

**BEFORE THE  
PUBLIC SERVICE COMMISSION OF THE STATE OF NEBRASKA**

<b>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, LLC</b>	) ) ) ) ) ) )	<b>Application No. NUSF-92.31  PUBLIC VERSION</b>
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**PRE-FILED REPLY TESTIMONY  
OF  
SHARON WEBBER**

**Q. Please state your name and business address.**

A. My name is Sharon Webber. My business address is 401 Plymouth Road, Suite 400, Plymouth Meeting, PA 19462.

**Q. By whom are you employed and in what capacity?**

A. I am employed by Windstream as its Vice President for External Affairs.

**Q. On whose behalf are you testifying in this proceeding?**

A. I am testifying on behalf of Windstream. My educational background and professional experience is fully described in the pre-filed direct testimony I filed in support of Windstream's Joint Request with the Center for People in Need (Subdocket NUSF-92.41).

**Q. Please summarize the topics you will cover in your testimony.**

A. My testimony will address Windstream's specific concerns and objections to NebraskaLink's proposal, which it submitted in partnership with the Lincoln City Libraries.

**Q. Please explain Windstream's position on the Commission Staff Recommendations made in this docket.**

A. Windstream disagrees with the Commission Staff's recommendation to fund NebraskaLink's proposal through the Pilot Adoption Program.

**Q. In summary, please state why.**

A: As a threshold matter, Windstream objects to Pilot Adoption Program funds being used for an infrastructure build. Windstream also questions whether NebraskaLink's proposal is "targeted" to improving broadband adoption among low-income Nebraskans, who we understood to be the intended beneficiaries of the Pilot Adoption Program. Further, NebraskaLink's proposal represents not just an example of an objectionable use of funds that were pledged for the Pilot Adoption Program, but is essentially an over-build of Windstream's facilities. That is, the NebraskaLink proposal will supplant Windstream's existing investment and service to the Lincoln City Libraries and [REDACTED]

[REDACTED]

[REDACTED] And to the extent the Lincoln City Libraries desire increased broadband speeds and capacities, Windstream could easily upgrade its own existing facilities to provide a more robust service to the libraries. Unfortunately, the Lincoln City Libraries did not ask us to do so.

**Q. Did the Commission require that funding requests for the Pilot Adoption Program be specifically targeted to benefit low-income consumers?**

A: Yes. I described the parameters of the Commission's Pilot Adoption Program in the pre-filed direct testimony I filed in support of Windstream's Joint Request with the Center for People in Need (Subdocket NUSF-92.41) and I will briefly reiterate those comments

here. The Commission's Progression Order No. 2 stated that the purpose of the Pilot Adoption Program was to "promote access to advanced telecommunications and information services to low-income consumers." The Commission also stated that the purpose was to address "barriers" to broadband adoption such as affordability, equipment access, and training. These barriers exist primarily for low-income consumers who cannot, without assistance, afford the cost of broadband service or the equipment necessary to utilize it.

**Q: How does NebraskaLink's proposal match up to the broadband adoption goals stated by the Commission?**

A: Windstream believes there are several shortcomings. Most importantly, it is questionable how many actual low-income Nebraskans will benefit from the NebraskaLink proposal. Users of the Lincoln City Libraries come from all different demographics of society - wealthy Nebraskans, low-income Nebraskans, children, seniors, professionals, and blue-collar workers. As a result, all users of the Lincoln City Libraries will enjoy the benefits of the increased "connectivity, capacity, and service speed" described in NebraskaLink's proposal. The NebraskaLink proposal does not provide any method for distinguishing among its different users, nor does it identify how or if NebraskaLink will study and analyze the impact of the project on broadband adoption by low-income Nebraskans. For these reasons, Windstream does not believe that NebraskaLink's proposal targets low-income Nebraskans.

**Q. Does NebraskaLink's proposal address any of the barriers to broadband adoption the Commission sought to address with the pilot program?**

A. Not really. The "barriers" to broadband adoption the Commission cited are affordability, equipment access, and training. NebraskaLink's proposal does not enhance the affordability of broadband. It merely makes already-free internet service faster. NebraskaLink's proposal also contains no provision for equipment or training that would improve the chances of broadband adoption by low-income Nebraskans.

**Q. Does Windstream have additional concerns about the effectiveness of NebraskaLink's proposal in addressing adoption barriers?**

A: Yes. In its application, NebraskaLink states that [REDACTED] [REDACTED] would increase the "connectivity, capacity, and service speeds" of the Lincoln City Libraries and that this increased capacity and service speed "assists in promoting the relevance and usefulness of broadband Internet service to those currently not subscribing." Lack of capacity and low service speeds, however, have never been identified as barriers to broadband adoption, particularly not for the low-income population that the Pilot Adoption Program is intended to benefit. So, while NebraskaLink's proposal will increase available broadband speeds, Windstream questions how it will increase broadband adoption rates among low-income Nebraskans.

**Q. What is Windstream's next objection to the NebraskaLink proposal?**

A. In the pre-filed direct testimony I filed in support of Windstream's Joint Request with the Center for People in Need (Subdocket NUSF-92.41), I stated that the Pilot Adoption Program should not be used for infrastructure projects and explained a number of reasons for that position. That testimony, which I incorporate here by reference, is particularly

relevant in this instance because NebraskaLink's proposal to build infrastructure represents an improper use of Pilot Adoption Program funds for infrastructure.

**Q. Why didn't Windstream simply apply for a grant to serve the libraries similar to NebraskaLink's?**

A. As Mr. Hedrick testifies in his Pre-Filed Reply Testimony, Windstream did not receive a proposal or a notice to bid from the Lincoln City Libraries despite Windstream's existing relationship with them, nor was Windstream aware of any public announcements along those lines. Further, as I indicated in my direct testimony in support of the joint Windstream-CPIN application, we did not interpret the Commission's statements concerning the Pilot Adoption Program to suggest that infrastructure proposals would be considered for funding. In addition, even under the Commission's NUSF-92 grant program that *is* specifically designed for infrastructure requests, a project such as Nebraska Link's that does not seek to provide broadband to an unserved or under-served area would likely not be funded absent a change in the criteria or scoring methodology for that program. There is a significant difference between a state-funded infrastructure grant that will be used to provide broadband services to unserved and underserved customers and one that will be used to uproot the existing broadband services one carrier provides to an existing customer – the library locations Windstream already serves in this case -- in favor of an upgraded broadband service from a different provider.

**Q. Does Windstream have specific concerns about the cost of NebraskaLink's proposal?**

A. Yes. It is incumbent upon the Commission to utilize NUSF funds (of which the NEBP and the Pilot Adoption Program are a part) in the most efficient manner possible. For the

Pilot Adoption Program, this requires that the Commission grant the proposals that can most effectively leverage limited state funding to achieve the Commission's goal of increasing broadband adoption rates among low-income consumers. NebraskaLink's proposal does not meet that criterion. As explained in the Pre-Filed Reply Testimony of Brad Hedrick, it appears Windstream could [REDACTED]

[REDACTED] (A lack of detail in NebraskaLink's proposal prevents us from providing a more detailed comparison.) It is not an efficient use of resources to fund new facilities to over-build an existing provider, particularly where the existing provider could upgrade services at a potentially lower cost.

**Q. What other concerns does Windstream have regarding the NebraskaLink proposal?**

A. As I just mentioned, NebraskaLink's application and supporting information are not clear regarding the use of the infrastructure to be built with Pilot Adoption Program funds.

And, more specifically, NebraskaLink has not stated that the infrastructure would only be used to serve the Lincoln City Libraries.

**Q. Please explain.**

A. The substance of NebraskaLink's proposal is to [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

**Q. Could fiber built with Pilot Adoption Program funds be used to serve customers other than the Lincoln City Libraries?**

A: Possibly, but it is not clear from the NebraskaLink application what precisely the funds will be used to build. Windstream is concerned that the [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Any capacity not required to

serve the needs of the Lincoln City Libraries could be utilized for ordinary commercial purposes. The Lincoln City Libraries could potentially use or sell excess capacity for commercial purposes. It's just not clear. Moreover, unlike the infrastructure grant program, there are no controls or promises made regarding the rates, terms or conditions for services provided to anyone through these subsidized facilities.

**Q. Would Windstream consider these commercial uses to be improper?**

A: Yes. Pilot Adoption Program funds should not be used for infrastructure in the first place, let alone to subsidize a fiber network that NebraskaLink or others may use for commercial purposes.

**Q. What does Windstream recommend the Commission do with regard to the NebraskaLink application?**

A. Windstream recommends that the Commission deny the NebraskaLink application and when doing so announce that infrastructure grant requests of this sort will not be considered now or in future application cycles. Further, the funding that staff slated for

NebraskaLink should re-enter the pool and be awarded to worthy Pilot Adoption Program proposals in the current or future review cycles.

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

A. Yes.

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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 NebraskaLink Holdings, LLC )

Application No. NUSF-92.31

*PA*  
STATE OF NEBRASKA )

COUNTY OF LANGASTER )

SS:

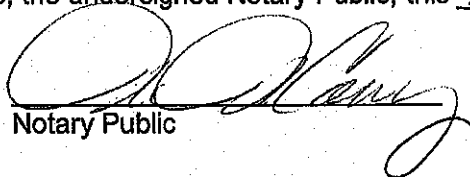
*Montgomery*

Sharon Webber, being first duly sworn on oath, states that she 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 her answers to questions contained therein, and that she does adopt those answers as his sworn Testimony in this proceeding.



Sharon Webber

SUBSCRIBED AND SWORN TO before me, the undersigned Notary Public, this 10<sup>th</sup>  
day of April, 2015.



Notary Public

COMMONWEALTH OF PENNSYLVANIA

Notarial Seal

Dana D. Conaway, Notary Public  
Whitemarsh Twp., Montgomery County  
My Commission Expires May 4, 2015

MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES