

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

<p>In the Matter of the Petition of the Nebraska Telecommunications Association for Investigation and Review of Processes and Procedures Regarding the Nebraska Universal Services Fund.</p> <p>In the Matter of the Nebraska Public Service Commission on its own motion seeking to implement policies and procedures related to providing dedicated universal service support for wireless telecommunications services.</p>	<p style="text-align: center;">Application No. NUSF-77 Progression Order No. 8</p> <p style="text-align: center;">Application No. NUSF-69</p>
<p>COMMENTS OF QWEST CORPORATION d/b/a CenturyLink QC and UNITED TELEPHONE COMPANY OF THE WEST d/b/a CENTURYLINK</p>	

On April 23, 2013, the Nebraska Public Service Commission (“Commission”) issued an Order Seeking Comments in the in this matter asking whether the combination of the Nebraska Dedicated Wireless Fund and the Nebraska Broadband Pilot Program (“NEBP”), as ordered by this Commission on January 15, 2013,¹ should be accelerated. The Commission had required the transition to one program to start in 2014 and take place over four years,² and now questions whether that transition should take place over a shorter time frame. Qwest Corporation d/b/a CenturyLink QC and

¹.See *In the Matter of the Petition on the Nebraska Telecommunications Association for Investigation and Review of Process and Procedures Regarding the Nebraska Universal Service Fund*, Application No. NUSF-77, Progression Order No. 8 and *In the Matter of the Nebraska Public Service Commission on its own motion seeking to implement policies and procedures related to providing dedicated universal service support for wireless telecommunications services*, Application No. NUSF-69, Order Seeking Comments issued April 23, 2013, page 2.

² See *In the Matter of the Petition of the Nebraska Telecommunications Association for Investigation and Review of Processes and Procedures Regarding the Nebraska Universal Service Fund*, Application No. NUSF-77, Progression Order No. 7, *In the Matter of the Nebraska Public Service Commission on its own motion seeking to implement policies and procedures related to providing dedicated universal service support for Wireless telecommunications services*, Application No. NUSF-69, and *In the Matter of the Nebraska Public Service Commission, on its own motion, seeking to establish a long-term universal service funding mechanism*, Application No. NUSF-26, Order issued January 15, 2013, page 12

United Telephone Company of the West d/b/a CenturyLink (collectively “CenturyLink”) respectfully file these comments in response to the Commission’s request.

CenturyLink supports acceleration of the time line for combining the programs into one technologically neutral program with the goal of expanding advanced services to unserved and underserved Nebraskans. Maintaining two separate funds with similar goals slows the deployment of advanced services to Nebraskans. In addition, having both the Dedicated Wireless Program and the NEBP is an inefficient use of the Commission’s limited resources, including its staff.

Sixteen parties, including two wireless carriers, submitted applications for NUSF-77 support this year, and the requests for funding far exceeded the \$4 million of available support, indicating a high demand for NUSF-77 support. In contrast, in the years that the NUSF Dedicated Wireless Program has been in place, the same three parties have typically applied for funding each year; two of those three parties also requested funding from the NUSF-77 program in 2013. Accelerating the combination of the two funds and allowing all carriers the same access to funding under the same conditions will mean that more Nebraskans will enjoy the benefits provided by advanced communications.

The Commission points out two major differences between the Dedicated Wireless Fund and the NEBP. First, the Commission developed a methodology and a set of criterion by which the Commission evaluates and scores the NEBP applications to determine which applications should receive funding. No such criterion or methodology exists for the Dedicated Wireless Fund, though the Commission prioritizes applications

based on household density and service coverage inputs. Using the NEBP evaluation methodology for the combined program will ensure that the limited funding available is being used to benefit the greatest number of Nebraskans, and that the same criterion is being used to evaluate all funding applications for broadband expansion.

Second, the NEBP requires applicants to contribute at least 25% of the total cost of the project while the NUSF would finance the remaining 75%. With the 25% required match, the NEBP effectively makes \$5 million available for broadband deployment, \$4 million from the fund and \$1 million from the carriers. The Dedicated Wireless Fund, however, does not require applicants to provide a financial commitment to the project. Accelerating the combination of the two funds will benefit the Nebraska consumer as the same amount of state funding, with a required 25% match by all applicants, will effectively make \$11.25 million available annually for the deployment of broadband service and will ensure that all applicants have some financial skin in the game.

The NEBP is technology neutral; it provides support to any technology that efficiently provides broadband service at minimum speeds of 4 Mbps download and 1 Mbps upload to unserved and underserved areas of the state. The Dedicated Wireless Fund, however, limits funding to companies seeking to expand *wireless* service to areas of the state that are currently unserved, though companies requesting support from the Dedicated Wireless Fund must also commit to building out a network that supports at least 3G service, which cannot meet the wireline requirements. This discrepancy in service requirements between the two programs adds to confusion for the consumer. Accelerating the timeline for the combination of the two funds will reduce that

confusion and ensure the Nebraska consumer receives broadband service at sufficient speeds, regardless of the technology used.

CenturyLink has previously noted that the Commission should ensure that the NEPB is sized appropriately. Combining the programs would be a move toward addressing this concern. The Dedicated Wireless Fund currently has \$5 million allocated to it annually while the NEBP has \$4 million available. In theory, the combined fund would make available \$11.25 million (with carrier match) for the deployment of broadband service in Nebraska.

While \$11.25 million would not cover all the funding requests in 2013, the Commission should not consider expanding the size of the combined fund at this time. The need for high cost voice support is also significant, and support for the high cost voice program should not be further diverted to deployment of broadband service. Nebraskans will continue their demands for voice service for many years, especially in high cost areas where there are no other voice providers. Current recipients of high cost voice support have a continuing obligation to serve customers. Given that the FCC has already chosen to divert high cost voice support to the deployment of broadband service, the Commission should ensure that sufficient funding remains available from the high cost voice fund.

//

//

//

//

Because of the significant advantages to the Nebraska consumer from the accelerated combination of the Dedicated Wireless Fund and the NEBP, CenturyLink recommends the Commission combine the two funds starting in 2014.

Dated May 24, 2013

Respectfully submitted,

By: 

Jill Vinjamuri-Gettman #20763
Michael J. Mills #19571
GETTMAN & MILLS LLP
10250 Regency Circle Suite 350
Omaha, NE 68114
(402) 320-6000
(402) 391-6500 (fax)
jgettman@gettmanmills.com

William E. Hendricks
CENTURYLINK
805 Broadway Street
Vancouver, WA 98660-3277
(360) 905-5949
tre.hendricks@centurylink.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 24th day of May, 2013, a true and correct copy of the foregoing COMMENTS OF QWEST CORPORATION d/b/a CenturyLink QC and UNITED TELEPHONE COMPANY OF THE WEST d/b/a CENTURYLINK were delivered to:

Nebraska Public Service Commission

Sue Vanicek

Shana Knutson

Brandy Zierott

Nebraska Public Service Commission

1200 N Street, Suite 300

Lincoln, NE 68508

Sue.vanicek@nebraska.gov

Shana.knutson@nebraska.gov

Brandy.zierott@nebraska.gov

Windstream Communications

Bill.garcia@windstream.com

The "Rural Independent Companies"

Paul M. Schudel

James Overcash

pschudel@woodsaitken.com

jovercash@woodsaitken.com

Rural Telecommunications Coalition of Nebraska

Troy Kirk

Tkirk@remboltludtke.com

Nebraska Technology and Telecommunications, Inc.

Mark Fahleson

mfahleson@remboltludtke.com

Cox Nebraska Telcom, LLC

Deonne Bruning, PC, LLO

deonnebruning@neb.rr.com

Verizon/Verizon Wireless

Steven G. Seglin

SGS@crosbylawfirm.com

**Citizens Telecommunications Company of Nebraska
d/b/a Frontier Communications of Nebraska**

Stephen Hegdal

Stephen.Hegdal@frontiercorp.com

**N.E. Colorado Cellular, Inc. d/b/a USCC Wireless;
Sprint Communications Company d/b/a Sprint, Nextel West Corp d/b/a Nextel
Partners;**

AT&T Communications of the Midwest, Inc. and TCG Omaha, Inc.;

Allo Communications, LLC

Loel P. Brooks

lbrooks@brookspanlaw.com

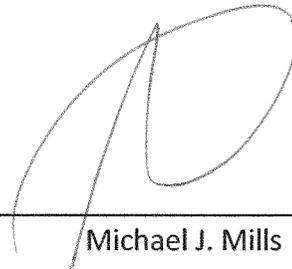
Nebraska Telecommunications Association

Jack Schultz

jschultz@hslegalfirm.com

Nebraska Cable Communications Association

aprenda@windstream.net



Michael J. Mills