

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska) Application No. NUSF-92
Public Service Commission, on) Progression Order No. 5
its Own Motion, to Administer)
the Nebraska Universal Service)
Fund Broadband Program.)

**COMMENTS OF THE NEBRASKA RURAL INDEPENDENT COMPANIES IN
RESPONSE TO ORDER SEEKING COMMENTS**

**I.
INTRODUCTION**

The Nebraska Rural Independent Companies (“RIC”)¹ submit these Comments in response to the Order Seeking Comments entered by the Nebraska Public Service Commission (the “Commission”) in this proceeding on October 27, 2015 (the “Order”). RIC has participated in this docket since its inception and RIC appreciates the opportunity to continue its participation in this docket and to provide the following Comments in response to the *Order*.

**II.
DISCUSSION**

In the *Order* the Commission requested comments in response to a series of questions. Set forth below are the questions posed by the Commission (in italicized text) followed by RIC’s comments in response thereto.

¹ Arlington Telephone Company, Blair Telephone Company, Cambridge Telephone Co., Clarks Telecommunications Co., Consolidated Telephone Company, Consolidated Telco, Inc., Consolidated Telecom, Inc., The Curtis Telephone Company, Eastern Nebraska Telephone Company, Great Plains Communications, Inc., Hamilton Telephone Company, Hartington Telecommunications Co., Inc., Hershey Cooperative Telephone Company, Inc., K & M Telephone Company, Inc., The Nebraska Central Telephone Company, Northeast Nebraska Telephone Company, Rock County Telephone Company, Stanton Telephone Co., Inc. and Three River Telco.

Wireless Broadband Infrastructure

In light of the fact that it will no longer have updates to the broadband mapping data, the Commission seeks comment as to whether it should continue to utilize the broadband mapping data, supplemented by the Commission's own information relative to wireless broadband projects. Should the burden be placed upon the applicant to demonstrate the area is unserved or underserved? Should the Commission rely upon the Form 477 data filed with the Federal Communications Commission? Is this data the wireless carriers would be willing to file with the Commission?

The Commission seeks comment on whether these factors should be used in determining support. What other factors, if any, should the Commission use to determine wireless support? Should the Commission consider road traffic data? If so, should the Commission allow applicants to submit such data with their applications? Is this data wireless carriers have readily available? Is road traffic data publicly accessible from other sources? What other information would be pertinent to the Commission's consideration of wireless broadband projects?

Response: Since none of the members of RIC are wireless carriers, RIC will not comment in response to the foregoing questions.

Wireline Broadband Infrastructure

The Commission seeks comment on this proposal [to allocate \$1 million for broadband infrastructure projects in high cost rate-of-return carrier areas of the state]. In addition, the Commission seeks comment on how the project areas should be considered in light of the fact that the Commission will no longer have updates to the broadband mapping data. Should the Commission continue to utilize the broadband mapping data it has collected from providers supplemented by the Commission's own information relative to wireline broadband coverage? Should the burden be placed upon the applicant to demonstrate the area is unserved or underserved? Should the Commission rely upon the Form 477 data? Given the fact that the Commission proposes to set the overall grant amount at \$1 million, should the Commission retain the same per project cap? Finally, should the Commission utilize the same standards for determining support including how it targets support to unserved and underserved areas?

Response: The following comments by RIC regarding the proposed 2016 rate-of-return carrier broadband grant program funded at the \$1 million level (the "2016 ROR Grant Program") are based on the assumptions that (a) the Commission proposes a total 2016 budget for NUSF-92

of \$5.5 million;² (b) the total 2016 High-Cost Program budget of \$35,664,095;³ and (c) projected 2016 NUSF remittances are only sufficient to fund these budgeted amounts plus the 2016 NUSF Telehealth and Lifeline/Link-Up budgets plus overheads for NUSF administration.⁴ Based upon the foregoing assumptions, RIC supports the Commission's proposal to allocate only \$1.0 million to the 2016 ROR Grant Program.

RIC advocates that 2016 ROR Grant Program support should be prioritized to applications that would utilize funding to establish broadband service to *unserved* areas of the State. If no applications are received for unserved areas, then priority should be given to applications that will provide broadband service to *underserved areas of the State on the most efficient basis* (cost per household served). In determining grant priorities, the Commission should continue to utilize broadband mapping data collected to date, supplemented by reliable, more up-to-date data provided by applicants or provided from other sources available to the Commission.

Each applicant should be encouraged to provide the best available data concerning the level of broadband service in the area that is subject to the applicant's request for funding. RIC believes the applicant can and should assist in demonstrating the unserved versus underserved nature of the area included in any application for 2016 ROR Grant Program support by providing the Commission with its FCC Form 477 data as well as other relevant information.

² Consisting of \$4.0 million for wireless broadband infrastructure grant projects; \$500,000 for broadband adoption grant projects; and \$1.0 million for the 2016 ROR Grant Program.

³ Consisting of a price cap carrier budget of \$18,936,695 plus a rate-of-return carrier budget of \$16,727,400 approved by Orders entered in Application No. NUSF-99 and Application No. NUSF-50, respectively, on October 20, 2015.

⁴ As of the date of these Comments, neither the Commission nor its Staff has released total projected 2016 NUSF remittances.

The current per project cap of \$450,000 should be retained with the understanding that the Commission may exercise its sound discretion in awarding support up to that cap amount in response to any single broadband project proposed by an applicant.

RIC understands the Commission's reference to "same standards" in its last question in this section of the *Order* to refer to standards used in 2015 for determining support to be granted to NUSF-92 applicants. Based upon this understanding, RIC supports Commission use of the 2015 standards to determine support provided pursuant to the 2016 ROR Grant Program to unserved and underserved areas.

Broadband Adoption

Response: RIC supports continuation of the annual allocation of \$500,000 of NUSF support to broadband adoption projects. The proposed application window of December 14, 2015 through January 29, 2016 for the submission of 2016 broadband adoption applications seems to be reasonable and satisfactory.

III.

CONCLUSION

As stated above, the Rural Independent Companies appreciate the opportunity to provide these Comments in response to the questions posed by the Commission in the *Order* and look forward to further participation in this docket.

Dated: November 20, 2015.

Arlington Telephone Company, Blair Telephone Company, Cambridge Telephone Co., Clarks Telecommunications Co., Consolidated Telephone Company, Consolidated Telco, Inc., Consolidated Telecom, Inc., The Curtis Telephone Company, Eastern Nebraska Telephone Company, Great Plains Communications, Inc., Hamilton Telephone Company, Hartington Telecommunications Co., Inc., Hershey Cooperative Telephone Company, Inc., K & M Telephone Company, Inc., The Nebraska Central Telephone Company, Northeast Nebraska Telephone Company, Rock County Telephone Company, Stanton Telephone Co., Inc., and Three River Telco (the "Rural Independent Companies")

By: Paul M. Schudel
Paul M. Schudel, NE Bar No. 13723
pschudel@woodsaitken.com
James A. Overcash, NE Bar No. 18627
jovercash@woodsaitken.com
WOODS & AITKEN LLP
301 South 13th Street, Suite 500
Lincoln, Nebraska 68508
Telephone (402) 437-8500
Facsimile (402) 437-8558

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 20th day of November, 2015, an electronic copy of the foregoing pleading was delivered via electronic mail to:

Nebraska Public Service Commission

Sue.Vanicek@nebraska.gov

Brandy.Zierott@nebraska.gov



Paul M. Schudel