

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, 2016 THROUGH
Universal Service Fund Act) JUNE 30, 2017
effective fiscal year beginning)
July 1, 2016.)
) Entered: June 7, 2016

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, the Lincoln Journal Star, Lincoln, Nebraska, and the Omaha World Herald, Omaha, Nebraska on May 10 and May 17, 2016 pursuant to § 86-328. A public hearing on this matter was held in the Commission Hearing Room, Lincoln, Nebraska, on May 25, 2016.

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.

Ms. Vanicek testified the recommendation is premised on the fact that the uncommitted fund balance is close to the recommended minimum operating reserve and remittances are continuing to decline. Ms. Vanicek testified that remittances have been decreasing at least two percent annually since 2010. Furthermore, remittances have been decreasing at an increasing rate. Remittances for the 2014 calendar year were almost 5 percent less than the previous year, and remittances for the 2015 calendar year were almost 8 percent less than in 2014. The current remittance forecast predicts a continued decline in remittances over the next year.

Ms. Vanicek further testified about the Commission's open proceeding to examine possible changes in the contribution methodology for the NUSF. The majority of commenters advocated a numbers or connections-based contribution mechanism in order to stabilize contributions.

Budgeted expenditures for the NUSF in 2016 are roughly equal to expected remittances. If the surcharge level was reduced, it would require the need for reductions in the amounts allocated to NUSF programs and/or a reduction in the fund reserve.

The NUSF Advisory Board met on May 3, 2016 to discuss the NUSF surcharge. After deliberation, the NUSF Advisory Board voted to recommend to the Commission that the surcharge level be maintained at 6.95 percent.

Mr. Loel Brooks, entered an appearance for N.E. Colorado Cellular, Inc. d/b/a Viaero Wireless ("Viaero"), and provided testimony. Viaero recommended the Commission maintain the NUSF surcharge and explore reform to assure a stable funding mechanism and to promote the deployment of broadband throughout the state. Viaero supported the Commission's continuing initiatives to support broadband deployment and adoption projects. Viaero was particularly supportive of the Commission's recent proceedings in Dockets NUSF-100 and NUSF-102 to stabilize and reform the program.

Upon review of the testimony given, the Commission is of the opinion and finds that the recommendation of Ms. Vanicek, Mr. Brooks, 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, 2016, and extending through June 30, 2017.

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, 2016 to June 30, 2017.

IT IS FURTHER ORDERED that all affected telecommunications companies are hereby required to collect said surcharge and

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remit it to the Commission as set forth herein and in Commission Universal Service Rules and Regulations and Commission orders.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 7th day of June, 2016.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Crystal Lnoades

Tim Schram

Chairman

/s//Frank E. Landis
/s//Gerald L. Vap
/s//Tim Schram

ATTEST:

Jeff S. Raley

Executive Director