

NUSF-99.46

Steve Meradith
Regional Vice President, State Government Affairs
1440 M Street
Lincoln, Nebraska 68508-2591

(402) 436-4160
stephen.meradith@windstream.com



March 12, 2019

Mr. Michael Hybl
Executive Director
Nebraska Public Service Commission
300 The Atrium, 1200 "N" Street
Lincoln, NE 68508C

RE: In the Matter of the Nebraska Public Service Commission, on its own Motion to administer the Universal Service Fund High-Cost Program: Windstream Nebraska, Inc. Broadband Grant Requests

Dear Mr. Hybl:

Windstream Nebraska, Inc. hereby submits the attached application for broadband funding from the Nebraska Universal Service Fund (NUSF) for a project in the Yutan Exchange. Specifically, Windstream proposes to place equipment at two sites. One remote base station approximately 2.2 miles west of the Yutan Central Office, and equipment at the Central Office. The Yutan remote Base Station will provide the broadband connection to the customers, and have wireless backhaul to the Yutan Central Office. An electronic version of this filing has also been submitted to the NUSF Staff.

If you have any questions or require any additional information, please let me know.

Sincerely,

A handwritten signature in blue ink that reads "Steve Meradith".

Steve Meradith

Enclosures

RECEIVED

MAR 12 2019

Nebraska
Public Service Commission

WINDSTREAM NEBRASKA, INC.

NUSF-99 PRICE CAP APPLICATION – Yutan EXCHANGE RL01

Checklist Item No. 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. Minimum speed standards should be 4 mbps download and 1 mbps upload.

Windstream's Response:

Windstream submits the following project for the Commission's consideration of NUSF-99 broadband funding, to be constructed upon funding approval, using funding available from the 2017 funding allocation.

- Fixed Wireless to serve the Western area of Yutan, NE ILEC Exchange (Partial funding requested)

The Central Office for Yutan is currently connected with interoffice fiber facilities. Customers within reach of the office are qualified for 4Mbps down / 1Mbps upload broadband or better (up to 100Mbps), depending on the copper loop length from the equipment. This project intends to address those customers in the Western area of the exchange that have exceptionally long loop lengths and therefore are not broadband qualified by providing a Fixed Wireless solution.

- The project will place equipment at two sites, one remote Base Station approximately 2.2 miles west of the Yutan Central Office, and equipment at the Central Office.
- The Yutan remote Base Station will provide the broadband connection to the customers, and have wireless backhaul to the Yutan Central Office.

These network upgrades will enable a network capable of minimum speeds of 10Mbps download and 1Mbps upload for all impacted customers and depending upon the distance from the remote Base Station, the majority of customers will have speeds of 25Mbps and up to 100Mbps available.

Windstream projects the total deployment costs for this project is \$200,795, and Windstream is requesting Nebraska Universal Service Funding of \$152,987, the difference between the total project costs and the requested funding is because Windstream is not seeking funding for the areas funded by the FCC's Connect America Fund Phase 2 program. Windstream is requesting that the funding for this project be applied against the remaining 2017 funds allotted to Windstream.

Checklist Item No. 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 number of service area, by project.

Windstream's Response:

See Attached Checklist Item #2.

Checklist Item No. 3:

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

Windstream's Response:

See Attached Checklist Item #3

Checklist Item No. 4:

An estimated schedule for broadband deployment.

Windstream Response:

Upon approval of the application, the deployment schedule will be as indicated in the Attached Checklist Item #4 with the caveat that given the time of year, construction may be delayed due to weather conditions.

Checklist Item No. 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.

Windstream Response:

Please see Attached Checklist Item #5 which shows the proposed budget and the depreciation schedule showing the life of investment for the major plant categories associated with this project.

Checklist Item No. 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.

Windstream Response:

Attached Checklist Item #6 provides a listing of the retail pricing for the broadband services Windstream will be offering in the proposed service areas. This price list is consistent with Windstream pricing for similar services in other Nebraska exchanges.

Checklist Item No. 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.

Windstream Response:

If approved for funding, Windstream commits to offer broadband service to all households within the service area of the project for a minimum of five (5) years.

Checklist Item No. 8:

An affidavit from the company attesting 1) (a) that the area of the proposed project is a CAF II eligible area and have 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.

Windstream Response:

The Affidavit of Brad Brannon is provided in Attached Checklist Item #8.

CHECK LIST #2 CENSUS BLOCKS - Yutan Exchange RL01

Criteria for Determining NUSF Eligibility for Census Blocks in Priority Order for Projects Using Fixed Wireless Technology:

- 1) If Census Block is CAF 2 - Not Eligible
- 2) If Census Block has Wireline Competitor with at least 10/1 broadband - Not Eligible
- 3) If Census Block Wireline Competitor is a Neighboring ILEC Sharing Service in the Census Block - Eligible
- 4) If Census Block has a Fixed Wireless Competitor with at least 10/1 Broadband but Does Not Provide Voice - Eligible
- 5) If Census Block has a Fixed Wireless Competitor that receives federal USF - Eligible
- 6) If proposal is for a wireline solution, then Fixed Wireless census blocks are counted - Eligible

| Census Blocks | CAF 2 and Form 477 Status | Is Wireline Competitor a Neighboring ILEC? | Does Fixed Wireless Competitor Qualify as Competitor? * | NUSF Eligibility | Summary | # Census Blocks | % |
|-----------------|---------------------------|--|---|------------------|----------------------|-----------------|-------|
| 311559681002308 | CAF2 | | | CAF2 | CAF2 | 35 | 24% |
| 311559681002312 | CAF2 | | | CAF2 | NE BB Eligible | 112 | 76% |
| 311559681002331 | CAF2 | | | CAF2 | Competition - FW | 0 | 0% |
| 311559681002333 | CAF2 | | | CAF2 | Competition - Other | 0 | 0% |
| 311559681002338 | CAF2 | | | CAF2 | Total | 147 | 100% |
| 311559681002340 | CAF2 | | | CAF2 | | | |
| 311559684001000 | CAF2 | | | CAF2 | Eligible for Funding | 112 | 76.2% |
| 311559684001003 | CAF2 | | | CAF2 | | | |
| 311559684001004 | CAF2 | | | CAF2 | | | |
| 311559684001030 | CAF2 | | | CAF2 | | | |
| 311559684001032 | CAF2 | | | CAF2 | | | |
| 311559684001035 | CAF2 | | | CAF2 | | | |
| 311559684001036 | CAF2 | | | CAF2 | | | |
| 311559684001037 | CAF2 | | | CAF2 | | | |
| 311559684001038 | CAF2 | | | CAF2 | | | |
| 311559684001043 | CAF2 | | | CAF2 | | | |
| 311559684001061 | CAF2 | | | CAF2 | | | |
| 311559684001064 | CAF2 | | | CAF2 | | | |
| 311559684001066 | CAF2 | | | CAF2 | | | |
| 311559684001073 | CAF2 | | | CAF2 | | | |
| 311559684001076 | CAF2 | | | CAF2 | | | |
| 311559684001077 | CAF2 | | | CAF2 | | | |
| 311559684001081 | CAF2 | | | CAF2 | | | |
| 311559684001087 | CAF2 | | | CAF2 | | | |
| 311559684001088 | CAF2 | | | CAF2 | | | |
| 311559684001156 | CAF2 | | | CAF2 | | | |
| 311559684001253 | CAF2 | | | CAF2 | | | |
| 311559684001263 | CAF2 | | | CAF2 | | | |
| 311559684003028 | CAF2 | | | CAF2 | | | |
| 311559684003030 | CAF2 | | | CAF2 | | | |
| 311559684003032 | CAF2 | | | CAF2 | | | |
| 311559684003063 | CAF2 | | | CAF2 | | | |
| 311559684003066 | CAF2 | | | CAF2 | | | |
| 311559684003076 | CAF2 | | | CAF2 | | | |
| 311559684003115 | CAF2 | | | CAF2 | | | |
| 311559681002276 | Competition - FW | No Wireline Competitor | N | NE BB Eligible | | | |
| 311559681002311 | Competition - FW | No Wireline Competitor | N | NE BB Eligible | | | |
| 311559681002313 | Competition - FW | No Wireline Competitor | N | NE BB Eligible | | | |
| 311559681002314 | Competition - FW | No Wireline Competitor | N | NE BB Eligible | | | |

| | | | | |
|----------------|------------------|------------------------|---|----------------|
| 31159684003095 | Competition - FW | No Wireline Competitor | N | NE BB Eligible |
| 31159684003096 | Competition - FW | No Wireline Competitor | N | NE BB Eligible |
| 31159684003111 | Competition - FW | No Wireline Competitor | N | NE BB Eligible |
| 31159684003113 | Competition - FW | No Wireline Competitor | N | NE BB Eligible |
| 31159684003114 | Competition - FW | No Wireline Competitor | N | NE BB Eligible |
| 31159684003116 | Competition - FW | No Wireline Competitor | N | NE BB Eligible |
| 31159684003117 | Competition - FW | No Wireline Competitor | N | NE BB Eligible |
| 31165084003118 | Competition - FW | No Wireline Competitor | N | NE BB Eligible |
| 31159684003121 | Competition - FW | No Wireline Competitor | N | NE BB Eligible |

Footnotes:

* There are two Fixed Wireless providers per Form 477 data that provide broadband in these census blocks. Below is a table explaining why each of these providers should not be considered a valid competitor for purposes of reviewing whether each of the above census blocks should be NE BB Eligible:

| Name as Used on FCC Form 477 | Do they Provide Voice Service?* | Speed equal to at least 10/1? | Is Provider Unsubsidized?* | NUSF Eligibility? |
|---------------------------------|---------------------------------|-------------------------------|----------------------------|-------------------|
| Future Technologies | N | Y - 10/1.5 | Y | NE BB Eligible |
| Skybeam Acquisition Corporation | N | Y - 15/3 | N | NE BB Eligible |

Footnotes for Table:

*Windstream has contacted each of these providers' call centers and they all said that voice services are NOT offered with their fixed wireless Internet service.

** Skybeam Acquisition Corporation receives \$21,813 per month in Federal USF support for Nebraska per the 2nd Quarter 2019 USAC Report

Check List #3 Subscribers - Yutan Exchange RL01

| Exchange | # Locations in Deployment Area |
|----------|--------------------------------|
| Yutan | 326 |

Estimated Broadband Take Rate 50%
New Broadband Subscribers 163

50% Take Rate assumption is likely low since broadband is generally not available due to long loop lengths

Checklist Item #4 Estimated Schedule – Yutan Exchange RL01

Proposed Schedule:

| | |
|---|-------------------------|
| Engineering design & approval | 30 Calendar Days |
| Site Acquisition, permitting & material acquisition | 90 to 120 Calendar Days |
| Equipment deployment, testing, and turn-up | 30 Calendar Days |

Notes:

If multiple sites are involved, work activities will be conducted concurrently, so that total time for the project is 150 to 180 days

Schedule is subject to seasonal limitations regarding when construction can commence or be completed.

Check List #5 Budget & Depreciation - Yutan Exchange RL01

Budget

Central Office site

| Item | Labor | Material | Item Total | Quantity | Mat Total | Grand Total | Notes |
|--------------------|---------|----------|------------|----------|-----------------|-----------------|---|
| Site Survey | \$1,000 | \$0 | \$1,000 | 1 | \$0 | \$1,000 | |
| Desktop Planning | \$18 | \$0 | \$18 | 0 | \$0 | \$0 | P2P pole only |
| Site Engineering | \$3,300 | \$0 | \$3,300 | 1 | \$0 | \$3,300 | |
| PtP FCC License | \$1,250 | \$0 | \$1,250 | 1 | \$0 | \$1,250 | FCC Coordination Point to Point (PTP) License Fee |
| 110 ft wooden pole | \$0 | \$23,800 | \$23,800 | 1 | \$23,800 | \$23,800 | To be placed at CO. |
| Base Station | \$4,433 | \$5,513 | \$9,946 | 0 | \$0 | \$0 | P2P pole only |
| PtP Radio | \$7,125 | \$8,825 | \$15,950 | 1 | \$8,825 | \$15,950 | Assuming 18 GHz radio - Link Budget Calculation pending |
| Site Work | \$2,250 | \$2,500 | \$4,750 | 1 | \$2,500 | \$4,750 | Placeholder for fiber + electricity work + pole mounted cabinet |
| Cabinet/PoE Switch | \$0 | \$7,500 | \$7,500 | 1 | \$7,500 | \$7,500 | Switch |
| Total | | | | | \$42,625 | \$57,550 | |

Remote Sites

| Item | Labor | Material | Item Total | Quantity | Mat Total | Grand Total | Notes |
|---------------------|----------|----------|------------|----------|-----------------|------------------|---|
| Site Survey | \$1,000 | \$0 | \$1,000 | 1 | \$0 | \$1,000 | |
| Fiber Bulldout | \$0 | \$0 | \$0 | 0 | \$0 | \$0 | |
| Desktop Planning | \$18 | \$0 | \$18 | 326 | \$0 | \$5,868 | |
| Site Engineering | \$3,300 | \$0 | \$3,300 | 1 | \$0 | \$3,300 | |
| Site Acquisition | \$10,183 | \$0 | \$10,183 | 1 | \$0 | \$10,183 | |
| Power Make Ready | \$18,000 | \$0 | \$18,000 | 1 | \$0 | \$18,000 | |
| 100' AGL Steel Pole | \$23,645 | \$20,500 | \$44,145 | 1 | \$20,500 | \$44,145 | |
| Base Station | \$6,000 | \$6,000 | \$12,000 | 4 | \$24,000 | \$48,000 | 5 GHz PtMP radio |
| PtP Radio | \$7,125 | \$8,825 | \$15,950 | 0 | \$0 | \$0 | Assuming 18 GHz radio - Link Budget Calculation pending |
| Site Work | \$2,750 | \$2,500 | \$5,250 | 1 | \$2,500 | \$5,250 | Placeholder for fiber + electricity work + pole mounted cabinet |
| Cabinet/PoE Switch | \$0 | \$7,500 | \$7,500 | 1 | \$7,500 | \$7,500 | Pole-mounted |
| Total | | | | | \$54,500 | \$143,246 | |

Grand Total **\$97,125** **\$200,795**

Excluded

| | | | | | | |
|-----|----------|-------|--|--|--|---------|
| ROW | | 2 | | | | \$0 |
| IDC | \$97,125 | 5.00% | | | | \$4,856 |
| Tax | \$97,125 | 5.00% | | | | \$4,856 |

Total Project Costs **\$200,795**
% of Eligible Census Blocks from Checklist #2 **76.2%**
Requested Funding Amount **\$152,987**

Depreciation Lives

| | Life in Years |
|-----------------------|---------------|
| Fixed Wireless Assets | 45 |
| Poles | 33 |

Check List #6 Pricing - Yutan RL01

| Price for Internet Only (HSI Simple or Solo Internet) | | | | |
|---|--|----------------|------------------------|-----------|
| Speed | | Standard Price | Current Promo | Net Price |
| Up to 25Mb | | \$60 | \$10 off for 12 months | \$50 |
| 50Mb | | \$70 | \$10 off for 12 months | \$60 |
| 100Mb | | \$80 | \$10 off for 12 months | \$70 |
| 1 Gbps | | \$90 | \$20 off for 12 months | \$70 |

| Price for Internet + Bundle Phone Adder | | | | |
|---|--|----------------|------------------------|-----------|
| Speed | | Standard Price | Current Promo | Net Price |
| Up to 25Mb | | \$70 | \$10 off for 12 months | \$60 |
| 50Mb | | \$80 | \$10 off for 12 months | \$70 |
| 100Mb | | \$90 | \$10 off for 12 months | \$80 |
| 1 Gbps | | \$100 | \$20 off for 12 months | \$80 |

\$50 Activation Fee and Free Professional Installation

