

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska Public Service) Application No. NUSF-99
Commission, on its own motion, to Administer the) Progression Order No. 2
Universal Service Fund High-Cost Program.)

**REPLY COMMENTS OF
CITIZENS TELECOMMUNICATIONS COMPANY OF NEBRASKA
D/B/A FRONTIER COMMUNICATIONS OF NEBRASKA**

In its November 13, 2019 Progression Order No. 2 in this docket (“Progression Order 2”), the Nebraska Public Service Commission (“Commission”) noted findings it had recently made in NUSF-108, and identified several possible changes to the existing NUSF-99 framework with respect to broadband deployment. In that order, the Commission sought input on several specific questions. Several parties filed initial comments in this docket, and in response to those comments Citizens Telecommunications Company of Nebraska, Inc. (“Frontier”) files the following Reply Comments.

Question 4 – limit on-going support to areas with both voice service and 25/3 broadband

In Question 4 in the Progression Order 2, the Commission sought input on whether it should tie a carrier’s on-going support to just those census blocks where both voice service and 25/3 broadband service (that is, 25Mbps download and 3Mbps upload) is provided by the carrier. In its initial comments, Frontier explained that the Commission should not tie or limit the NUSF on-going support to only those census blocks where the carrier is providing both voice service and 25/3 broadband.

In their comments, both CenturyLink¹ and Windstream² also argued against such a limitation of support. Frontier echoes the concerns raised by CenturyLink and Windstream in this context. As CenturyLink notes, under Commission rules, NUSF support can only be used for provision of certain supported services. The rules specifically identify voice service as a supported service, but do not require the provision of 25/3 broadband service³.

In its comments, the Rural Telecommunications Coalition of Nebraska (“RTCN”) takes an alternative view, arguing that the Commission should provide on-going support only for areas where both voice service and 25/3 broadband is provided⁴. Further, RTCN suggests that the Commission should revoke the Eligible Telecommunications Carrier (“ETC”) designation for carriers that do not provide adequate voice and broadband service. Frontier opposes this approach, and notes that such an approach could have significant adverse impacts upon customers.

As Frontier noted in its initial comments, due to the cost implications resulting from topography and population characteristics, in many areas of the state it is too costly to deploy and maintain 25/3 broadband service economically without NUSF support. Indeed, in many areas the economic provision of voice service is dependent upon receipt of the on-going NUSF support. Denying all on-going NUSF support for a high cost area with voice service but not 25/3 broadband would put at risk the continued provision of voice service in that area, to the detriment of customers.

In addition, the proposed revocation of ETC status for areas without both voice service and 25/3 broadband service is problematic. Unless there is another designated ETC serving the same area, customers will be left without access to the Lifeline program and no carrier committed to providing voice service in the area, let alone broadband service.

¹ CenturyLink Comments, page 7.

² Windstream Comments, page 7.

³ 291 Nebraska Administrative Code, §10.004.02.

⁴ RTCN Comments, page 9.

Reimbursement process

Both the Nebraska Rural Independent Companies (“RIC”) and Charter Communications, Inc. (“Charter”) raise a matter that was not identified in the Progression Order. Both suggest a delay in any reimbursement for a broadband deployment project; “payments will not be made until after project construction is complete”⁵ under Charter’s proposal, or a project “must be completed prior to the receipt of broadband deployment support”⁶ under RIC’s proposal. This approach contrasts with Frontier’s experience with past Commission practice for broadband projects undertaken with support under this docket which allowed for interim reimbursements. Those interim payments were fully supported and evidenced by appropriate invoices and cost justification material. Frontier is not aware of any problems with that past practice that would warrant a change in procedure. Indeed, the delay of any reimbursement until the final completion of a project will make it less desirable to undertake large or longer term projects from a financial perspective. Frontier urges the Commission to maintain its current practices regarding interim payments.

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Respectfully submitted,

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⁵ Charter Communications comments, page 1.

⁶ RIC comments, page 14.