

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska) Application No. NUSF-110
Public Service Commission, on)
its own motion, to determine)
whether to discontinue ported)
support for grandfathered) ORDER OPENING DOCKET AND
business lines.) SEEKING COMMENT
)
)
)

Entered: May 9, 2017

BY THE COMMISSION:

The Nebraska Public Service Commission (Commission) opens the above-captioned proceeding to determine whether to discontinue the practice of porting universal service support on lines captured by competitive local exchange carriers (CLECs) in certain CenturyLink out-of-town areas. The history of taking universal service support from an incumbent local exchange carrier and giving that support to a competitive local exchange carrier started with rules implemented by the Federal Communications Commission in its 1997 Universal Service First Report and Order.¹ Initially, pursuant to rules established by the Federal Communications Commission (FCC) federal universal service fund support was "ported" away from the underlying ILEC to a competitive eligible telecommunications carrier (CETC) capturing the line. This support was deducted from the ongoing support received by the ILEC and paid to the CETC². Consistent with those federal regulations, the Commission once determined that Nebraska competitive local exchange carriers designated as NETCs and providing service by leasing Unbundled Network Elements (UNEs) from the ILEC could have universal service support ported for lines captured from the ILEC.

Several modifications in how the amounts were calculated and where support was provided occurred over time. In 2004, in Application No. NUSF-26, the Commission froze the NUSF support level for residential lines at the pre-NUSF-26 support amounts throughout the 5-year plan transitional period. The Commission further found that business lines would no longer be supported

¹ See *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776 (1997) (*Universal Service First Report and Order*) (subsequent history omitted).

² 47 C.F.R. Section 54.307 of the rules promulgated by the Federal Communications Commission (FCC) was referred to as the "Identical Support Rule."

on a prospective basis, but the support would be grandfathered for those lines until such lines were lost.

Then, on March 7, 2006, in response to a petition filed, the Commission entered an Order in Application No. C-3448/NUSF-46/PI-102 finding that it would continue to support certain business lines captured by competitive Nebraska eligible telecommunications carriers (CNETCs) offering service via leased unbundled network elements from Qwest Corporation but only in zones 2 and 3 where wholesale pricing was disaggregated pursuant to a FCC requirement but committed to further investigation.

That investigation continued into 2007 where the Commission separated the support by in-town and out-of-town making ported support available only available to CNETCs in out-of-town areas. The Commission determined that business lines should no longer be supported. The Commission's order was challenged on other grounds and in October of 2011, as the Commission's order was upheld, the Commission issued an implementation order.

However, in 2011 with the Transformation Order, the FCC eliminated the identical support rule and began a process for phasing out ported support to CLECs. The Commission has also been transitioning support in a manner that is more consistent with how federal support is provided. In its NUSF-108 Order, the Commission recently determined that 80 percent of CenturyLink's high cost support is grant-based support.

Consequently, we seek comment on whether to continue porting universal service support to CLECs providing service via UNEs in CenturyLink's out-of-town service area. Currently, the Commission continues to provide ported support for a total of thirteen (13) grandfathered residential lines to two CNETCs. If the Commission decides to discontinue this support, how should it be phased out?

Parties interested in filing comments in response to the proposed discontinuance of support may file said comments on or before June 16, 2017. Persons filing comments must file one (1) paper copy along with an electronic copy of the comments sent to Sue.Vanicek@nebraska.gov and Brandy.Zierott@nebraska.gov.

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

Application No. NUSF-110

Page 3

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the above-captioned docket be opened to determine whether to discontinue porting universal service fund support in certain out-of-town areas.

IT IS FURTHER ORDERED that comments responsive to this Order may be filed on or before **June 16, 2017**, as prescribed herein.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska this 9th day of May, 2017.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Mary Riddis

Crystal Unadillo

Frank E. Landis

//s//Frank E. Landis
//s//Tim Schram

Tim Schram

Chairman

ATTEST:

Sebbey L. P. Lee

Executive Director