

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska Public Service)
Commission, on its own motion, to consider)
revisions to the contribution methodology and)
determine a rate design for services currently)
subject to a revenue-based surcharge.)

**JOINT REPLY COMMENTS OF COX NEBRASKA TELCOM, LLC,
CHARTER FIBERLINK – NEBRASKA, LLC, AND TIME WARNER CABLE
INFORMATION SERVICES (NEBRASKA), LLC**

Cox Nebraska Telcom, LLC; Charter Fiberlink – Nebraska, LLC, and Time Warner Cable Information Services (Nebraska), LLC (the “Joint Commenters”) submit these Reply Comments in the above-captioned docket pursuant to the Orders entered by the Commission herein on June 30, 2020 and July 21, 2020. To quickly summarize the initial comments that were filed, it was generally agreed upon by parties except the rural groups, RIC and RTCN that the Commission should not modify the revenue-based methodology for business customers at this time.¹ Varying reasons were provided, but there was wide-ranging consensus the Commission not adopt the connections-based methodology for businesses.

The Joint Commenters reiterate their previous position and encourage the Commission to first determine if more money is required to adequately fund the NUSF, and whether the contribution ratio needs adjusting before making any changes. Moving to a connections-based system is not a quick or simple task. In fact, as the Commission has not yet indicated whether the

¹Comments of the Nebraska Rural Independent Companies, pg. 4 and Rural Telecommunications Coalition of NE, pg. 5 filed herein Aug. 31, 2020. Commenters not supporting a change included: AT&T Corp, pg. 2, Citizens Telecommunications Co. of Nebraska d/b/a Frontier Comm. of Nebraska, pg. 2, Qwest Corp. d/b/a CenturyLink QC and United Telephone Co. of the West d/b/a CenturyLink, pg. 1, Securus Technologies, LLC, pgs. 1-2, Windstream Nebraska, Inc., pgs. 1-2, and Cox Nebraska Telcom, LLC; Charter Fiberlink – Nebraska, LLC, and Time Warner Cable Information Services (Nebraska), LLC, pg. 1.

NUSF needs more revenue or the contribution ratio is unjust, this is a complicated solution for a problem that has not been evaluated or analyzed.

If it is ultimately determined the NUSF requires additional funding and/or the contribution ratio is unfair, adopting a new methodology is not necessary to remedy either situation. Rather, adjusting the current business surcharge provides the relief sought without the difficulties and unknown consequences of changing the overall contribution mechanism. As the present NUSF business surcharge of 6.95% was adopted over 20 years ago and has never increased,² an increase to the rate could be made should the Commission determine such is necessary, vital to the public interest and cannot be avoided. The Joint Commenters note that no review has taken place yet to determine an increase is needed.

The Comments filed by RTCN are incorrect stating a consensus was eventually reached in NUSF-100 and NUSF-111 to implement a connections-based mechanism on businesses.³ In fact, Commenters herein except the RTCN and RIC raised concerns with the connections-based methodology.⁴ And the Joint Commenters specifically have never supported a connections-based methodology for business customers, citing concerns with the limitations of the Form 477 for businesses, billing limitations and the likelihood of inflicting rate shock on customers.⁵

It is important to remember business customers are not just for-profit entities. Some of the state's largest users are secondary and post-secondary school systems, hospitals and governmental

²*In the Matter of the Commission on its own motion seeking to determine the level of the fund necessary to carry out the Nebraska Telecommunications Universal Service Fund Act effective fiscal year beginning July 1, 1999*; Application NUSF-4, Order entered June 2, 1999.

³ Comments of the Rural Telecommunications Coalition of Nebraska filed Aug. 31, 2020, pg. 5.

⁴ *Id.* and Comments of Nebraska Rural Independent Companies filed Aug. 31, 2020, pg. 4; See Footnote 1.

⁵ *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 NUSF-111/PI-211, Comments of Cox Nebraska Telcom, LLC and Comments of Charter Fiberlink – Nebraska, LLC, and Time Warner Cable Information Services (Nebraska), LLC filed Jan. 30, 2018; Reply Comments of Cox Nebraska Telcom, LLC and Reply Comments of Charter Fiberlink – Nebraska, LLC, and Time Warner Cable Information Services (Nebraska), LLC filed March 23, 2018.

entities such as the Offutt Air Force base. Cox provides service to these types of large, enterprise business customers and billing them correctly under a connections-methodology would be difficult, if not impossible. These problems cannot be solved by asking the businesses for advice or helpful ideas.⁶

These large customers can use the equivalent of thousands of connections. Whether they are capped at 100 connections as suggested by some commenters⁷ or pay for every connection as suggested by others⁸, a new connections-methodology will undoubtedly modify the amount being remitted from businesses of all sizes. It will create a system of winners and losers, where some customers will be paying more, others less, or even potentially none at all.

Cox serves large customers in the Omaha metropolitan area and cannot emphasize enough the billing inadequacies and shortcomings that will be experienced not only in attempting to correctly count each connection for business customers, but also with respect to how to accurately bill the surcharge when business connections can fluctuate monthly. Widespread confusion will be experienced by businesses and predictability will be lacking - a cornerstone of what the incumbent local telephone companies seek from the Commission when it comes to the financial support they receive from the NUSF.

The most fair and sensible action is to retain the present revenues-based system. That is, businesses who utilize the network more and have higher intrastate telecommunications charges remit more to the NUSF. Such system takes into consideration the value of and burden on the network. Furthermore, the revenues-based assessment is a predictable and well-understood

⁶ Comments of Rural Telecommunications Coalition of NE filed Aug. 31, 2020, pg. 8.

⁷ A cap was supported in Comments filed herein on Aug. 31, 2020 by Citizens Telecom. Co. of Nebraska d/b/a Frontier Comm. of Nebraska, pg. 5; Qwest Corp. d/b/a CenturyLink QC and United Telephone Co. of the West d/b/a CenturyLink, pg. 9; and Windstream Nebraska Inc., pg. 4.

⁸ A cap was not supported in Comments filed herein on Aug. 31, 2020 by CTIA, pg. 5; Nebraska Rural Independent Companies, pg. 15.

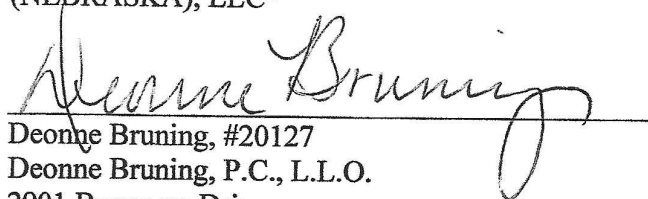
surcharge for businesses and carriers' billing systems alike. In addition, continuing the revenue-based remittance structure avoids the many adverse and unknown repercussions that will potentially be experienced under the connections-based methodology, including eliminating contributions from certain services and providers.

The Joint Commenters have consistently advocated contribution reform be as unnoticeable to customers as possible and has repeatedly urged the NUSF be open and transparent. Both objectives are achieved with the revenue-based surcharge. Businesses understand the present NUSF surcharge and it is a predictable part of their telecommunications budgets.

In closing, the Joint Commenters ask the Commission to retain the revenue-based assessment methodology and to increase the NUSF surcharge if such is deemed necessary after further review and study. The Commission can quickly and easily collect additional revenue from businesses should it be required while maintaining predictability, billing accuracy and sustaining the remittances presently paid by all customers and providers.

Respectfully submitted this 30th day of September 2020.

ATTORNEY FOR COX NEBRASKA TELCOM, LLC
and
CHARTER FIBERLINK – NEBRASKA, LLC, AND
TIME WARNER CABLE INFORMATION SERVICES
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A handwritten signature in dark ink, appearing to read "Deonne Bruning", is written over a horizontal line.

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*Counsel for Cox states that Charter has authorized counsel to represent that Charter agrees with and joins in these comments.

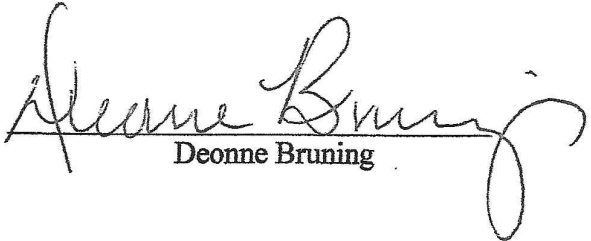
Certificate of Service

The undersigned hereby certifies on September 30, 2020 an original and five copies of the Joint Reply Comments of Cox Nebraska Telcom, LLC; Charter Fiberlink – Nebraska, LLC, and Time Warner Cable Information Services (Nebraska), LLC in Application NUSF-119, PI-233 were filed with the Nebraska Public Service Commission, and a copy of the same was e-mailed to:

Nebraska Public Service Commission psc.nusf-filings@nebraska.gov

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NUSF-119 Commenting Parties


Deonne Bruning