

# Nebraska Library Commission

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## BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska Public	)	
Service Commission, on its own Motion to	)	Docket NUSF-117
consider implementing a program to	)	
<u>incentivize</u> new fiber construction for	)	April 9, 2020
E-rate eligible entities.	)	

## REPLY COMMENTS FROM THE NEBRASKA LIBRARY COMMISSION

The Nebraska Library Commission thanks the Nebraska Public Service Commission for their consideration and time to develop a program that offers rural Nebraska E-rate eligible entities (Schools and Libraries) the ability to provide high-speed internet to the citizens in their communities.

### Commission Proposal and Further Questions

#### *A. Budget and Support Window*

If an E-rate special construction program is implemented, the Commission proposes to establish an overall budget for the program. The Commission seeks comment on an allocated budget of \$1 million for the program as a whole. Once the \$1 million in the program is exhausted, the Commission could then re-evaluate the need to provide additional support. The Commission seeks comment on the \$1 million proposed budget.

**NLC comments: The NLC supports the allocated budget of \$1 million for the NUSF supplemental E-rate matching fund. If the NUSF-117 order is implemented the NLC will allocate staff resources to promote and assist libraries participation in E-rate Category 1 Special Construction Fund to bring fiber to Nebraska public libraries. Our goal is for 48-64 libraries to participate in the program over a four-year period.**

In order to make efficient use of the support and lessen the need to make subjective judgments related to specific project value, the Commission proposes that the NUSF support be made available on a first-come, first-served basis. Is this type of allocation appropriate? If not, why not?

**NLC comments: The NLC stands ready to assist the Nebraska Public Service Commission in decisions related to NUSF supplemental E-rate matching funding allocation. The NLC will develop resources,**

handouts, web tools, and training materials.. The NLC staff will target specific libraries that are the focus of this funding. These activities will continue and evolve for the duration of the funding period.

**Libraries we will target for participation include:**

- **New library builds and existing libraries adding additional square footage to their libraries;**
- **Public libraries in rural locations (serving communities with a population of less than 2,500 persons) that are classified as unserved (download speeds of less than 12 Mbps) and underserved (12-24 Mbps) by the Nebraska Rural Broadband Task Force. We believe that these rural communities should also have a priority in selection for the annual funding by the NUSF supplemental E-rate matching funds;**
- **The 2019 Nebraska Public Library Survey reported that 128 libraries in Nebraska communities with less than 25,000 people reported download speeds of under 25 Mbps. *The NLC proposes that all public libraries serving less than 25,000 persons should be eligible for fiber builds using NUSF supplemental E-rate matching funding.* There are five communities in Nebraska that serve populations of greater than 25,000 people: Bellevue, Grand Island, Kearney, Lincoln, and Omaha. All of these five libraries already have fiber in their libraries; and**
- **The NLC will encourage libraries that meet the above criteria in the four library systems in the state. We are hopeful the statewide model will be effectively replicated in each of these four geographic regions across the state.**

**The NLC believes that the first-come first-serve awarding of the funding will complement our efforts to encourage specific libraries identified above to make application for the funds.**

Alternatively, we seek comment on whether the Commission should prioritize applications based on the amount of an entity's E-rate discount. For example, should the Commission place the highest priority on the largest E-rate discounted project? This proposal would be based on the idea that the lower the discount, the more able the library is to pay the cost itself. Are there other alternative criteria upon which the Commission should base its funding priorities?

**NLC Comments: The NLC believes prioritization is not needed based on applicant's E-rate discount. However, we expect that libraries with the largest discount (70-90%) will be the primary libraries seeking this funding.**

The Commission contemplates this program would encompass a one-time buildout support period which would not include recurring or ongoing NUSF support. As such, the Commission proposes to make the support available to applicants for a specific window of time. The Commission seeks comment on whether a window of four (4) one year periods for applying for and receiving support is sufficient.

**NLC Comments: The NLC believes that the initial buildout support period of four years with an annual disbursement of funding to coincide with the E-rate Category 1, Special Construction Fund will be sufficient. If this program successfully funds fiber to a great number of unserved and underserved Nebraska libraries and demand for the funding is still strong at the end of year four, we request Nebraska Public Service Commission consider a continuation of the NUSF supplemental E-rate matching funding.**

**The NLC's current goal for the four-year program is to build fiber to 64 libraries. The 2019 Public Library Survey (PLS) data reports 128 libraries currently report internet speeds less than 25 Mbps. Our fiber to the library goal of 64 libraries will bring fiber to 50% of Nebraska Public Libraries represented in the 2019 PLS as unserved and underserved. This would be an excellent outcome of the program. If Nebraska public libraries are still interested in participation in the NUSF supplemental E-rate matching funding after the four year period, the Commission should consider continuing the program.**

### *B. Eligibility*

The Commission believes it is necessary under § 86-324 to limit eligibility Nebraska eligible telecommunications carriers (NETCs). Similar to its findings in other contexts such as Telehealth, the Commission seeks comment on whether to allow carriers to obtain designation as an NETC for E-rate Special Construction Program purposes only.<sup>1</sup> We note that the Commission has designated carriers as eligible for Telehealth, or Lifeline-Only programs. Would this type of designation serve as an incentive for carriers to participate in the program while staying consistent with the statutory intent? Why or why not? Please explain.

**NLC comments: The NLC defers to the Nebraska Public Service Commission to determine.**

If the Commission does permit carriers to obtain designation as an NETC for E-rate Special Construction Program purposes, what type of designation process should the Commission adopt?

**NLC comments: The NLC defers to the Nebraska Public Service Commission to determine.**

The Commission proposes that all public libraries that are not already fiber-connected would be eligible for support. Should

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<sup>1</sup> Eligible Telecommunications Carriers (ETCs) previously designated without such limitations would be considered automatically eligible to participate in this program.

the Commission only support fiber projects where a fiber connection does not already exist?

**NLC Comments: The NLC also supports the Commission's proposal that all public libraries that are not already fiber-connected are eligible for support. However, there may be specific exceptions where "overbuilds" may be warranted. Examples include cases where there is overcharging for services, service response time is poor, and service contract agreements that are not met in a single carrier community.**

The Commission further proposes that libraries must first avail themselves of E-rate support. In order to be eligible, libraries would need to demonstrate that they have in place, or have taken material steps towards a contract for procurement of fiber-based services that identifies special construction costs, and would have to have Special Construction Matching funds checked on their FCC Form 471. Is this a reasonable expectation? Should the Commission require libraries to file a copy of their FCC Form 471 with their application? Should the Commission require the libraries to file an application jointly with the carrier(s) they plan to use for the fiber construction? Should libraries be required to utilize E-rate support for their ongoing services as well? In addition, we seek further comment on whether schools should also be eligible for E-rate Special Construction program support or whether such support should be limited to libraries.

**NLC Comments: The E-rate filing process demonstrates a library's ability to take material steps towards a contract and procurement of fiber-based services. The NLC provides training classes and staff to assist libraries with E-rate filing questions and process overview. Libraries understand that to be eligible for the Nebraska Special Construction Matching Funds, they will need to apply for E-rate on the one-time costs and monthly recurring cost of the resulting Category 1 service.**

The Commission application should require copy of the Form 470 bid response with the Special Construction Matching funds denoted. However, the Form 470 information would be provided with the application as an "intent to accept a carrier's bid". After the library receives notification of the funding approval for matching funds from the Commission the library will need to inform the library board and city/county that these additional funds are securable for the new fiber build. Upon approval by the library board and the city/county, the library would then be able to submit a certified Form 471 to USAC with the Special Construction Matching Fund checkbox checked.

Special Matching Fund should parallel the established Federal E-rate program and not require a library to apply for other E-rate programs (i.e. Category 2 internal connections support) in order to receive funding from the Nebraska Special Construction Matching Funds.

*C. Timeline*

If implemented, the Commission proposes to initiate the program in time for the 2021 E-Rate support year. The Commission proposes to open the grant window in November 2020 and close the grant window by the last day of December, 2020. The Commission would then plan to release its decision on proposed grant awards by the end of January, 2021. Does this timeframe allow sufficient ability to carriers and libraries to take advantage of the federal 2021 E-Rate support window? If not, how should the timeframe be modified?

**NLC Comments: The NLC asks that grant award decisions be completed by mid-January. This would accommodate the need for libraries to seek and receive approval for the NUSF supplemental E-rate matching funding by local library boards and local governments in a very short period before the potential filing deadline in March 2021.**

*D. Reporting*

If implemented, what type of reporting should be required to ensure that support is being used for its intended purpose and does not duplicate existing support or facilities? Should there be an ongoing reporting requirement to measure the effectiveness of the program? Why or why not?

**NLC Comments: The NLC welcomes a reporting mechanism for this project. We look to maximize the efficiency of funds used to assist bringing fiber to the library. A reporting mechanism will bring transparency to the program and enable the Commission to evaluate, adjust the funding distribution and process of selection for fiber to the library over the duration of the funding period.**

Respectfully submitted,



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