

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>Application No. NUSF-77 Progression Order No. 6</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>Application No. NUSF-69</p>
<p>In the Matter of the Nebraska Public Service Commission, on its own motion, seeking to establish a long-term universal service funding mechanism.</p>	<p>Application No. NUSF-26</p>
<p>POST HEARING COMMENTS OF UNITED TELEPHONE COMPANY OF THE WEST d/b/a CENTURYLINK, AND QWEST CORPORATION d/b/a CenturyLink QC</p>	

On June 5, 2012, the Nebraska Public Service Commission (“Commission”) issued an Order Seeking Comments in the above referenced dockets. The Commission seeks to review and re-evaluate the current goals of the Nebraska Universal Service Fund (“NUSF”) related to the deployment and maintenance of quality high-speed broadband service in all regions of the state. Initial comments were filed on August 15, 2012 and reply comments were filed on September 14, 2012. Commission Staff issued its recommendations on November 13, 2012. On December 4, 2012, the Commission held a hearing to discuss the issues raised by the various parties to this proceeding along with Staff’s recommendation and requested post-hearing comments be filed by December 19, 2012. United Telephone Company of the West d/b/a CenturyLink and Qwest

Corporation d/b/a CenturyLink QC (collectively “CenturyLink”) respectfully file these post-hearing comments.

CenturyLink generally agrees with Staff’s recommendations. However, three issues were raised at the December 4 hearing that CenturyLink would like to address in greater detail in these post-hearing comments.

Broadband Speed Testing

Staff recommends that carriers using NUSF-77 support to deploy broadband service to unserved and underserved areas should provide speed test information to the Commission. In particular, Staff recommends a one-time speed test be provided within 90 days of project completion.¹ CenturyLink agrees that carriers should perform some form of speed testing. However, significant details still need to be worked out regarding the testing parameters to ensure the testing is being done consistently and that the testing does not result in a regulatory burden to carriers.

CenturyLink recommends third party testing should not be required and the carrier receiving NUSF-77 support be responsible for testing the broadband service that has been deployed with that support and certify to the Commission that the resultant speeds are within the parameters specified in the application. In addition, CenturyLink recommends that carriers should be allowed to test the broadband speeds at the cross box or other device where the electronics were deployed, using a reasonable sample of

¹ 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; *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-66; *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, Staff Recommendation issued November 13, 2012, page 5.

lines. Many of the NUSF-77 projects will entail deploying broadband to hundreds of living units; testing the broadband speeds to each and every one of these living units would be unduly burdensome, time consuming, and logistically difficult to complete. This level of testing will draw resources away from deploying and maintaining the broadband network. Finally, CenturyLink recommends that carriers should provide to the Commission a document explaining how the testing was completed and certifying the results within 90 days of project completion. Should the carrier fail to provide the required certification, the Commission should be allowed to withhold the final distribution of NUSF-77 funds for the project until the certification is provided.

Using NUSF-77 Support to Overbuild Broadband

At the December 4, 2012 hearing, some parties voiced concern that CenturyLink supported the use of NUSF-77 funding to deploy broadband to areas where broadband service already exists at sufficient speeds; in other words, in areas that would not be considered unserved or underserved. That is incorrect. CenturyLink does not believe that NUSF-77 support should be used to deploy broadband service in areas that already have access to service at sufficient speeds. The issue at hand is those applications to deploy broadband service to unserved or underserved areas where a small part of the deployment area overlaps with existing broadband service. These same parties argued that an NUSF-77 application that overlapped any area where sufficient broadband service currently exists should be denied. CenturyLink does not agree. Taking this extreme position would needlessly delay the deployment of broadband to many areas of the state that are currently unserved or underserved. It would not be appropriate to

deny support for broadband deployment to a larger area of unserved customers solely because there may be a small area of overlap with a served area.

As CenturyLink stated in both its initial and reply comments in this proceeding, deploying the electronics and transport facilities necessary to bring broadband service to a pocket of unserved or underserved customers may result in a minor overlap of service for other customers that already have access to broadband from another provider. The electronics and transport facilities cannot be realistically deployed in such a way that only the unserved or underserved customers will benefit. It is for this reason that Staff has recommended a protest and negotiation process whereby affected carriers can meet and work out an amicable solution. CenturyLink agrees with Staff's proposal.

Request to Merge All Funds into One Fund

Also at the December 4, 2012 hearing, one party stated that the purpose of the state and federal universal service high cost funds was to promote competition and that the Commission should not be working to preserve existing monopolies. That statement is not correct. Competition is not now and never was the goal of the universal service funds. The very title of the support makes clear the purpose of the funds: universal service. The intent of the funds is to ensure all citizens have access to affordable, high quality telecommunications services, regardless of where they lived, hence to ensure *universal service* to all customers. As the cost of providing service fluctuates significantly depending on the characteristics of the geographic area, the universal service fund was created to help incumbent local exchange carriers offset the

high cost of providing service to low population density rural areas, thus allowing those customers to receive the affordable, high quality service envisioned by the fund.

However, along with the state and federal high cost support came the social obligation that these incumbent local exchange carriers provide service to any customer that requests it, regardless of the cost. Only those carriers that are willing to accept that social obligation should be allowed to receive support from the state and federal high cost funds.

The Nebraska Commission, in NUSF-26, established that it would provide support to only one network in a given area, noting that it is not an efficient use of scarce NUSF dollars to support multiple networks.² That is still true today. While the Commission determined that the incumbent carrier should initially receive the support, it left open the possibility of a competing carrier petitioning the Commission to receive that high-cost support.³ However, any carrier that petitions the Commission to become the network that receives high-cost support must also accept the carrier of last resort (“COLR”) obligations that go along with receipt of those funds. And any incumbent carrier that loses high-cost support to another carrier in a given area should be relieved of those same COLR obligations.

This party also advocated that the Commission merge all of the NUSF programs together into one fund and open that fund to all carriers, regardless of technology, ostensibly in an effort to promote competition. CenturyLink disagrees. Merging the

² See *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, Findings and Conclusions issued November 3, 2004, para. 15.

³ *Ibid*

programs together into one fund could cause unintended consequences, both for the carriers and, more importantly, for the end user. Any changes the Commission may make to the NUSF programs should be taken in a considered, measured approach to ensure the Nebraska consumer is not negatively affected. The Commission is doing exactly that with this proceeding.

CenturyLink notes that the high cost fund is still necessary, now more than ever. The FCC has made significant changes to the FUSF, transitioning support from the voice network to an IP based network and focusing on the deployment of broadband. While the FCC has shifted the focus of the FUSF to broadband deployment, the need for high-cost universal service support continues. The transition to an IP based network may take many years; in the meantime, telephone companies will still be required to maintain the existing network, and the need for support for that network will continue and even grow.

CenturyLink urges the Commission not to give any weight to this party's suggestions and continue to maintain the existing high-cost fund. As noted, any changes the Commission may contemplate to the high-cost fund should take place only after careful and measured consideration.

Dated December 19, 2012

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 19th day of December, 2012, the original plus one copy of the foregoing was sent as follows:

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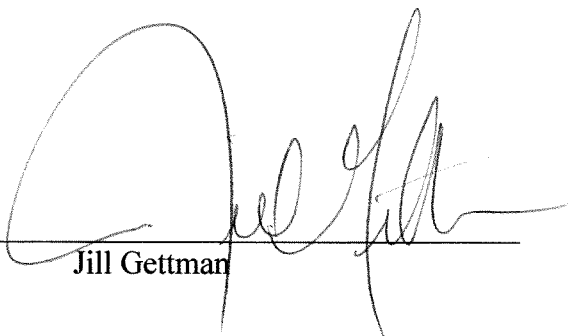
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