BEFORE THE
PUBLIC SERVICE COMMISSION OF THE STATE OF NEBRASKA

In the Matter of the Nebraska Public Service Commission, on its own motion, seeking to Administer the Nebraska Universal Service Fund’s Broadband Program: Application to the Nebraska Broadband Program Received from Windstream and the Center for People in Need

Application No. NUSF-92.41

PRE-FILED DIRECT TESTIMONY
OF
BRAD HEDRICK

Q. Please state your name and business address.
A. My name is Brad Hedrick. My business address is 1440 M Street, Lincoln, NE 68508.

Q. By whom are you employed and in what capacity?
A. I am employed by Windstream as its Division Vice President, Field Operations, for a seven-state region that includes the State of Nebraska.

Q. On whose behalf are you testifying in this proceeding?
A. I am testifying on behalf of Windstream.

Q. Please state your educational background and professional experience.
A. I received a Bachelor of Science degree in Electrical Engineering from the University of Nebraska-Lincoln in 1979 and a Masters of Business Administration from the University of Nebraska-Lincoln in 1984. I have worked in the telecommunications industry for 35 years, all with Windstream and its predecessor companies (Alltel, Aliant, and Lincoln Telecom). Over the years, my management responsibilities have encompassed both the wireline and wireless sides of the communications business and, at various times,
included authority in the areas of transport engineering, planning, marketing, business
development, business sales management, general business unit management, and field
operations management. As part of my management positions, I have made presentations
on telecommunications issues before trade associations, such as the Nebraska
Telecommunications Association and Minnesota Telecommunications Association, I
have made presentations on telecommunications topics at trade shows, including the Mid-
America Telecom Showcase & Seminar, I have appeared before local government
officials to address issues affecting the industry, and I have testified before a committee
of the Nebraska Legislature regarding the merits of a legislative proposal.

Q. Have you previously testified before the Nebraska Public Service Commission?
A. Yes. I have testified before the Nebraska PSC on numerous occasions over the last
eighteen years. The first such instance was in 1997, when I was the primary sponsoring
witness on Aliant’s CLEC application and testified as to the company’s technical and
financial ability. I have testified as the primary sponsoring witness on other CLEC
applications as well, and have testified on a variety of other issues before the
Commission in years prior. I was also the Windstream witness testifying in support of its
application for broadband grant funds in Application No. NUSF-77.19.

Q. Please summarize the topics you will cover in your testimony?
A. In my testimony I address the following:

1. The specific details of Windstream's Joint Request for Funding in this docket (the
   "Joint Request") with the Center for People in Need ("CPIN"); and
2. The specific reasons why Windstream believes that the Joint Request
accomplishes the goals and purposes of the Pilot Adoption Program.

Q. **What goals did Windstream seek to accomplish through its Joint Request?**

A: Windstream sought to specifically target low-income Nebraska consumers with financial assistance to: (1) increase the affordability of broadband for targeted low-income consumers; (2) provide funding for equipment and devices necessary for low-income consumers to utilize broadband services; and (3) provide funding for training that would ensure low-income consumers may derive the benefits of broadband access.

Q. **Why?**

A: Windstream wholeheartedly agrees with the Commission’s statement in Progression No. 2 that "broadband availability may not be relevant in many cases if there are other barriers preventing its adoption." Simply put, to adopt broadband and reap its benefits, low-income Nebraskans must be able to: (1) afford its costs; (2) own or have access to a device that provides broadband access; and (3) possess the skills and training to utilize these tools. The aim of the Joint Request is to address all three of the "barriers" to broadband adoption for low-income consumers.

Q. **Who did Windstream partner with for its Joint Request?**

A: The Center for People in Need of Lincoln, Nebraska ("CPIN"). CPIN is a 501(c)(3) organization that provides comprehensive services and opportunities to support low-income, high needs families and individuals as they strive to lift themselves out of poverty and achieve economic self-sufficiency.

Q: **Why?**

A: The goal of the Pilot Adoption Program, and the Joint Request, is to increase broadband
adoption by low-income individuals. CPIN directly serves the low-income community and provides access to those low-income Nebraskans who face the "barriers" to broadband adoption that the Pilot Adoption Program is intended to address. By partnering with CPIN, Windstream can ensure that funding it may receive from the Pilot Adoption Program will directly benefit low-income consumers.

Q. What are the three specific facets of the Joint Request?
A: The Joint Request addresses all three broadband adoption "barriers" for low-income individuals: affordability, equipment access, and training.

Q. How does the Joint Request address the affordability barrier?
A: Windstream proposes to provide its "Greenstreak" broadband service to eligible low-income consumers at the rate of $9.99 per month, discounted from its normal rate of $39.99 per month. This service provides broadband speeds of up to 6/1 Mbps.

Q. How will eligibility for discounted broadband service be determined under the Joint Request?
A. CPIN will assist Windstream in determining eligibility. The Joint Request is designed to target children currently attending Lincoln Public Schools whose family income qualifies them for the Federal Free Lunch Program and who will soon be receiving digital hardware (tablets or similar digital devices) from LPS as part of its comprehensive initiative to provide digital technology to all children attending LPS. LPS has advised CPIN and Windstream of its desire to find effective ways to assure that all children receiving digital hardware from LPS can effectively utilize these devices at home through access to affordable broadband services. LPS and CPIN will collaborate to develop a list
identifying eligible low-income families using the methods described above. This list will be provided to Windstream, which will develop and put in place the appropriate ordering processes to provide broadband service at the residence of low-income families qualified by LPS and CPIN.

Q. How did Windstream determine the amount of the discount provided under the Joint Request?

A. Research and surveys conducted by CPIN of its low-income population over the past two years indicate that most respondents believe the limit of affordability for broadband service is approximately $10 per month.

Q. How does the Joint Request address the equipment access and training barriers?

A. The Joint Request envisions funding from certain community-based charitable entities to provide equipment and computers compatible with LPS technology standards for eligible low-income population and their families. In part, the equipment provided would support digital training for low-income consumers at the CPIN Computer Laboratory.

Q. How does Windstream propose to accomplish this?

A. CPIN has contacted and received letters of interest from the Lincoln Community Foundation, the Woods Charitable Fund, and the Cooper Foundation ("Funding Partners") to favorably consider funding requests from CPIN to support digital training, staff, and equipment and computers compatible with LPS technology standards for its low-income population and their families. The letters of interest from the Funding Partners are attached to the Joint Request as exhibits. As described in the Joint Request, the Funding Partners would provide the following support:
1. Five dollars ($5.00) per month/year/funding partner for each qualified low-income child who receives a digital learning device (laptop, tablet, or other device) from LPS and whose family requests broadband service from Windstream for digital training and related staff; and/or

2. Cost of a modem for home installation per user-family to enable creation of residential wi-fi for access to broadband services at home (a one-time cost estimated at $75.00 through Windstream); and/or

3. The cost of a device (tablet or laptop) matching the LPS-approved hardware for digital training at the CPIN Computer Laboratory.

Q. What is the total amount of funding envisioned by the Joint Request?
   
A. Using five hundred (500) as the estimated number of student-families who would be deemed eligible by CPIN and request discounted broadband service, the total funding from the Commission to would be $180,000. This is calculated at the thirty-dollar ($30) per month discount provided by Windstream for the twelve (12) month duration of the Pilot Adoption Program for five hundred (500) eligible student-families.

Q. What is the funding envisioned by the Joint Request to be received from the Funding Partners?

A. As explained in more detail in the Joint Request, the Funding Partners would provide approximately $114,000 in support for the programs envisioned by the Joint Request.

Q. Does this conclude your direct testimony at this time?

A. Yes.
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STATE OF NEBRASKA )
COUNTY OF LANCASTER )

SS:

Brad Hedrick, being first duly sworn on oath, states that he is the same person whose Testimony in the above-entitled proceeding accompanies this Affidavit and further states that such Testimony is a true and accurate statement of his answers to questions contained therein, and that he does adopt those answers as his sworn Testimony in this proceeding.

Brad Hedrick

SUBSCRIBED AND SWORN TO before me, the undersigned Notary Public, this 26th day of March, 2015.

Notary Public