

1. Should the Commission consider implementing a Nebraska-specific broadband lifeline program by adding a broadband component to its existing NTAP program?

In a broad policy sense, the City of Lincoln supports implementing a broadband component to its existing NTAP program. The tide of technological development is transferring an increasing amount of our communication from traditional telecommunications service to broadband. This is true not only in the commercial realm, but also in the areas of personal and educational communications.

However, in a time of flat and even shrinking public resources, we urge the Commission to think strategically in allocating money for expanding broadband access.

3. If the Commission should adopt such a program, how should it be implemented?

a. Should the Commission set aside a certain amount from the universal service fund and dedicate such funds to the NTAP broadband program? Should the Commission initially cap the NTAP broadband program at no more than \$5 million per year? Why or why not?

Lincoln supports establishing a minimum amount dedicated to the broadband program rather than a maximum. It does so in full recognition of the fact that Commission annually receives meritorious proposals in various programs that far exceed the funding available to those projects. However, the constrained funding places an even higher priority on the Commission's ability to invest money in a strategic fashion. If the Commission has an opportunity to allocate funds for projects which can stimulate innovation within the private marketplace or which leverage significant

investments in needed areas from private companies, charitable entities, public bodies, or the FCC, those opportunities should not be ignored due to an arbitrary cap on this program.

b. Should the Commission provide a discount on recurring broadband rates similar to the current telephone assistance program? If not, why not?

There is certainly as great a need for assistance in supporting lower income households' ability to access broadband service as there has been to assist lower income households in maintaining phone service. However, Lincoln's concern is that if most or all of the Commission's resources that are invested in the broadband area are allocated toward direct subsidies to consumers for broadband access, the Commission will be treating the symptoms of the digital divide without any impact on the long-term disease. The Commission would be surrendering any opportunity to promote innovation in the delivery of broadband services, incentivize a minimum standard for speed, or support pilot projects which could provide models for the provision of services around the state.

7. Are there any other suggestions or proposals the Commission should consider to increase broadband adoption?

The City of Lincoln appreciates the Commission's broad-minded approach to this serious issue. Like the Commission, we have been struck by the Pew survey that revealed a huge gap in access to broadband between Americans living below the poverty line and those with higher income. For example, that Pew survey noted that only 37% of Americans without a high school diploma have broadband access. Some experts have noted that even surveys such as the one Pew conducted understate the

real problem because they count as receiving high speed broadband services households that receive such slow or intermittent service that, for example, it would preclude someone from downloading a video lesson via the internet. Just as market forces have been unable to close the digital divide for broadband service, the United States continues to trail many advanced countries around the world in the average internet speeds available to the public. For example, a recent study found that in Nebraska only 45% of the households had connections of at least 3mbps downstream and 768 kbps upstream. Affordability of access is a huge issue, but when we consider access to the internet as an economic development and educational issue, it is more properly an issue of affordable access to broadband at speeds that allows meaningful access to internet resources. It is not sufficient in the 21st century to say that we don't have a problem because Nebraskans have adequate access to high priced, but slow broadband services.

CONCLUSION

The City of Lincoln asserts that we have insufficient access to affordable, high speed broadband service. We understand that every Nebraska community has its own challenges in this regard. Our concern centers around the fact that we have a rapidly growing population of school age children, over 20% of whom live below the poverty line, and many more of whom live in households in which broadband access is considered an unaffordable luxury. This is a serious handicap for our school system and our goal of developing a world class workforce. We recognize that addressing this issue is bigger than the Commission's mandate. However, we believe the Commission

can be an invaluable force if it addresses the question of access to broadband in an innovative and strategic manner. We have several specific recommendations for consideration:

1. Recognize that a community is underserved by telecommunications services if large portions of its population are unable to afford the services that are available in the marketplace in that community. To tell a family living on \$12,000 per year that it is adequately served because it can access high speed internet in its home for only \$65.00 per month is functionally the same as Marie Antoinette telling the peasants that if they cannot afford bread, they should eat cake.

2. Reserve a significant portion of USF funding for targeted spending on projects to increase access to broadband services. Keep an open mind as to how to deliver those services, including providing funding to public entities who are committed to expanding community access for broadband services. There are a number of communities around the country where public bodies have pioneered ground breaking technology projects. It may well be that in the long run, the market place will be able to meet every community's technology needs, but in the short run it is often the public sector that has the vision and the resources to innovate and lead the way.

3. When provide funding for pilot projects for broadband access, set standards for speed that are above average rather than subsidizing mediocrity. The educational and economic development dividends that accrue to a community that invests in its telecommunications infrastructure are greatly increased by the opportunities provided by true high speed access. The Commission should focus its limited funds on projects

that demonstrate that correlation.

The City of Lincoln appreciates the opportunity to provide these Comments in response to the questions posed by the Commission and looks forward to providing reply comments for consideration by the Commission.

Dated: September 30, 2013

City of Lincoln

By: _____
Jeffery R. Kirkpatrick, 21280
Assistant City Attorney
555 South 10th Street, Suite 300
Lincoln, Nebraska 68508
(402) 441-6875
Jkirkpatrick@lincoln.ne.gov