

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Petition	)	Application No. NUSF-77
of the Nebraska	)	Progression Order No. 9
Telecommunications	)	
Association for Investigation	)	ORDER SEEKING COMMENTS
and Review of Processes and	)	AND SETTING HEARING
Procedures Regarding the	)	
Nebraska Universal Service	)	
Fund.	)	Entered: October 1, 2013

BY THE COMMISSION:

***Background***

On January 14, 2010, the Nebraska Telecommunications Association filed a petition for investigation and review of the Nebraska Universal Service Fund (NUSF) processes and procedures. Subsequently, in response to briefs and reply briefs submitted by all interested parties, the Commission determined it had the legal authority to provide NUSF support for broadband services and that it should provide support for broadband capital improvement projects. Through various progression orders, the Commission established a framework for the Nebraska Broadband Pilot (NEBP) Program.

A total of sixteen NEBP program applications were received by the Commission for 2013 calendar year support.

In Progression Order No. 8, the Commission decided to combine the Dedicated Wireless Fund program support with the NEBP program support in 2014 and allocate \$9 million in support for the NEBP which could be used for wireline and/or wireless infrastructure improvement projects.

In the current Progression Order, the Commission seeks comment on whether it should cap the amount of NEBP support by company, by project, and/or by household for the 2014 NEBP support year and going forward. Last year, the Commission requested comment on a proposal to cap NEBP support by company but found more information should be collected. The Commission has reviewed the second round of NEBP applications where the amount of support requested far exceeded the amount of support available. Though the determination has not been made for 2013 NEBP support, the Commission believes it has gathered sufficient information to revisit this issue as well

as other ways to encourage efficient and discrete broadband project proposals.

For the applications submitted for 2014 NEBP support, the Commission seeks comment on the following:

1. Should the Commission institute a company cap which would limit the amount of support awarded to a single company? Such a cap would be utilized after the Commission staff prioritized the projects and would be used to ensure that funding was available to more than one or two applicants in a given funding year.
  - a. If you recommend a company cap should be utilized what is the appropriate company cap percentage?
  - b. If the Commission imposed a 20% cap for example, a single company would be limited to \$1.8 million in NEBP support for 2014. Would 20% be an appropriate company cap? Please explain.
  - c. If you do not believe a company cap should be used, please explain.
2. In addition to, or in the alternative, should the Commission institute a per project cap? This cap would be applied on the front end of the Commission staff's analysis and would limit the size of projects to a certain funding level. The Commission believes a per project cap may encourage applicants to be more selective when designing discrete broadband projects.
  - a. If so, what would the appropriate per project cap be? Would a \$300,000<sup>1</sup> per project support cap be reasonable? If not, why wouldn't this amount be appropriate?
  - b. If a per project support cap is established, should projects where more than \$300,000 in NEBP

---

<sup>1</sup> As proposed, the \$300,000 per project cap would equal the NEBP support level per project. With the 25 percent match included, the per project cap would total \$400,000.

support is sought be placed in a lower priority group assignment compared to the projects that are at or under the \$300,000 proposed project support cap?

c. If a per project support cap is established should the Commission find the project would be supported up to, but not in excess of, the cap amount?<sup>2</sup> If not, why not?

d. If a per project support cap is established and projects where more than the cap is sought are placed in a lower priority group assignment, should the applicant be allowed to seek support up to, but not in excess of, the cap amount in order to receive a higher priority group assignment?

e. If you do not believe a per project support cap should be used, please explain.

3. In addition to, or in the alternative, should the Commission institute a cost per household support cap? The purpose of this proposed cap would be to ensure that NEBP support is based upon reasonable and efficient use of grant funds.

a. If the Commission adopts a household support cap what would the appropriate per household cap be?

b. Would \$5,000 per household be reasonable? The Commission estimates a cap of \$5,000 per household exceeds the average per household amount of all projects submitted in 2013. If the Commission adopts a cost per household cap should it be used to determine the priority assigned to the project by the Commission in a manner that does not preclude a project that exceeds the proposed cap? If a per household cap is established should the Commission find the

---

<sup>2</sup> Under this proposal the per project support cap would not disqualify a project, however the cost of the project in excess of the \$300,000 support cap would be assumed by the applicant.

project would be supported up to, but not in excess of, the cap amount?<sup>3</sup> If the Commission adopts a cost per household cap that is used to determine the priority assigned to the project but does not preclude a project that exceeds the proposed cap, should the applicant be allowed to seek support up to, but not in excess of, the cap amount in order to receive a higher priority group assignment? If not, why not?

c. If you do not believe a cost per household support cap should be used, please explain.

Interested parties may comment on the issues described above and may comment on any other issues germane to this subject matter.

#### ***Comment Period***

The Commission solicits comment on the foregoing questions. We give commenters until **October 11, 2013** to file initial comments in response to this Progression Order. 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](mailto:Sue.Vanicek@nebraska.gov) and [Brandy.Zierott@nebraska.gov](mailto:Brandy.Zierott@nebraska.gov). An electronic copy of the comments and reply comments shall also be served on all other interested parties on the Commission's service list.

#### ***Commission Hearing***

A hearing on this matter will be scheduled on **October 30, 2013** at 1:30 p.m. central time, in the Commission Hearing Room, 300 Atrium Building, 1200 N Street, Lincoln, Nebraska. The hearing will be held in legislative format.

---

<sup>3</sup> Again, the project would not be considered disqualified because of the per household cap. However, the cost of the project in excess of the cap amount would be assumed by the applicant.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that comments responsive to the foregoing issues may be filed by interested parties on or before **October 11, 2013** as provided above.

IT IS FURTHER ORDERED that a hearing on these issues will be held on **October 30, 2013** at 1:30 p.m. central time, in the Commission Hearing Room, 300 Atrium Building, 1200 N Street, Lincoln, Nebraska.

MADE AND ENTERED at Lincoln, Nebraska this 1st day of October, 2013.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chair

ATTEST:

Executive Director

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

Application No. NUSF-77  
Progression Order No. 9

Page 5

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that comments responsive to the foregoing issues may be filed by interested parties on or before **October 11, 2013** as provided above.

IT IS FURTHER ORDERED that a hearing on these issues will be held on **October 30, 2013** at 1:30 p.m. central time, in the Commission Hearing Room, 300 Atrium Building, 1200 N Street, Lincoln, Nebraska.

MADE AND ENTERED at Lincoln, Nebraska this 1st day of October, 2013.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

*Tim Schram*

*Anne Boyle*

Chair

*Bob Johnson*

*Frank E. Landis*

ATTEST:

*Steve Meradith*

Executive Director

//s//Anne C. Boyle  
//s//Frank E. Landis