

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission,) Application No. NUSF-4
on its own motion, seeking to)
determine the level of the fund)
necessary to carry out the) ORDER SETTING SURCHARGE
Nebraska Telecommunications) FROM JULY 1, 2011 THROUGH
Universal Service Fund Act) JUNE 30, 2012
effective fiscal year beginning)
July 1, 1999.) Entered: June 1, 2011

BY THE COMMISSION:

On April 15, 1999, the Commission, on its own motion, opened this docket to determine the level of the fund necessary to carry out the Nebraska Telecommunication Universal Service Fund Act. Neb. Rev. Stat. § 86-328 (2008) states, in pertinent part, that "Annually, the Commission shall hold a public hearing to determine the level of the fund necessary to carry out the Nebraska Universal Service Fund Act." Notice of this hearing appeared in The Daily Record, Omaha, Nebraska on May 9 and May 16, 2011, the Lincoln Journal Star, Lincoln, Nebraska on May 9 and May 16, 2011, and the Omaha World Herald, Omaha, Nebraska on May 9 and May 16, 2011 pursuant to § 86-328. A public hearing on this matter was held in the Commission Hearing Room, Lincoln, Nebraska, on May 24, 2011.

F I N D I N G S A N D C O N C L U S I O N S

Ms. Sue Vanicek, Director of the Nebraska Telecommunications Infrastructure and Public Safety Department, which administers the Nebraska Universal Service Fund (NUSF), recommended that the surcharge remain at 6.95 percent. The NUSF Advisory Board also recommended that the surcharge remain at the present level of 6.95 percent.

Ms. Vanicek based her recommendation on the lack of growth forecast for NUSF remittances for the upcoming year. Ms. Vanicek also stated that the Commission will begin assessing intrastate nomadic VoIP revenues as of May 1, 2011, and it is yet unknown the amount of additional remittances the Commission may receive from these assessments. Finally, maintaining the current surcharge level would allow the Commission to set aside funds to support the implementation of a broadband pilot program.

Mr. Andrew Newell, general counsel for Viaero, testified on behalf of Viaero Wireless. Mr. Newell stated that Viaero would recommend an increase in the surcharge to 7 percent, or another \$5,000,000.00, to be allocated for wireless broadband

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deployment. This increased amount, Mr. Newell testified, could be used by Viaero to install broadband equipment on existing towers. Recognizing that the Commission has opened a separate docket to discuss broadband implementation issues in Nebraska, Mr. Newell stated that the dedicated wireless fund would be a good model in the short term for wireless companies to apply for and receive funds for wireless broadband implementation. Finally, Mr. Newell stated that Viaero would like to see the Fund transition to focus on broadband deployment in the long-term. Mr. Newell cited a recent Morgan Stanley study that predicts more mobile Internet users than fixed Internet users by 2014, and testified that a new mechanism should be forward-looking and take into account the most efficient technology and that customers are reliant on mobile service.

Upon review of the testimony given, the Commission is of the opinion that the recommendation of Ms. Vanicek and the NUSF Advisory Board should be accepted. Maintaining the surcharge level at 6.95 percent will keep the NUSF specific, sufficient, and predictable pursuant to Neb. Rev. Stat. § 86-323. Accordingly, the NUSF surcharge should continue to be set at 6.95 percent for the fiscal year of operations beginning July 1, 2011, and extending through June 30, 2012.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that a 6.95 percent surcharge shall fund the Nebraska Universal Service Fund from July 1, 2011 to June 30, 2012.

IT IS FINALLY ORDERED that all affected telecommunications companies are hereby required to collect said surcharge and remit it to the Commission as set forth herein and in Commission Universal Service Rules and Regulations and Commission orders.

MADE AND ENTERED at Lincoln, Nebraska, this 1st day of June, 2011.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Red [unclear]
David Buehl
Gerald [unclear]

Tim Schram
Chairman

ATTEST:

Paul [unclear]
Executive Director

//s//Frank E. Landis

//s//Tim Schram