

SECRETARY'S RECORD, PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska)	Application No. NUSF-2,
Public Service Commission, on its)	Progression Order No. 12
own Motion, seeking to establish)	
guidelines for the administration)	ORDER SEEKING COMMENTS
of the Nebraska Telephone)	
Assistance Program.)	Entered: July 27, 2021

BY THE COMMISSION:

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

The Nebraska Public Service Commission (Commission) opens this Progression Order to seek comment on whether to provide Nebraska Telephone Assistance Program (NTAP) support for qualifying voice-only services offered by eligible telecommunications carriers to replace the support that is phased out by the Federal Communications Commission (FCC). The NTAP was originally designed to ensure that basic telephone service remains affordable for low-income Nebraska consumers. Codified in Neb. Rev. Stat. § 86-329, the statute requires the Commission to establish the Nebraska Telephone Assistance program to promote the provision of universal service to low-income households by local exchange carriers. "Support provided by the program shall be specifically targeted to maintain affordable rates for residential basic local exchange services supported by federal and state universal service mechanisms."¹

Significant changes in technology and the regulatory changes in the telecommunications market have occurred since the NTAP was created. In response to those changes, the FCC has incorporated newer communications technologies such as broadband access into the federal Lifeline program. Similarly, the Commission has approved broadband pilot programs focused on providing discounted rates to low-income consumers.

In its 2016 Lifeline Order, the FCC decided to place greater emphasis on using Lifeline support to fund broadband services for Lifeline eligible consumers. The FCC adopted a transition period to phase down support for voice-only Lifeline services. As a result, reimbursement for voice services will be eliminated on December 1, 2021 in areas where more than one ETC is offering the supported services. The FCC carved out an exception for reimbursement for voice-only services provided to Lifeline eligible subscribers in

¹ Neb. Rev. Stat. § 86-129 (2014).

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census blocks where there is only one Lifeline provider. By June 1st of each year, the FCC releases the list of census blocks where there is only one Lifeline provider.

In its June 1, 2021 Public Notice, the Wireline Competition Bureau of the FCC identified roughly 190,000 census blocks in Nebraska where ETCs can continue to claim \$5.25 in reimbursement for voice-only Lifeline services offered to eligible subscribers after December 1, 2021.² This means there is only one ETC providing service in those census blocks. While ETCs can continue to seek reimbursement, reimbursement is limited to \$5.25 per month. Additionally, we believe that a substantial number of NTAP subscribers, subscribe to voice-only service because the subsidy is too low to permit low-income consumers from obtaining voice and broadband services or because of the lack of broadband alternatives.

This proceeding will focus on our continued commitment to ensure that Nebraskans have affordable access to voice services across the state, as federal subsidies for voice services decline or are eliminated entirely.³ The Commission seeks comment on continuing to support voice-only services and to determine the appropriate level of state funded support for these services. If the Commission decides to adopt this proposal, the Commission seeks comment on the level of the discount/reimbursement it should make available to voice-only subscribers. The Commission also seeks comment on how to verify eligibility now that it no longer does so through the federal Lifeline program. The Commission seeks comment on a verification process that encourages carriers to participate in the program and does not place additional burdens on carriers knowing they must also comply with federal verification processes.

A. Level of Support

The Commission first seeks comment on what the appropriate discount and support level should be for voice-only services.

² We recognize that there is a possibility that the Commission may reconsider its decision to eliminate support for voice-only Lifeline services. Comments on NASUCA's Reconsideration Motion are currently due on August 2nd and reply comments are due on August 17th. See also *In the Matter of State of the Lifeline Marketplace*, Reply Comments of the National Association of Regulatory Utility Commissioners (NARUC), WC Docket 11-42 (May 4, 2021).

³ In our focus on providing affordable broadband services will continue to be advanced in our NUSF-92 proceeding.

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Should the Commission replace the previous support at the levels prior to FCC's transitioned phase out of support? Prior to December 1, 2019, the FCC's voice-only Lifeline support was set at \$9.25 per month. The Commission's NTAP support which supplements the Lifeline discount is set at \$3.50. The Commission seeks comment on whether provide a support level of \$12.75 for voice-only services. In the alternative, should this discount be set at a different amount? If so, what discount and support amount is appropriate? Should we look at the average cost of the standalone voice service across the state to determine an appropriate subsidy? Should we consider support levels provided by other state programs? For example, NARUC conducted an informal survey in 2021 which yielded the following information:

- California provides a \$14.85 subsidy for cell or landline service;
- Missouri provides \$18.75 to a Lifeline landline subscriber with voice-only service or voice service bundled with a non-qualifying broadband service;
- Minnesota provides \$10.00;
- The District of Columbia provides \$9.48 per month to customers under age 65 and \$11.48 to customers 65 and older;
- Wisconsin provides up to \$9.25 depending on the provider's rate base;
- Kansas provides \$7.77;
- Oregon provides \$7.00; and
- Several states like Nebraska offer \$3.50 per month.

Should the Commission consider providing NTAP support at a level similar to any of these other states and if so, at what level?

In addition, the Commission seeks comment on whether to supplement the discount that may continue to be available for voice-only services in the census blocks where carriers can continue to receive reimbursement of \$5.25. If so, again we seek comment on the appropriate level of support. In addition, the Commission seeks comment on how to verify the eligibility of these subscribers.

Finally, the Commission seeks comment on whether it should look at a different subsidy level for those subscribers who have both

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phone and internet services? As the Emergency Broadband Benefit Program is a temporary program, the Commission seeks comment on long-term solutions for low-income subscribers. Do the current subsidies put those services out of reach for most low-income subscribers? If the Commission does set a different subsidy level for subscribers who have both phone and internet services what should it be?

B. Verification of Eligibility

In general, Lifeline subscribers apply for Lifeline support in conjunction with an eligible telecommunications carrier through the National Lifeline Accountability Database (NLAD). The Commission no longer takes an active role in enrolling subscribers or verifying eligibility. If the Commission provides a replacement for the voice-only discount, the Commission seeks comment on how to approve subscribers and verify eligibility for enrollment. Since the program would be detached from the FCC's Lifeline program requirements, how should the Commission develop a streamlined mechanism for determining eligibility and verifying support? Would the Commission be free to look at an alternative eligibility criterion such as eligibility based upon income at or below 185% of the poverty level? Would one streamlined standard make the program easier for the carriers and the Commission to administer? What documentation should be required for eligibility determinations?

Comments and Reply Comments

The Commission requests that interested parties provide comments responsive to the issues raised herein and any other issues germane to this topic on or before **September 21, 2021**. Reply comments may be filed on or before **October 5, 2021**. Commenters should file one (1) paper copy and one (1) electronic copy of their Comments with the Commission. Electronic copies should be sent to Cullen.Robbins@nebraska.gov and Brandy.Zierott@nebraska.gov.

O R D E R

IT IS FURTHER ORDERED that interested parties are invited to comment on the issues raised herein on or before **September 21, 2021** in the manner prescribed herein. Reply comments may be filed on or before **October 5, 2021**.

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ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 27th day
of July, 2021.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Rod Johnson
Crystal Hoadley
Mary Kidden
Tim Schram

Don Watson

Chair

ATTEST:

Michael S. Hyl

Executive Director