

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska Public)
Service Commission, on its Own)
Motion, to Administer the Nebraska)
Universal Service Fund Broadband)
Adoption Program.)

NUSF-92

**NEBRASKA UNIVERSAL SERVICE FUND
BROADBAND ADOPTION PROGRAM**

**JOINT REQUEST FROM FUNDING FROM
ALLO COMMUNICATIONS, LLC
AND
LINCOLN PUBLIC SCHOOLS**

(PUBLIC)



BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska)	Application No. NUSF-92
Public Service Commission, on its)	
Own Motion, to Administer the)	
Nebraska Universal Service Fund)	ORDER
Broadband Program.)	
)	Entered: January 26, 2016

JOINT REQUEST FOR FUNDING

Pursuant to its Order dated January 26, 2016, the Nebraska Public Service Commission (“**Commission**”) has designated that \$500,000 be made available under the Nebraska Universal Service Fund Broadband Adoption Program (“**NEBP**”) for a pilot broadband adoption program (“**Pilot Program**”) designed to assist low-income subscribers in obtaining affordable access to broadband services in their homes. In order to pursue the important objective of reaching more Nebraska citizens with broadband service in their homes and the potential social and economic benefits it may provide, Allo Communications, LLC (“**Allo**”) and Lincoln Public Schools (“**LPS**”) hereby jointly apply for funding from the NEBP for a pilot project which is more fully described below.

THE APPLICANTS

ALLO

Allo is a Nebraska limited liability company with its business headquarters located in Imperial, Nebraska. Allo was organized on October 10, 2002, and is authorized to transact business in the State of Nebraska. A copy of Allo’s Letter of Good Standing, Articles of Organization and **CONFIDENTIAL** Operating Agreement are attached hereto as **Exhibits A, B and C**, respectively.

Allo was granted authority to operate as a local exchange and interexchange carrier of telecommunications services within the State of Nebraska by Order of the Commission on January 7, 2003, in Application No. C-2844. Allo requested designation as a Nebraska eligible telecommunications carrier (NETC) and access to universal service support for supported services provided by Qwest Corporation (“Qwest”) exchanges in Application No. NUSF-36, which requests were approved by Commission Order entered August 26, 2003. On June 24, 2014, the Commission approved Allo’s Application to Amend and Expand Authority in Application C-4679, granting Allo statewide authority as a competitive local exchange carrier.

In late 2015, the Lincoln City Council approved several multi-year agreements with Allo, including a broadband franchise and lease of the City’s conduit infrastructure (“**Conduit System**”), allowing Allo to place fiber in the Conduit System, which will make ultra-high speed internet available to all homes and businesses in Lincoln by 2019. As a result of these Agreements, Allo’s services will provide high speed internet with speeds of up to 1 gigabit, as well as digital television and Voice over Internet Protocol (“VoIP”) telephone services.

Through Allo’s fiber infrastructure deployment, high speed internet will become more accessible to more people in the City of Lincoln, including those with lower incomes. While Allo will offer a low-cost broadband service tier for \$45 a month, further discounts will be available to low-income residents.

Not only will Allo bring advanced technology to Lincoln, but the Company’s infrastructure deployment will also contribute to the economic development of the community as well. Allo plans to spend \$50 million this year on capital expenditures, most of which will be on fiber build out, and plans to hire at least 100 employees in Lincoln, doubling the size of Allo’s current workforce.

Allo's presence in the technology market in Lincoln will also mean increased competition with existing telecommunications companies including Time Warner and Windstream, resulting in more choices for consumers and competitive pricing for similar services.

LINCOLN PUBLIC SCHOOLS

Lincoln Public Schools ("LPS") is the second largest public school district in Nebraska, located in the heart of the plains, renowned for its long-standing legacy of quality educational experience and rigorous academic achievement. During the 2015-2016 school year, LPS served almost 40,000 students throughout the district in more than 60 schools and programs. Enrollment for the 2016-2017 school year will be close to 41,000 students. Approximately 43% of LPS students qualify for free or reduced lunch due to low family income.

In 2015, the Lincoln Board of Education approved the LPS Technology Implementation Plan. Students in grades 3-12 have begun to receive individual Chromebooks over a three year period according to the follow proposed schedule:

- 2015, all sixth grade students and high school students at the new Career Academy;
- 2016, all third, fourth and fifth grade students, seventh graders and students at two high schools;
- 2017, eighth graders and students at four remaining high schools; tablets in K-2 classrooms;
- 2018, begin a rotation of refreshing devices every three years.

LPS has advised Allo of its desire to find effective ways to assure that all children receiving Chromebooks from LPS can effectively utilize these devices through access to affordable broadband services in their family home (See **Exhibit D** attached hereto).

THE PILOT PROJECT PROPOSAL

Introduction

Allo and LPS jointly desire to help assist low-income, high-need families in their efforts to obtain affordable access to broadband services in their homes, which will further allow LPS students to increase their educational and employment opportunities. Allo and LPS are pleased to submit a proposal for a Pilot Project (the “**Pilot Project**”) to achieve this important objective. Under the Pilot Project, the interests, investments and initiatives of the Commission, LPS, and Allo will be merged to enhance access to affordable broadband service to low-income consumers in their homes, including their children and families.

The Pilot Project is designed to initially target children currently attending LPS whose family income qualifies them for the Federal Free Lunch Program and who will have received or will receive digital hardware from LPS (“**Qualified Subscribers**”) as part of LPS’s current comprehensive initiative to provide digital technology to all children attending LPS in the coming years.

Discounted Broadband Service Provided by Allo

Allo is currently deploying fiber optic cable throughout the City of Lincoln in accordance with its commitment to the City of Lincoln in late 2015 to make ultra-high speed (1 gigabit) internet available to all homes and businesses in Lincoln by 2019. As Allo’s fiber optic infrastructure is deployed in Lincoln neighborhoods, Allo will have the capacity to enable authentication for Qualified Subscribers to its broadband services through its network access process, which will permit in-home service access. Further, the in-home service will provide portability around the house, and perhaps in outside areas surrounding the house, without being

tethered to a land line. Allo hopes to develop even greater service portability capability as its network is deployed and refined.

Qualified Subscribers will be able to access the new Allo service on a month-to-month basis, without a contract, on a prepaid basis. Allo is targeting the new service to cost between \$10 to \$15 per month,¹ with a 20x20 Mbs speed, which is far faster than conventional internet services and fully capable of handling all the applications and software pre-programmed into the Chromebooks provided by LPS. Qualified Subscribers will not need to purchase any additional equipment or modems, as the Allo service will contain all necessary connectivity equipment.

The initial geographic area to be served by Allo's new low-income internet service offering will be jointly determined by Allo and LPS by selecting one or more census block(s) or other suitable service areas which best represent a low-income population served by LPS where Chromebooks have been assigned to students. As Allo's network expands, other areas will be targeted for service by LPS and Allo.

Qualified Subscriber's identified by LPS will be verified through the current Life-Line qualification process with the Nebraska Department of Health and Human Services to assure that there is no inadvertent duplication of services.

LPS will (i) coordinate with Allo concerning technical issues relating to the LPS digital devices distributed to students, (ii) assist Allo in prioritizing neighborhoods most in need of new services, (iii) provide information to students concerning the mechanics of accessing Allo's new services at home, (iv) facilitate Allo's access to eligibility information regarding Qualified Subscribers for Allo's services and (v) provide information to the Commission regarding the adoption of the new service by low-income families/students served by LPS.

¹ Research and surveys conducted by community service organizations serving low-income populations, including the Center for People in Need, indicate that most respondents believe the limit of affordability for broadband service is approximately \$10-\$15 per month.

Proposed Funding Amount

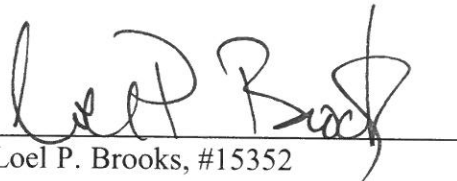
Allo is requesting funding in the amount of amount of \$150,000 for the implementation of the Pilot Project, to be used by Allo to defer the costs of special network equipment and installation of the proposed special new services. Allo will provide all funding to study, design and engineer the systems and network features needed to best deploy and implement the new services. Given Allo’s current deployment schedule and the coordination necessary to target and prepare the service area selected by LPS, Allo anticipates that its network and infrastructure will be operational in the targeted service area(s) by the second quarter of 2017.

Community Funding Sustainability

Sustainability of this Pilot Project will be evaluated through Allo’s long-range financial analyses of these new service offerings. Further, if necessary, LPS and Allo may partner with corporations, nonprofits and community-based funders if additional training or support services are necessary to assist low-income populations in accessing Allo’s internet services. Numerous collaborative partnerships may be necessary to provide students and families access to the affordable resources they need to succeed in our digital society.

Allo and LPS are grateful for the opportunity to submit this Joint Request for Funding and appreciate the Commission’s consideration of their joint request.

Respectfully submitted this 18th day of July, 2016.



Loel P. Brooks, #15352
Brooks, Pansing Brooks, PC, LLO
1248 O Street, Suite 984
Lincoln, NE 68508
(402) 476-3300
lbrooks@brookspanlaw.com

ALLO COMMUNICATIONS

Bradley A. Moline, President
610 Broadway
P.O. Box 1123
Imperial, NE 69033
(308) 882-7800
bmoline@allophone.net

LINCOLN PUBLIC SCHOOLS

Dr. Steve Joel, Superintendent
5905 O Street
Lincoln, NE 68510
(402) 436-1000
sjoel@lps.org

Liz Standish, Associate Superintendent Business
Affairs
5905 O Street
Lincoln, NE 68510
(402) 436-1635
lstandis@lps.org

EXHIBIT A

Allo's Certificate of Good Standing

STATE OF NEBRASKA

United States of America, } ss.
State of Nebraska }

Secretary of State
State Capitol
Lincoln, Nebraska

I, John A. Gale, Secretary of State of the
State of Nebraska, do hereby certify that

ALLO COMMUNICATIONS LLC

was duly formed under the laws of Nebraska on October 10, 2002;

**all fees, taxes, and penalties due under the Nebraska Uniform Limited
Liability Company Act or other law to the Secretary of State have been paid;**

**the Company's most recent biennial report required by section 21-125 has
been filed by the Secretary of State;**

the Secretary of State has not administratively dissolved the company;

**the Company has not delivered to the Secretary of State for filing a Statement
of Dissolution;**

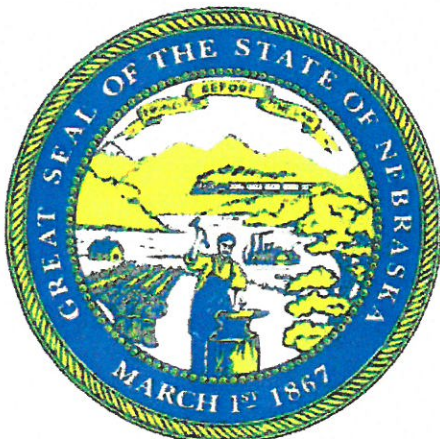
a Statement of Termination has not been filed by the Secretary of State.

*This certificate is not to be construed as an endorsement,
recommendation, or notice of approval of the entity's financial
condition or business activities and practices.*

In Testimony Whereof,

I have hereunto set my hand and
affixed the Great Seal of the
State of Nebraska on this date of

July 8, 2016



John A. Gale
Secretary of State

EXHIBIT B

Allo's Articles of Organization

NE Sec of State - CORP
1000320940
ALLO COMMUNICATIONS LLC
Filed 10/10/2002 11:17 AM

**ARTICLES OF ORGANIZATION
OF
ALLO COMMUNICATIONS LLC**

ARTICLE 1

Name

The name of this limited liability company is Allo Communications LLC (the "Company").

ARTICLE 2

Purpose

The general purpose for which the Company is organized is to transact any lawful business for which a limited liability company may be organized under the laws of the State of Nebraska, and the Company shall have all the powers granted to a limited liability company by the Nebraska Limited Liability Company Act, Neb. Rev. Stat. §§21-2601 *et seq.* (the "Act"), and any enlargement of such powers conferred by subsequent legislative acts.

ARTICLE 3

Principal Place of Business

The Company's principal place of business in Nebraska is 824 Douglas, Box 699, Imperial, Nebraska 69033.

ARTICLE 4

Registered Office and Registered Agent

4.1 Office. The initial registered office of the Company is 824 Douglas, Box 699, Imperial, Nebraska 69033.

4.2 Agent. The name of the initial registered agent of the Company at such address is Bradley A. Moline.

ARTICLE 5
Stated Capital

The total amount of cash and a description and agreed value of all property, other than cash, initially contributed by the members of the Company as a basis for capitalization of the Company is described below:

<u>Property Contributed</u>	<u>Amount</u>
Cash	\$100

ARTICLE 6
Additional Capital Contributions

Additional contributions to the capital of the Company shall be made only at such time and in such amounts as the members of the Company shall consent to in writing, as provided in the Operating Agreement of the Company.

ARTICLE 7
Admission of Additional Members

Additional members may be admitted to the Company from time-to-time, upon the affirmative vote of at least a majority of the Percentage Interests of the then-existing members of the Company. "Percentage Interest," as used in these Articles of Organization or in the Operating Agreement, shall mean the percentage of the capital, profits, and losses of the Company allocable to each member.

ARTICLE 8
Management of the Company

The management of the Company shall be vested in one or more managers, as may be determined from time-to-time as provided in the Company's Operating Agreement. The managers shall hold office for the term and have the responsibilities accorded to the managers by the members and as set forth in the Operating Agreement. The name of the initial manager is Bradley A. Moline, and his address is 824 Douglas, Box 699, Imperial, Nebraska 69033.

ARTICLE 9
Duration

The Company shall commence its existence on the date these Articles of Organization are filed with the Nebraska Secretary of State. The Company shall have perpetual existence from the date of its Articles of Organization until earlier dissolved as provided in the Company's Operating Agreement or under the Act.

ARTICLE 10
Internal Affairs

Other provisions regulating the internal affairs of the Company are set forth in the Operating Agreement of the Company, which shall govern the operation of the business and the members accordingly.

The undersigned hereby adopts and signs the foregoing Articles of Organization for the purpose of forming the Company under the Act.

Date: October 10, 2002

A. N. Neubert

Amber N. Neubert
Organizer

EXHIBIT C

Allo's Operating Agreement

CONFIDENTIAL AND PROPRIETARY

EXHIBIT D

Lincoln Public Schools' Letter of Support



July 18, 2016

Nebraska Public Service Commission
1200 N Street, Suite 300
Lincoln, NE 68508

Re: Allo Communications, LLC and Lincoln Public Schools
Joint Request for Funding – Letter of Support

Dear Nebraska Public Service Commission:

As superintendent of Lincoln Public Schools, I am pleased to offer this letter of support to Allo Communications, LLC (“Allo”) and LPS’ own Technology Implementation Plan for funding from the Nebraska Universal Service Fund Broadband Program for a pilot broadband adoption program. This program would offer in-home broadband services to low-income, high needs families and students in Lincoln Public Schools.

As an educational organization serving vulnerable youth and families, it is our belief that funding from the Nebraska Universal Service Fund Broadband Program, in conjunction with Allo, will address a critical need in Lincoln Public Schools and in the larger community. We are currently serving almost 40,000 children and youth with 43% qualifying for our free/reduced lunch program. Children and youth are growing up in an increasingly complex society that presents challenges in the educational setting; the students who will be served by this grant often have additional difficulties to overcome in order to succeed. This funding would offer these students increased opportunity to continue their educational pursuits outside of the school walls, within their own family homes, and produce positive educational outcomes. This supports our goal of creating an environment where all youth not only advance through school but thrive educationally and in life.

Lincoln Public Schools welcomes the opportunity to engage in this Pilot Program in the Nebraska Universal Service Fund Broadband Adoption Program.

This letter is offered in support of the Request for Funding from the Nebraska Universal Service Fund Broadband Program. It is our belief that this project has the potential to become a model program utilizing advanced technology used in communities throughout the nation.

Sincerely,

Stephen C. Joel, Ed.D.
Superintendent