

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission,) Application No. NUSF-7
on its own motion, seeking to)
review and approve requests for)
modification of the funding) ORDER SEEKING COMMENT
calculation for the Nebraska)
Universal Service Fund (NUSF).) Entered: September 27, 2016

BY THE COMMISSION:

O P I N I O N A N D F I N D I N G S

On May 18, 1999, the Commission opened the above-captioned docket to consider specific funding requests from various companies. The Commission provided carriers with an opportunity to apply for and receive modified funding from the NUSF on a case-by-case basis. Included in this docket were a number of rural carriers and Qwest Corporation. In its Orders, the Commission found carriers were required to file an affidavit(s) that specifies the amount of additional support being requested and certifying the following:

- o The additional Nebraska Universal Service Fund monies will be used only for the purposes described in the Application.
- o On an ongoing basis, the additional Nebraska Universal Service monies will be used only for the provision, maintenance and upgrading of services that qualify for NUSF support.
- o The use of the funds received from the Nebraska Universal Service Fund will be subject to a departmental audit at the Commission's discretion.

It has been roughly a decade since the Commission has reviewed the NUSF-7 support granted to carriers. Since that time, a number of universal service policy changes have occurred on the state and federal level. Most importantly, the Federal Communications Commission (FCC) fundamentally modernized its universal service fund and intercarrier compensation system. The reformed federal universal service mechanism eliminated waste and inefficiency in order to provide more specific, targeted broadband support through the Connect America Fund model for

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

Application No. NUSF-7

Page 2

price cap carriers.¹ In the rate-of-return carrier space, the FCC adopted a voluntary path for rate-of-return carriers to elect to receive model-based support in exchange for extending broadband service to a pre-determined number of eligible locations.²

The Commission issues this Order to determine whether NUSF-7 support is still needed in certain federally supported areas, whether the investments have been fully depreciated, and whether the support provided has been used for the purpose in which it was intended.

The Commission seeks comments to determine whether any adjustments should be made. Comments responsive to the issues raised above on or before **October 28, 2016**. Commenters are free to comment on issues not raised specifically herein which are germane in this proceeding. Commenters should file one (1) paper copy and one (1) electronic copy of their Comments with the Commission. Electronic copies should be sent to Sue.Vanicek@nebraska.gov and Brandy.Zierott@nebraska.gov.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that a review be initiated and public comment be accepted on the issues described herein.

IT IS FURTHER ORDERED comments responsive to the foregoing issues may be filed on or before **October 28, 2016** in the manner prescribed herein.

¹ See *Connect America Fund, Connect America Phase II Challenge Process*, WC Docket Nos. 10-90, 14-93, Order, DA 15-383 (Wireline Comp. Bur. rel. Mar. 30, 2015); *Wireline Competition Bureau Announces Connect America Phase II Support Amounts Offered To Price Cap Carriers To Expand Rural Broadband*, WC Docket No. 10-90, 30 FCC Rcd 3905 Public Notice (Wireline Comp. Bur. 2015) ; See also *Wireline Competition Bureau Authorizes Additional Price Cap Carriers To Receive Almost \$950 Million In Phase II Connect America Support*, WC Docket No. 10-90, Public Notice, (Wireline Comp. Bur. 2015).

² *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order et al., 31 FCC 3087, 3094-3117, paras. 17-79 (2016) (*Rate-of-Return Reform Order*).

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

Application No. NUSF-7

Page 3

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska this 27th day of September, 2016.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:





Chairman

//s//Frank E. Landis

//s//Tim Schram

//s//Rod Johnson

ATTEST:



Deputy Director

COMMISSIONERS DISSENTING:

//s//Crystal Rhoades