NEBRASKA UNIVERSAL SERVICE FUND

NUSF-99 2016 BROADBAND APPLICATION

UNITED TELEPHONE COMPANY OF THE WEST d/b/a CENTURYLINK

Bayard – County Road 36 & S

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NPSC UNIVERSAL SERVICE FUND DEPT

1. **A description of the proposed broadband project including download/upload speed capabilities which can be provided and a description of the proposed network infrastructure to be deployed.**

This project would provide broadband service at speeds up to 40 Mbps to 12 living units in 8 census blocks in an area around County Roads 36 and S in CenturyLink's Bayard exchange. The project will involve deploying the fiber to the node and the electronics necessary to allow these speeds.

Several census blocks in this project area are CAF II eligible; however, CenturyLink has chosen not to use CAF II funds to build out to this area. The FCC, in the *USF/ICC Transformation Order*, said that "[i]n meeting its obligation to serve a particular number of locations in a state, an incumbent that has accepted the state-level commitment may choose to serve some census blocks with costs above the highest cost threshold instead of eligible census blocks (*i.e.*, census blocks with lower costs), provided that it meets the public interest obligations in those census blocks, and provided that the total number of unserved locations and the total number of locations covered is greater than or equal to the number of locations in the eligible census blocks." (para. 171, fn 279). The FCC further affirmed this flexibility in the April 2014 order (para. 32) and the December 2014 order (para. 33).

Further, the FCC acknowledged that there could be discrepancies between the number of locations it found in the eligible census blocks and the actual number locations. In the December 2014 order, the FCC stated, "At the outset, we note that there may be some variance between the number of funded locations as specified by the forward-looking cost model adopted by the Bureau and the actual number of locations in a given area. For instance, the price cap carrier model utilizes GeoResults study area boundaries, which in some instances may be inaccurate, which in turn may result in the inaccurate assignment of certain locations to a particular price cap territory. The model also utilizes GeoResults business location data, which in some instances may be inaccurate in terms of either business counts or actual physical locations; this in turn may result in too many or too few locations in a given census block. While these minor inaccuracies should cancel one another out in most instances across multiple census blocks, we recognize that in particular areas that may not be the case, and the total number of locations assigned to a particular price cap carrier in a given state according to the model simply does not necessarily reflect the actual number of locations. We also recognize that there may be a variety of unforeseen factors, after the initial planning stage, that can cause significant changes as a network is actually being deployed in the field, and a variety of factors

that can affect the time needed to deploy a planned route. Finally, we note that the customer location data utilized in the model reflect location data at a particular point in time. The precise number of locations in some funded census blocks is likely to change over time for a variety of reasons, which may impact the orderly progress of the planned construction cycle." (December 2014 Order, para. 38).

The FCC, therefore, allows price cap carriers the flexibility to deploy to less than 100 percent of the locations in CAF II eligible census blocks. "Given all of these factors, rather than requiring deployment to 100 percent of funded locations as identified by the model in a given state, we will permit a modest adjustment to the number of model-determined funded locations in a given state with a corresponding reduction in support in certain instances. Price cap carriers taking advantage of this flexibility will be required to refund support based on the number of required locations without access to broadband." (December 2014 Order, para. 39).

In this particular case, CenturyLink has chosen not to use CAF II funding to deploy broadband in these CAF II eligible census blocks. By reallocating the CAF II dollars to other eligible CAF II areas, CenturyLink will be able to use the available funding more efficiently and deploy broadband service to more living units in other eligible areas.

2. **A list in Excel Format of all the census blocks where broadband facilities would be deployed for the proposed project, which shall include 2010 Census Block identification numbers of service area, by project.**

Please see Attachment A.

3. **An estimate of the number of potential new broadband subscribers for each project.**

Approximately 6 households will be impacted by this project. None of these households can receive broadband service from CenturyLink at sufficient speeds currently. CenturyLink believes that no other wireline internet service provider is providing service in the project area.

4. **An estimated schedule for broadband deployment.**

CenturyLink would start construction on this project 90 days after approval from the Commission, weather permitting, and complete the project within 24 months.

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5. **A proposed budget, showing total project costs, in electronic format, with a detailed breakdown of the cost elements and a depreciation schedule showing the life of the investment.**

   Please see confidential Attachment B.

6. **Proposed retail pricing, including both monthly recurring costs and nonrecurring costs for the new broadband service(s) to be offered. At a minimum the pricing should reflect the stand alone price for the speeds to be offered to the customer.**

   The retail pricing for the proposed project area will be the same as the retail pricing for broadband services in CenturyLink's service territory in Nebraska. The pricing will vary depending on the speed the subscriber chooses as well as any other services the subscriber may wish to bundle with the broadband service.

   CenturyLink's current pricing for internet only service is as follows:

Speed Tier	Price
1.5-25 meg	$45.00
40-80 meg	$55.00

   A modem is required and can be leased from the company for $10.00 per month, or purchased for a one-time cost of $100.00, plus shipping and handling charges. If the subscriber chooses to have a technician install the service, there is a one-time charge of $60.00.

7. **The company's commitment to offer broadband services to all households within the service area of the project for a minimum of five (5) years.**

   CenturyLink commits to offering broadband service to all households in the project area for a minimum of five years.

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8. An affidavit from the company attesting 1) (a) that the area of the proposed project is a CAF II eligible area and has not refused CAF II funding, or (b) that the area of the proposed project is ineligible for CAF II funding. 2) That the company has done its due diligence to verify that comparable broadband does not already exist in the area of the proposed project. 3) The truth and accuracy of all information included in the project filing.

State of Kansas)

) ss.

County of Johnson)

I, Al Lubeck, being duly sworn on oath, state that (1) the area of the proposed project is not in a CAF II eligible area; (2) upon information and belief comparable broadband service is not available from another wireline provider; and (3) the information provided in this application are true and correct to the best of my knowledge, information and belief.

Al Lubeck

Al Lubeck

SUBSCRIBED AND SWORN TO this 23rd day of February, 2018

NOTARY PUBLIC STATE OF KANSAS | LINDA K. JOSEPH My Appt. Exp. 10/19/18

Linda K. Joseph

Attachment A
Bayard - CR 36 and S

CLLI8	Project Name	Census Blocks
BYRDNEXU	36 & S	311579529002309
BYRDNEXU	36 & S	311579529002347
BYRDNEXU	36 & S	311579529002356
BYRDNEXU	36 & S	311579529002358
BYRDNEXU	36 & S	311579529002360
BYRDNEXU	36 & S	311579529002361
BYRDNEXU	36 & S	311579529002362
BYRDNEXU	36 & S	311579529002384

PUBLIC DOCUMENT

ATTACHMENT B

HAS BEEN REDACTED