

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska) Application No. NUSF-92.20
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.)
)
)

In the Matter of the Nebraska) Application No. NUSF-92.22
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.)
)

In the Matter of the Nebraska) Application No. NUSF-92.31
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.)
)
)

In the Matter of the Nebraska) Application No. NUSF-92.34
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.)
)

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 REPLY 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 is the purpose of your reply testimony?

A: To address testimony filed in 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 addresses arguments that support for broadband deployment should only be awarded for discounted service rates for low income consumers.

Q: Did the Commission find that it had the requisite statutory authority to implement a broadband adoption program?

A: Yes. The Commission stated "We believe utilizing support to advance the affordability of information service is consistent with the goals of the NUSF Act."¹

Q: Does the order establishing the broadband adoption program specifically limit the broadband adoption program to providing support for discounted broadband service to low income consumers at their residences?

A: No.

Q: What factors did the Commission state that it would consider in recommending broadband adoption applications for funding?

A: The Commission stated that "The Commission agrees with Windstream that certain factors such as the discount offered, duration of the discount, broadband speeds, usage limits, and digital training are all relevant factors to be considered."²

Q: Were the factors listed above the only factors to be considered in evaluating broadband adoption applications?

¹ See *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.

² Ibid.

A. No. The Commission stated that it “. . . will consider the filed projects on an ad hoc basis *taking into account the specific attributes of each project including, but not limited to, the recommendations made by Windstream.*”³

Q: Did the Commission consider schools and libraries to be eligible to participate in the broadband adoption program?

A: Yes. The Commission asked “Should the Commission accept joint broadband grant applications from providers and community groups, libraries, schools or other non-profit organizations to increase broadband adoption?”⁴

Q: Was there support from commenting parties to allow schools and libraries to participate in the broadband adoption program?

A: Yes. The City of Lincoln stated “. . . their involvement should be encouraged.”⁵ Cox Nebraska Telecom,

³ Ibid. (emphasis added)

⁴ See *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. 1, ORDER (September 3, 2014) at 6.

⁵ See *In The Matter Of The Nebraska Public Service Commission On Its Own Motion, To Administer the Nebraska Universal Service Fund Broadband*

L.L.C. stated “. . . the Commission may achieve high success. . . .” by allowing carriers to partner with organizations such as schools and libraries.⁶

Q: Windstream asserts that the broadband adoption funding requests were to be specifically targeted to benefit low-income consumers, due to the Commission’s stated intention to address “barriers” to broadband adoption. Do you agree with that assertion?

A: No. Ms. Webber cites barriers to broadband adoption such as affordability, equipment access, and training. She states that “It is logical to assume that these barriers exist only for low-income consumers who cannot afford the cost of broadband service or the equipment necessary to utilize it.” However, commenters in this proceeding, including Windstream, cited barriers to adoption which are not related to the expense of broadband services.⁷ The Pew Research Center’s Internet and American Life Project

Program, Application No. NUSF-92, Progression Order No. 1, Comments of the City of Lincoln (August 4, 2014).

⁶ *See 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. 1, Comments from Cox Nebraska Telcom, L.L.C. (August 4, 2014)at 4.*

⁷ *See 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. 1, Comments of Windstream Nebraska, Inc. (August 4, 2014) and Comments from Cox Nebraska Telcom, L.L.C. (August 4, 2014)at 2.*

indicated in 2013 that 34% of adults who do not use broadband think the Internet is not relevant to them. Cox also noted that “. . . 32% of non-internet users sense the internet is not very easy to use.”⁸

Q: Do all of the projects recommended for funding by the staff benefit low-income consumers?

A: Yes. Projects that provide free broadband access and equipment at a fixed location benefit low-income consumers as well as projects that provide discounted broadband service and equipment at a consumer’s residence.

Q: What are the potential benefits of providing free broadband access and equipment at a fixed location?

A: As I indicated previously, 34% of adults who do not use broadband think the Internet is not relevant to them, and 32% of non-Internet users sense that the Internet is not easy to use. Providing free broadband access and equipment in a fixed location will allow non-Internet users to try the service without any expenditures or commitments. This may allay concerns regarding the ease of using the

⁸See *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. 1, Comments from Cox Nebraska Telcom, L.L.C. (August 4, 2014) at 2.

Internet, and may demonstrate the relevance of Internet service to persons that had not previously used it.

Q: Windstream asserts that allowing infrastructure support in the broadband adoption pilot allows applicants to meet few or none of the infrastructure grant qualifications and to evade being scored against qualifying comparable infrastructure applications. Do you agree with that assertion?

A: No. Applicants for broadband deployment grants are required to file the census blocks that they will serve. Applicants are required to provide broadband service to any requesting subscriber within the census blocks listed in the application. The broadband adoption projects recommended for funding that provide access to broadband service from a single site would not be eligible for a broadband deployment grant, as these projects would need to commit to serve all requesting subscribers within the census block in which the single site is located.

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

A: Not at this time.