consideration by an appropriate deadline. The example grant application timeline in the request for comments is appropriate. To allow E-rate filing to be completed, the Commission should issue decisions no later than January 31 of an application year.
3. After receiving a commitment (perhaps conditional) from the Commission, the applicant files the E-rate Form 471 which indicates the Commission commitment. A Form 471 filing includes attachments demonstrating all contractual funding documents, so the PSC commitment and documentation must be completed prior to the Form 471 filing.
4. After review, a Funding Commitment Decision Letter (FCDL) is sent to applicants. There is no specific timeline for an approval and FCDL, but one must be received for a project to move forward. The Commission may consider requiring a copy of the FCDL to be sent along with any required documentation prior to releasing the matching funds to the provider.
5. Applicants then file a Form 486 to indicate the timeline for work, and E-rate funding is made available after service is completed and invoiced. We presume the provider will be required to send appropriate documentation before reimbursement.

ESU NOC is not familiar with the current reporting requirements for other Commission programs, so we hesitate to recommend many specifics. We have already suggested an review and renewal process, so reporting related to that timeline would be both useful and appropriate.

Respectfully Submitted,

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