

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska Public)	
Service Commission, on its own motion, to)	Application No. NUSF-119/PI-233
consider revisions to the contribution)	
methodology and determine a rate design)	
for services currently subject to a)	REPLY COMMENTS
revenues-based surcharge.)	
)	
)	

INTRODUCTION

The Rural Telecommunications Coalition of Nebraska (“RTCN”),¹ by and through its attorneys of record, Rembolt Ludtke LLP, submits these *Reply Comments* pursuant to the *Order Opening Docket and Seeking Comment* (“Order”), entered by the Public Service Commission (“Commission”) on June 30, 2020, and the July 21, 2020, order of the Commission extending the deadline for comments and reply comments.

A number of telecommunications carriers and coalitions submitted comments responsive to issues raised in the Order. The RTCN will generally address those comments in these Reply Comments. Underlying the RTCN’s statements below is the belief that reform in this proceeding should seek three primary objectives: first, the continued stabilization of the Nebraska Telecommunications Universal Service Fund (“NUSF” or “Fund”); second, efficiency in administration; and third, fairness and balance between contributions made by business and residential ratepayers.

Assessment Mechanism for Business and Government Connections

In the comments submitted August 31, 2020, a surprising number of commenters moved away from support for transition to a connections-based contribution mechanism for

¹ For purposes of this proceeding, the RTCN is made up of the following carriers: Benkelman Telephone Company, Inc., Cambridge Telephone Company, Cozad Telephone Company, Diller Telephone Company, Glenwood Network Services, Inc., The Glenwood Telephone Membership Corporation, Hartman Telephone Exchanges, Inc., Hemingford Cooperative Telephone Co., Hooper Telephone Company, Mainstay Communications, Pierce Telephone Company, Plainview Telephone Company, Southeast Nebraska Communications, Inc., Stanton Telecom, Inc., and Wauneta Telephone Company.

business and government lines. Consensus eventually appeared to be forming in NUSF-100 on the need for such transition. While the RTCN in its August 31, 2020, Comments voiced its support for transition to a connections-based surcharge, the RTCN was the first to suggest a hybrid approach in the Commission's original investigation docketed NUSF-100/PI-193. The RTCN was disappointed that no business groups weighed in during the original round of comments in the current investigatory proceeding. The RTCN strongly urges the Commission to affirmatively reach out to Nebraska's business community, especially enterprise business customers, to seek their input in this important reform endeavor. With that input and based on the comments and reply comments it receives, the Commission should establish a surcharge that continues to stabilize the fund without creating undue administrative burdens on businesses, telecommunications carriers, or the Commission.

Business v. Residential Customers

As the RTCN said in its August comments, under the current paradigm, remittance obligations are out of balance. The data released by the Commission demonstrates this inequity. In its comments, CenturyLink discusses the impact of the COVID-19 pandemic on telecommunications usage, pointing out that residential use has increased as many individuals have transitioned to work from home. Arguably, individuals working from home are not residential users in the traditional sense. This is not to suggest they should be treated as business users for purposes of NUSF contributions. It does underscore, however, the need for reliable connectivity for residential users throughout the state. CenturyLink makes this observation to support its position that now is not the time to revise surcharges for business users, citing the challenges businesses have had responding to the pandemic. While agreeing with CenturyLink's observations, the RTCN disagrees that change should be postponed. The fact that more individuals are working from home does not mean, as CenturyLink states, that business usage has decreased. Rather, the location of the employee has changed. By

requiring, encouraging, or allowing employees to work from home and rely on the telecommunications network to communicate with other employees, both in and out of the office, businesses are actually putting more of a burden on the telecommunications network. This not a bad thing. It has been done for purposes of public health.

The ongoing pandemic should not be used as reason to delay the important work of stabilizing the fund, not when our telecommunications network is increasingly critical to ensuring public health during the pandemic. Moreover, it cannot reasonably be argued that the pandemic has not created hardships for individuals, who with very little complaint accepted the Commission's earlier change in the contribution mechanism and by doing so were saddled with an unfair proportion of total contributions to the Fund. CenturyLink's argument that continued reform should be delayed due to COVID-19 misses the mark. A much stronger argument can be made that the pandemic has enhanced the need to restore balance and equity between the relative burdens of business and residential customers to make NUSF contributions.

This is not to say that CenturyLink or the other commenters who recommend retaining a revenues-based surcharge for businesses are wrong. If the Commission retains the revenues-based surcharge for businesses, then it should increase the surcharge to stabilize the fund and restore balance, as Cox and Charter suggest in their comments.

Treatment of Multi-Line Businesses

If the Commission retains and increases the revenues-based surcharge, the several granular issues arising with regard to enterprise and other businesses that have a large number of lines mostly become moot. If the Commission moves to a connections-based assessment, the RTCN stands by its earlier comments and recommends the Commission affirmatively solicit input from such businesses to craft a fair means of assessment, whether it be a cap on lines or otherwise. The data released by the Commission unfortunately give

little information about the extent of such businesses or their present contribution levels. The Commission should avoid imposing arbitrary controls, such as a cap that mirrors the Relay and 911 caps. Instead, such controls should strive to achieve the objectives of stability, administrative efficiency, and fairness for all users.

Toll, Private Line, and Other Services

If the Commission retains a hybrid approach, the issues relative to toll, private line, and other services largely become moot. If the Commission transitions to a connections-based mechanism for businesses, then the RTCN reiterates the comments it originally made.

Dated: September 30, 2020.

RURAL TELECOMMUNICATIONS
COALITION OF NEBRASKA

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Cozad Telephone Company, Diller
Telephone Company, Glenwood
Network Services, Inc., The
Glenwood Telephone Membership
Corporation, Hartman Telephone
Exchanges, Inc., Hemingford
Cooperative Telephone Co., Hooper
Telephone Company, Mainstay
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that an original and five copies of the above **Comments** of the Rural Telecommunications Coalition of Nebraska were filed with the Public Service Commission on September 30, 2020 via postage prepaid U.S. Mail, and a copy was served via electronic mail, to the following:

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