

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
calculation for the Nebraska)
Universal Service Fund (NUSF).) Entered: November 29, 2016

BY THE COMMISSION:

On September 27, 2016 the Commission issued an order seeking comments in the above-captioned docket to revisit specific NUSF-7 support for 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.

It had been roughly a decade since the Commission had reviewed the NUSF-7 support granted to carriers. Since that time, a number of universal service policy changes have occurred both on the state and federal level. Most importantly, the Federal Communications Commission (FCC) fundamentally modernized its universal service fund and intercarrier compensation system. The Commission wanted to make sure that the continuation of NUSF-7 support was rational and still being used for the purpose in which the support was intended. Accordingly, Commission solicited comments to determine whether any adjustments should be made. Comments were filed by Qwest Corporation d/b/a CenturyLink QC and United Telephone Company of the West d/b/a CenturyLink, CTIA-The Wireless Association, and by Henderson Cooperative Telephone Company d/b/a Mainstay Communications.

CenturyLink commented that it expended the capital dollars and continues to incur the associated maintenance costs as set forth in its application in reliance on the Commission's funding commitment. CenturyLink further commented that there is no reason why recent federal support for broadband expansion and enhancement in certain areas should diminish, strip or otherwise impact NUSF-7 payments as according to CenturyLink there is no nexus or overlap between the purposes of the NUSF-7 program and the purposes of the federally supported Connect America Fund.

Likewise, Mainstay also indicated that NUSF-7 continues to be used for the purpose in which it was intended. Mainstay stated NUSF-7 waiver support is still needed to provide universal service within its service area.

CTIA commented it was important for the Commission to examine this issue. CTIA further stated that any additional

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duplicative support distorts competition and imposes an unnecessary burden on ratepayers. CTIA recommended before granting a NUSF-7 waiver the Commission should require a carrier to provide a considerable showing of changed circumstances and need based on factors not known or knowable when the carrier made its commitment to the FCC.

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

The Commission appreciates the comments received by all interested parties. We note that we are not considering granting a new waiver in this proceeding. The waivers granted were based on factors not known or knowable when the Commission transitioned from its interim to its long-term funding mechanism in 2004. These grants of support were specific to certain investments and timeframes and subject to ongoing review by the Commission.

The Commission agrees with CenturyLink and Mainstay that the NUSF-7 support continues to be necessary to the provision of universal service and our commitments to these carriers should be honored. Accordingly, after careful consideration, no changes in the overall NUSF-7 support amounts should be made. The Commission will continue to monitor the NUSF-7 support to ensure it is being used for its intended purpose.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that no changes to the NUSF-7 program will be made.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska this 29th day of November, 2016.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Gerald L. Vop
Crystal Knodes
Ed [unclear]

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

Tim Schram
Chairman

ATTEST:

Jeffrey L. Puley
Executive Director