

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

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 City of Lincoln.) Application No. NUSF-92.20)))))))

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 Cox Telcom, LLC and the Salvation Army.) Application No. NUSF-92.22)))))))

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 NebraskaLink Holdings.) Application No. NUSF-92.31)))))))

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 Plainview Telephone Company and City of Plainview Library.) Application No. NUSF-92.34)))))))

In the Matter of the Nebraska) Application No. NUSF-92.41
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.)
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In the Matter of the Nebraska) Application No. NUSF-92.42
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)
CenturyLink/Adoption Program.)
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In the Matter of the Nebraska) Application No. NUSF-92.43
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)
Pinpoint Communications/Adoption)
Program.)
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PRE-FILED TESTIMONY OF SUE VANICEK

Q: Please state your name for the record.

A: Sue Vanicek, V-A-N-I-C-E-K

Q: Where are you employed and in what capacity?

A: I am the Director of the Nebraska Telecommunications Infrastructure and Public Safety Department of the Nebraska Public Service Commission which administers the Nebraska Universal Service Fund. I have been employed by the Commission as Director since August 14, 2008.

Q: What Was Your Experience Prior To Your Current Position?

A: For 14 years I was employed by Lincoln Telephone/Aliant Communications. I held a variety of positions specializing in regulatory and legislative analysis and strategic planning. There I also served as Economic Costs and Analysis Manager. In that position I was responsible for managing the development of cost information, both forward-looking and historical. After leaving Aliant, I was employed as a Senior Consultant at TELECOM Consulting Resources now known as Consortia Consulting.

Q: What Is Your Educational Background?

A: I have Master of Arts degree in Economics and a Bachelor of Science degree in Business Administration, both from the University of Nebraska-Lincoln.

Q: What is the purpose of your testimony?

A: To make recommendations and to discuss the Department's opinion regarding the applications docketed as NUSF-92.20, NUSF-92.22, NUSF-92.31, NUSF-92.34, and NUSF-92.41 through NUSF-92.43. Specifically, my testimony is related to the factors considered by the Staff to develop a recommendation for broadband adoption projects that should receive funding.

Q: What steps did the Department take when reviewing these applications?

A: All grant requests were evaluated and analyzed pursuant to the factors the Commission had cited it would consider, including, but not limited to, the discount offered, the duration of the discount, broadband speeds, usage limits, and digital training.¹

¹See *In The Matter Of The Nebraska Public Service Commission On Its Own Motion, To Administer the Nebraska Universal Service Fund Broadband Program*, Application No. NUSF-92, Progression Order No. 2, ORDER (September 3, 2014) at 7.

Staff and the Department reviewed each application to determine eligibility; the Commission indicated that community-based organizations must partner with a broadband provider in order to be eligible to receive NEBP support.² In addition, staff and the Department reviewed each application to determine that the requisite information for project consideration was provided, including a description of the project and budget information.

Q: What was the Department's finding regarding the eligibility of the applications for funding?

A: The staff and the Department recommend, subject to the evidence presented at the hearing, that the Commission find each application to be in conformance with the Commission's application requirements and eligible for consideration of support subject to the recommendation described below.

Q: Which projects does the staff recommend for funding?

A: The staff recommends that the projects shown in Table 1 receive funding for pilot broadband adoption.

² Ibid.

TABLE 1

2015 NEBP BROADBAND ADOPTION PROGRAM SUPPORT

<u>Applicant</u>	<u>Project</u>	<u>Proposed</u>
Cox Telcom/Salvation Army	Entire Application	\$ 30,210
NebraskaLink Holdings	Lincoln City Libraries	\$ 334,000
Plainview Telephone/City of Plainview-Library	Entire Application	\$ 68,950
CenturyLink/Adoption Program	Entire Application	\$ 50,000
Pinpoint/Adoption Program	Gothenburg Housing Authority	\$ 52,794
		<u>\$ 535,954</u>

Q: What factors were considered in recommending these projects for support?

A: The factors listed in Application No. NUSF-92, Progression Order No. 2 were considered. In addition, due to the fact that this is a pilot program, projects recommended for support were selected to represent diversity in the type of project and geographic area. The above-listed projects include end-user subsidies that will result in varying end-user charges, digital literacy training, choices for broadband speed, and access to equipment, all of which are important variables affecting broadband adoption. The projects are located in different areas of the state, and in urban and rural areas of the state.

Q: How does the total amount of funding allocated for the pilot broadband adoption program compare to total cost of the projects recommended for funding?

A: The total amount of funding allocated for the pilot broadband adoption program for the 2015 calendar year is \$500,000.³ The total cost of the projects recommended for funding is \$535,954.

Q: What is the staff recommendation regarding the difference in the total amount of funding allocated to the total cost of the projects recommended for funding?

A: The staff recommends that the Commission allocate an additional \$35,954 of broadband adoption program support in order to fund the recommended projects fully and maximize the potential benefits of these projects. While the Department requests the Commission to increase the allocation to fully fund the above-listed projects, the Department does not expect the full allocation will be used. Since the inception of the NEBP, the cost of completed projects has been about 83.5 percent of the total support approved for those projects. Therefore, the actual amount of funding provided may not exceed the allocation,

³ Id. at 6.

as grant recipients are only paid for costs incurred and documented by invoices.

Q: Do you have any recommendations for requirements for grant recipients?

A: Yes. The Department would recommend the Commission require each recipient of broadband adoption support to file reports with the Commission on a proprietary basis so that it can measure the relative success of each type of broadband adoption project. The information required will be tailored to fit each type of program supported. The Commission should require a commitment from each applicant to provide such information it determines relevant in each case.

Q: Do you have anything further to add at this time?

A: Not at this time.