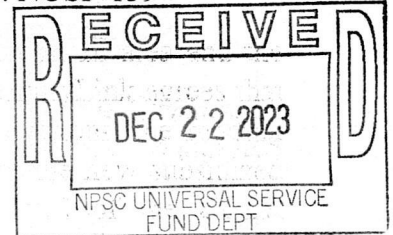


BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska Public)
Service Commission, on its Own Motion,)
to Consider Appropriate)
Modifications to the High-Cost Distribution)
and Reporting Mechanisms in its)
Universal Service Fund Program in)
Light of Federal and State Infrastructure Grants)

Application No. NUSF-139



COMMENTS OF QWEST CORPORATION D/B/A CENTURYLINK QC

Part C

3 Portability of NUSF Support

Commission rule 004.02G2 provides in part that if a competitive carrier replaces the incumbent carrier in a given area, the carrier of last resort obligations will be transferred to the competitive carrier and the incumbent carrier will be relieved of its carrier of last resort obligations. Commenters are invited to suggest specific changes to § 004.02G to update this framework.

CenturyLink Response: Only one provider should receive support in an area and the provider receiving support should have all obligations to serve. CenturyLink agrees that where another party accepts the ETC and carrier of last resort obligations, the funding should be moved to the new carrier. Regardless of whether or not the new subsidized provider accepts the ETC, the existing provider must be relieved of the COLR obligations. State COLR obligations duplicate the federal obligations and, therefore, serve no real purpose in Nebraska.

If the Commission were to provide for the portability of high-cost support, how should such support levels be determined?

CenturyLink Response: CenturyLink believes it is too early to make this determination because Commission doesn't know how final implementation of BEAD will impact all Nebraska residents. If BEAD doesn't reach all Nebraska residents, the Commission should wait to make a decision on high-cost support until all facts regarding BEAD implementation are known. This will allow more precise funding allocations.

In 2015, the Commission froze modeled support for price cap carriers. If the Commission were to port high-cost NUSF support, the Commission would most likely need to unfreeze and update the modeled costs for those areas. Should the Commission unfreeze the modeled support levels in price cap areas? What other factors should the Commission consider?

CenturyLink Response: Once the results for BEAD are known, the Commission could take this step prior to completing any calculation above regarding determination of support levels. Costs have increased significantly since 2015 when the Commission

froze modeled support, so it is appropriate to updated modeled costs for those areas before determining support levels for portable high-cost NUSF.

In cases where a competitive carrier seeks ported support from the high-cost mechanism, the Commission also seeks comment on the obligations of competitive carriers that they do not have under the grant program(s).

CenturyLink Response: Since NUSF support is a different program than the grant programs, it is entirely reasonable to require the obligation to provide voice service in order to obtain the NUSF support.

Should support be based upon the services and speeds advertised to consumers? In the alternative, should ongoing support be based upon verified speed test demonstrations?

CenturyLink Response: While speed tests are currently required for providers that accepted broadband grants, the idea of ongoing support is that the provider will continue to offer services and meet ETC/COLR obligations. Support should be based on that agreement rather than speed demonstrations.

As the NUSF Act requires the Commission to ensure affordable and reasonably comparable access to telecommunications services in rural areas what additional standards to the voice, 911 capability, or TRS compatible framework should be made?

CenturyLink Response: The FCC already requires this for all VoIP providers and it makes no sense for Nebraska to add obligations that are already imposed on carriers by the FCC. If the Commission plans to have NUSF support apply to broadband network maintenance, there will be no funding for voice networks and all voice regulation and service quality metrics should be eliminated.

What existing standards should be eliminated?

CenturyLink Response: To the extent voice service is no longer supported through the NUSF, all voice-related standards should be eliminated. Voice is still a service required by the FCC, and obligations at the state level are duplicative and should not be imposed without state support.

How should support levels change over the life of the network to ensure that networks are being sufficiently maintained and elements replaced to keep pace with the changing environment?

CenturyLink Response: It is too early to make this determination because Commission doesn't know how final implementation of BEAD will impact all Nebraska residents. If it is likely BEAD won't reach all Nebraska residents, the Commission should wait to make a decision until all facts regarding BEAD implementation are known. This will allow more precise funding allocations.

Should the Commission require carriers to report where locations are still served with copper networks? If so, how frequently should such information be filed?

CenturyLink Response: Where carriers using copper networks are still receiving voice maintenance support, the Commission could request such information annually. If the Commission moves funding to broadband maintenance and does not provide support for the copper network, there should be no reporting requirements.

Should the Commission reduce or eliminate a provider's ongoing support level based upon the number of locations served with copper facilities? Why or why not?

CenturyLink Response: No. NUSF support exists to support the residents of rural Nebraska. Reducing or eliminating the support based on the technology used harms rural residents that have the highest need for the copper service.

In July of 2002, the Commission made certain service quality standards applicable to all eligible telecommunications carriers receiving universal service support. The Commission found it would be appropriate to withhold support to an eligible telecommunications carrier not meeting the Commission's service quality standards. However, those standards were developed relative to the supported services which were voice grade services offered on an exchange basis. The Commission seeks comment on whether these findings should be updated to consider service quality metrics for broadband performance. If so, what technology neutral service quality metrics should the Commission consider?

CenturyLink Response: At present, the FCC has jurisdiction and should be setting service metrics. If the Commission decides that broadband is a more important service to Nebraskans than voice, the Commission should eliminate all voice related obligations. The Commission should maintain NUSF support for basic voice service unless it eliminates voice obligations.

While the Commission has not yet been called upon to consider a petition from a competitive carrier to replace the incumbent carrier for purposes of NUSF support, the Commission seeks comment on whether this rule should be applied and how quality of service should be judged.

CenturyLink Response: The Commission should discuss this type of change with the FCC to determine the ability of the Commission to make such a change. Any carrier requesting to replace the incumbent for purposes of NUSF support should agree to be the ETC/COLR obligations and should become the ILEC in that area. Both the carrier filing the petition and the existing incumbent should agree to support the ETC change at the FCC.

Should the Commission consider certain quality of service standards other than minimum speed/latency as a predicate of universal service support eligibility where it relates to broadband services?

CenturyLink Response: At present, the FCC has jurisdiction and should be setting any broadband service metrics. If the Commission has decided to regulate broadband

services, it should adhere to metrics approved by the FCC. If the Commission decides that broadband is a more important service to Nebraskans than voice, the Commission should eliminate all voice related obligations. The Commission should not remove NUSF support for basic voice while also regulating broadband.

4 Carrier of Last Resort Obligations and Ensuring Universal Access to Quality Services

The Commission seeks comment on whether to modify its existing ETC framework to include additional metrics where carriers seeking support can opt-in to certain affordability and network quality requirements designed for a broadband centric environment.

CenturyLink Response: The Commission should not be adopting broadband obligations on providers unless they have Nebraska-based grants such as Nebraska Universal Service Fund (NUSF) grants or Nebraska Broadband Program (NBBP) grants. If the Commission decides to attempt to adopt requirements for a broadband centric environment, it must eliminate voice obligations. The Commission should not remove voice maintenance support while continuing to require providers to meet voice obligations.

Should the Commission consider other requirements? If so, please explain.

CenturyLink Response: No. At present, the Commission does not have regulatory authority to regulate interstate broadband services, and it should not be attempting to do so. Previously, the Commission identified specific requirements in its grant contracts with the providers. Attempting to add additional requirements after the fact adds costs to the providers and may have changed the providers' willingness to submit applications. .

Now that grant determinations for infrastructure build out support may be made on a location basis, the Commission seeks comment on how those grant decisions should impact the ETC designation areas and other carrier of last resort obligations?

CenturyLink Response: The provider receiving the grant funding should be the ETC/COLR for the area of the grant. While some grants do not require the winner to accept those obligations, NUSF support is a different program and can have different obligations. Only one provider should receive maintenance support and that provider should have any and all obligations.

The FCC's definition of "supported services" includes voice telephony services. The Commission's supported service definitions likewise include voice service with broadband obligations extended through Commission orders specific to each broadband program. The Commission seeks comments on whether to modify its definition of supported services, and if so, what deviations from the FCC's definition of supported services should the Commission consider?

CenturyLink Response: There should be no deviations from the FCC definitions. The Commission and Nebraska citizens stand to gain the most from efficiencies from consistent program definitions with the FCC.

If certain requirements attach as a prerequisite to receipt of ongoing NUSF support, such as certain minimum broadband speed standards, shouldn't they also be defined as "supported services"?

CenturyLink Response: At present, broadband should not be considered a supported service since the Commission has no regulatory oversight for an interstate service.

Further, with recent statutory changes through LB 683, and now codified in Neb. Rev. Stat 86-1501 et seq., an avenue may exist for the carrier of last resort to be relieved of those obligations in areas where a competitive provider makes broadband service available. This new framework would prohibit the Commission from imposing carrier of last resort obligations on a competitive provider choosing not to be an eligible carrier receiving NUSF support. The Commission seeks comment on how to ensure that universal service goals continue to be met and that the supported services continue to be available to consumers who want them.

CenturyLink Response: Federal obligations still exist regardless of state COLR obligations. Because the Commission operates in coordination with the FCC on ETC obligations, no additional regulatory oversight is needed.

Further, the Commission solicits input on the minimum geographic areas used to transition carrier ETC obligations where appropriate. In the past, the Commission has been concerned about the fact that "cream skimming" can occur if the ETC designation area includes only the low cost areas in which support is available. Alternatively, the Commission may encounter situations where a provider elects to serve only the areas where the highest amount of portable NUSF support is available. Are these concerns the Commission should consider when determining ETC designation areas?

CenturyLink Response: The minimum geographic areas should be the same as the areas established for grant applications. The Commission should only consider high-cost areas for NUSF support, which will solve the "cream skimming" concerns.

Likewise, we recognize that in some cases, a grant recipient may not want to take on the ETC obligations of the predecessor carrier. How do we ensure that consumers are adequately protected in these instances?

CenturyLink Response: The Commission should still recognize that without any maintenance support, the ILEC will be competing with a subsidized provider and as such, the ILEC should not have any obligation to serve. At least 20 states do not require COLR obligations, and residents are still receiving voice services. The federal obligations continue with or without Nebraska obligations. Finally, there are other options for the consumers, including mobile wireless and satellite.

We seek comment on the transition of ETC designation areas in cases where a provider seeks ongoing NUSF support.

CenturyLink Response: As soon as the new provider completes its network build and begins offering service, it should assume the ETC/COLR obligations. Both the new

provider and the ILEC should cooperate with the Commission on submitting the change at the FCC.

How can the Commission ensure there is no mismatch between the state and federal universal service support mechanisms?

CenturyLink Response: Price Cap carriers currently receive no federal universal support; therefore, it's unlikely there will be an issue for Price Cap carrier service areas.

The Commission also seeks comment on revising the distribution mechanism where broadband grant support has been awarded and the competitive carrier does not wish to take on ETC or carrier of last resort obligations. Should the Commission remove those locations from the support area of an incumbent carrier not receiving grant support even though the incumbent carrier still has an obligation to serve?

CenturyLink Response: NUSF is a separate program that the competitive provider would voluntarily seek. The competitive carrier should not receive any NUSF support unless it accepts the ETC/COLR obligations. Regardless of whether the competitive carrier seeks NUSF support, if a competitive carrier has received broadband grant support, the ILEC should be relieved of COLR obligations.

5 Ensuring Affordability and Reasonable Comparability of Service

Should the Commission consider applying an affordability benchmark range much like what it has applied in the past for telecommunications?

CenturyLink Response: No. The FCC already has a program, and duplicative programs add costs to the providers that endanger affordability benchmarks.

If so, how should that range be determined? Should the Commission consider the federal benchmarks developed by the FCC for the Urban Rate Survey? Should the Commission utilize state-specific data?

CenturyLink Response: The Commission should not be involved in setting benchmarks. However, if the Commission determines that it will be involved, the Urban Rate Survey should be used rather than the Commission establishing its own program.

Additionally, the Commission seeks comment on the sufficiency of the current programs to ensure affordability for low-income consumers.

CenturyLink Response: The Federal ACP program already provides for a no-cost/low-cost option for consumers. The Commission should not add additional obligations or requirements on a program that provides no-cost broadband to most eligible households.

As the ACP is a temporary program, are there reforms the Commission should undertake with respect to its NTAP Program to supplement or replace the ACP program discount?

CenturyLink Response: The NTAP program is currently a voice-support program. Since the federal ACP program provides no-cost broadband to most households, changing NTAP to a broadband program would only help those consumers served by a provider that does not agree to ACP. Removing voice support could be a serious injury to those NTAP eligible households without internet service.

Should the Commission consider additional broadband adoption support which was once made available on a pilot project basis? Should the Commission consider formalizing or extending this type of grant program to promote affordability of broadband services?

CenturyLink Response: No. NUSF is already one of the largest funds in the nation on a per voice customer basis and is a significant cost to Nebraska consumers and businesses. It would be completely unfair to increase the cost of this program, imposing a higher cost to voice customers, then to support broadband services.

In order to ensure supported services offered in rural areas are reasonably comparable with services offered in urban areas, the Commission seeks comment on whether to require certain broadband speeds be delivered as evidenced by filing of speed test data as a condition of receiving model-based support. The Commission seeks comment on the minimum thresholds with which to determine carriers eligible for ongoing high-cost support.

CenturyLink Response: The Commission should not require additional speed test data or other thresholds to be eligible for ongoing high-cost support. The Commission has already adopted annual speed testing on grants, without additional funding, which is a significant cost driver for providers. Requiring this throughout the state in areas where no grants were approved would further increase the costs, which would in turn reduces funding available to pursue further broadband enhancements.

7 Streamlining the Accountability Framework

Should the Commission revise its rules regarding carrier financial accounting or revise the level of accounting to be maintained by the carriers through revising its forms filed with the Commission such as the annual report Form M or the NUSF-EARN form?

CenturyLink Response: No, the Commission has no authority to regulate broadband services or any other interstate service.

How can the Commission better target the information it collects to ensure accountability with ongoing NUSF high-cost support and broadband grant support?

CenturyLink Response: The Commission already has adequate accountability by requiring submission of reimbursement requests and by reimbursing grantees based on invoices received.

The Commission seeks comment on whether, with the broadband-centric framework it is more appropriate to target the Commission's oversight and reporting mechanisms in a way that targets the end goal of broadband affordability and network sustainability?

CenturyLink Response: Competition is a better method of ensuring broadband affordability than any method of regulation because competition is a market response that happens contemporaneously to service being provided rather than a regulatory response after the fact.

Should the Commission require the filing of rate comparability data similar to the data filed in the NBBP and CPF grant programs? If so, how should such information be utilized to determine the effectiveness of the NUSF support?

CenturyLink Response: The Commission lacks regulatory authority over broadband, and privately-funded broadband should not be subject to any state regulation. Pricing of broadband is not comparable to the effectiveness of NUSF support. There should not be any reporting related to broadband pricing unless there is specific Nebraska support available and accepted that will subsidize the broadband pricing to consumers, and is completely separate from the support for network maintenance.

Should the Commission consider benchmarks or consider a range of affordability? How should the Commission's affordability determination evolve as broadband speeds and consumer demands change?

CenturyLink Response: No. Competition is a better method of ensuring broadband affordability than any method of regulation. Because regulation will be enacted using data provided after the fact, any method used by the Commission will be delayed, while competition will force changes as consumer demands change.

Should the Commission adopt a more specific but streamlined NUSF-25/66 reporting mechanism which is based on location data?

CenturyLink Response: The Commission should only do so if the data used is the same data provided by the carriers to the FCC.

In the alternative, given the fact that the FCC is now mapping location data and that broadband grants are awarded based on locations to be served, should the Commission revise its NUSF-25/66 certification requirements to collect historic and prospective investment based at the location level? Why or why not?

CenturyLink Response: No. This is duplicative with FCC requirements. Should the Commission move forward, it must only require what the providers submit to the FCC, not require new filings.

Should the Commission's NUSF-25/66 data collection and analysis be tailored to the type of support each carrier receives? Should the Commission integrate an updated form of data collection into the Commission's high-cost distribution process? If so, please describe.

CenturyLink Response: No, the Commission should only use what the carriers currently submit to the FCC.

Dated: December 22, 2023

Respectfully Submitted,

QWEST CORPORATION d/b/a CENTURYLINK QC

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