BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska Public Service Commission, on its Own Motion, to make adjustments to its high-cost distribution mechanism and make revisions to its reporting requirements.	)	Application No. NUSF-108 Progression Order No. 6 OPINION AND FINDINGS Entered: October 19, 2021

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BY THE COMMISSION:

Background

On April 27, 2021, the Nebraska Public Service Commission (Commission) entered an order to seek comments on some of the recommendations proposed by the Nebraska Rural Independent Companies (RIC) in Progression Order No. 5, as well as to consider other modifications to the distribution mechanism for rate-of-return carriers.

Comments and Reply Comments

Comments in response to the Commission's order were filed on May 28, 2021 by CTIA, the Nebraska Rural Broadband Association (NRBA), the Nebraska Rural Independent Companies (RIC), the Rural Telecommunications Coalition of Nebraska (RTCN), and Windstream Nebraska, Inc. (Windstream). Reply Comments were filed by NRBA, RIC and RTCN on June 18, 2021.

RIC proposed a number of changes to the distribution of NUSF high-cost program support and stated that the Commission has singled out locations partially funded by the federal Alternative Connect America Cost Model (A-CAM) support.[1] These locations are generally referred to as capped locations.[2] RIC stated that this situation has been and is creating "haves" and "have nots" among Nebraska consumers.[3]

As it related to broadband deployment support, or BDS, RIC recommended the Commission eliminate ineligibility of capped locations served by A-CAM electing rate-of-return carriers and adopt its overearnings proposal.[4] RIC proposed that calculation of the amount of eligible BDS for any such capped location could be determined through the use of the SBCM by permitting BDS support for only the percentage of investment that is not recovered after subtracting federal support per location and federal benchmark revenue ($252.50) from the SBCM-determined location cost.[5] RIC also proposed that the SBCM should continue to be used by the

[1] *See* Comments of the Nebraska Rural Independent Companies (filed May 28, 2021)("RIC Comments").
[2] *See* RIC Comments at 4.
[3] *Id*.
[4] *See* RIC Comments at 8.
[5] RIC Comments at 10.

Commission to identify the investment amounts required for the deployment of 25/3 Mbps-capable networks.[6] RIC also recommended that BDS allocations for capped locations would be earmarked in the NUSF project approval process for a specific year, and that support would then be explained in the following year's filings.[7] RIC stated that the Commission should not be concerned about carriers that are earning above the prescribed rate of return receiving additional support for capped locations. Rather, RIC argued that providing BDS support would enhance the use of support for network deployment/investments because BDS would be used for additional broadband build out.[8]

RIC recommended the Commission adopt its Overearnings Proposal which would allow a carrier to use its overearnings as additional BDS provided that any such additional BDS allocation is subject to the budget limitation for rate-of-return NETCs applicable in any given year.[9] In addition, where the NUSF-EARN Form shows that a rate-of-return NETC over-earned, the carrier's initial ongoing support as calculated by the Commission's NUSF distribution model would be separately identified.[10] The amount of the additional BDS would be capped at the NETC's SBCM-determined base total ongoing model support amount, and using the same process applicable to other BDS locations, the additional BDS would be required to be used for projects within the NETCs service area to provide access to fiber based broadband at minimum speeds of 25/3 Mbps within a time frame and in accordance with additional requirements identified by the Commission.[11]

RIC recommended that to avoid creating issues with the current 2021 budgets, and to provide adequate time to implement changes to the high-cost mechanism, implementation should occur January 1, 2022.[12] RIC stated that if there were areas where a carrier did not have an area available for BDS support and was overearning, the Commission should take into account the specific facts and circumstances that exist at the time of the need for carriers serving capped locations.[13] RIC recommended the Commission

[6] *See* RIC Comments at 9.
[7] RIC Comments at 13-14.
[8] *See* RIC Comments at 14-15.
[9] *See* RIC Comments at 18-20.
[10] *See id.*
[11] *See id.*
[12] *See* RIC Comments at 21.
[13] *See id.*

consider the other issues raised in its April 27, 2021 Order in a separate proceeding.[14]

In its Reply Comments, RIC stated it demonstrated that adoption of its BDS proposal in its entirety was supported by the facts, law, and public policy.[15] RIC stated that both NRBA and RTCN supported a separate allocation for capped locations.[16] RIC stated that RTCN took a concurring position relative to the provisioning of capped locations inasmuch as both groups supported a separate accounting of BDS used for capped locations, the affirmation that there should not be duplicative universal service fund support, the Commission should retain its current rural area definition, and there should be no per-location cap.[17] RIC acknowledged that the use of overearnings to fund BDS for capped locations is, however, only one source of funding that could be made available to build 25/3 Mbps to capped locations.[18] The Commission could also revise the allocation of the overall high-cost budget between price cap and rate-of-return carriers, use uncommitted funds, possible grants of Broadband Bridge Act support, and possible federal funding.[19] RIC expressed concern about the other issues raised in the Commission's April 27 Order and recommended that the issues be addressed in additional proceedings to avoid delays in adopting the RIC BDS proposal.[20]

CTIA commented that consideration of the changes suggested in Progression Order No. 6 were inadvisable at this time.[21] Rather, CTIA suggested the Commission should wait until the next round of appropriated federal funding coming to Nebraska for broadband deployment is determined.[22] CTIA further stated that any changes to the NUSF should focus on reducing the burden on Nebraska customers.[23]

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[14] *See* RIC Comments at 22.
[15] *See* Reply Comments of the Nebraska Rural Independent Companies (filed June 18, 2021) at 5 ("RIC Reply Comments").
[16] *See* RIC Reply Comments at 5-6.
[17] *See* RIC Reply Comments at 7-8.
[18] *See* RIC Reply Comments at 12.
[19] *See id.*
[20] *See* RIC Reply Comments at 14.
[21] *See* Comments of CTIA in Response to Progression Order No. 6 in Application No. NUSF-108 (filed May 28, 2021) at 1 ("CTIA Comments").
[22] *See* CTIA Comments at 2.
[23] CTIA Comments at 5.

The NRBA opposed many of the changes RIC was advocating.[24] The NRBA stated that for the most part, the Commission completed its major overhaul of the NUSF support system this year.[25] The NRBA opposed changes to the over-earnings redistribution stating that reform was carefully crafted through more than six years of meticulous deliberation by the Commission and the system was created workable incentives and accountability for the large majority of Nebraska rate-of-return carriers.[26] The NRBA stated that the mechanism should not be modified to primarily benefit a small group of carriers whose NUSF-EARN Form filings show them to be the highest-earning and slowest to deploy broadband infrastructure.[27] However, the NRBA stated that for carriers with exchanges that remain significantly unserved or underserved, the Commission should specifically allocate BDS on an exchange-by-exchange basis.[28]

The NRBA also supported adjustments to allocations for ongoing support. According to the NRBA, ongoing support is necessary when the costs of operating and maintaining infrastructure that is needed to meet the standards in state law exceed what would allow limited rate-of-return from customer revenues for affordable services.[29] The NRBA agreed that the general issue of transition from BDS to ongoing support needed to be addressed more clearly by the Commission.[30] The NRBA suggested that ongoing support must only go to quality infrastructure, should be subject to the Commission's budget controls, must reflect the support the carrier is receiving under federal programs, and must remain subject to restrictions on earnings as established by the Commission in previous proceedings.[31]

The NRBA provided comments response to the other questions raised by the Commission in its April 27 Order. The NRBA opposed the transferability of support to affiliated providers.[32] The NRBA stated that if carriers wished to consolidate their study areas,

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[24] *See* Comments of the Nebraska Rural Broadband Association (filed May 28, 2021)("NRBA Comments").
[25] *See* NRBA Comments at 2.
[26] NRBA Comments at 4.
[27] *Id.*
[28] *See* NRBA Comments at 5.
[29] NRBA Comments at 6.
[30] *See id.*
[31] *See* NRBA Comments at 7.
[32] *See id.*

there was a process at the FCC that allowed them to do so.[33] The NRBA also pointed to the newer speed standards in LB 338 as guidance for the Commission stating that new broadband infrastructure must be scalable to 100/100 to qualify for BDS in the NUSF program.[34] The NRBA recommended the Commission not expend time or resources conducting an exhaustive study of the SBCM but rather follow the FCC's Digital Opportunity Data Collection mechanism.[35] Finally, the NRBA did not oppose the Commission's exercise of authority over affordability of broadband, however, it cautioned the Commission against setting prescriptive rates.[36]

In its reply comments, the NRBA stated it would be misguided for the Commission to reverse several important NUSF reform policies formally established in recent years.[37] The NRBA stated that the same carriers, who now complain about discriminatory treatment, were the recipients of significant increases in federal universal service fund support under the A-CAM model they pushed.[38] The NRBA stated that the record in Progression Order No. 3 demonstrated that some of their carriers struggled to service debt they had assumed in anticipation of stable federal funding and were negatively impacted.[39] The NRBA stated that claims of discrimination were based on sheer hypocrisy should not have been heeded to the extent that they have.[40] Accordingly, the NRBA commented, the Commission should close this proceeding.[41] Finally, the NRBA stated the Commission would be well-advised to return, after it has administered the 2021 Broadband Bridge Program, to study the important questions it has asked.[42]

The RTCN stated that it previously opposed and continues to oppose RIC's recommendation relative to over-earning redistribution.[43] The over-earning redistribution process has, in part, bolstered the total amount of ongoing support available for

[33] NRBA Comments at 8.
[34] *See id.*
[35] *See* NRBA Comments at 10.
[36] *See id.*
[37] *See* Reply Comments of the Nebraska Rural Broadband Alliance (filed June 18, 2021) at 2 (NRBA Reply Comments).
[38] *See* NRBA Reply Comments at 4.
[39] *See id.*
[40] *See* NRBA Reply Comments at 5.
[41] *See id.*
[42] *See id.*
[43] *See* Comments of the Rural Telecommunications Coalition of Nebraska (filed May 28, 2021) at 2 ("RTCN Comments").

eligible carriers despite limited funding in the NUSF according to RTCN.[44] RTCN stated the Commission must guarantee that the percentage of overall support allocated to ongoing is sufficient to allow for the preservation of existing broadband networks and the maintenance of financial obligations undertaken to serve customers using those networks.[45]

The RTCN did however support the establishment of a separate allocation for BDS support for capped locations because it will allow greater transparency to this support category.[46] However, the RTCN stated, it should not be prioritized over allocations for ongoing support and deployment support.[47] In addition, RTCN stated, increasing support to capped locations places carriers who have previously taken prudent risks to deploy broadband to their customers at a distinct disadvantage.[48]

The RTCN stated the Commission should continue to apply the earnings limitation when determining support for capped locations, using the Commission's NUSF-EARN Form.[49] The RTCN stated earnings limitations are an important part of the Commission's budget control mechanism for deployment cost reimbursement.[50] The RTCN stated it did not oppose the implementation of a per location cap on support, however, the Commission must heed the Legislature's directive that all Nebraskans without regard to their location have comparable access to telecommunications services.[51]

The RTCN emphasized the importance of ongoing support. The RTCN members stated that many of their members built out their networks using primarily private equity and federally-backed loans, not direct support.[52] Ongoing support ensures that operating and maintenance expenses for existing broadband infrastructure investments are met.[53] Carriers which have fully built out their networks continue to incur capital expenses.[54] The RTCN recommended

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[44] RTCN Comments at 2.
[45] *Id.*
[46] *Id.*
[47] *See* RTCN Comments at 2-3.
[48] *See id.* at 3.
[49] *See id.* at 4.
[50] *See id.*
[51] RTCN Comments at 5.
[52] *See* RTCN Comments at 6.
[53] *Id.*
[54] *Id.*

the Commission adjust the percentages of support to account for increasing deployment.[55] The RTCN stated the Commission should strongly consider increasing the ongoing support allocation percentage above 2020 levels.[56]

The RTCN opposed affiliate transfers of high-cost support.[57] The RTCN stated permitting affiliate transfers of high-cost support would require the Commission to devote resources and develop safeguards ensuring such affiliate transfers are proper.[58] On the balance, the RTCN stated, the hypothetical benefit of permitting affiliate transfers appears to be outweighed by the real cost and effort required of the Commission to properly regulate them.[59]

With respect to speed requirements, the RTCN recommended the Commission incentivize but not require a 100/100 Mbps speed standard for the receipt of ongoing support.[60] As a matter of fairness, the RTCN opposed the elimination of ongoing support for 25/3 Mbps capable infrastructure as carriers have deployed 25/3 Mbps infrastructure and based their investment decisions in part on the stability of ongoing support for such deployments.[61]

The RTCN continued to support the use of the State Broadband Cost Model (SBCM) for the modeling of support.[62] The RTCN stated the SBCM provides a simple, predictable, and adequate basis for estimating the costs of broadband support.[63]

Finally, while the RTCN acknowledged the Commission's ability to ensure affordability, they believed targeted relief to ensure affordability for low-income Nebraskans is the best approach for addressing the issue.[64] Also, the RTCN stated that while affordability issues may exist in limited circumstances,

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[55] *See* RTCN Comments at 7.
[56] *See id.*
[57] *See* RTCN Comments at 8.
[58] *Id.*
[59] *Id.*
[60] *See* RTCN Comments at 9.
[61] *See id.*
[62] *See* RTCN Comments at 11.
[63] *Id.*
[64] *See id.*

availability continues to represent a far greater barrier to broadband adoption than affordability.[65]

In its Reply Comments, the RTCN emphasized that ongoing support is necessary and should continue.[66] RTCN recommended the Commission consider adjustment or reforms to ongoing support as follows: ongoing support allocation should equal or exceed the percentage from the 2020 distribution amounts; the Commission should strongly consider increasing the ongoing support allocation above 2020 levels; it must include a simple, predictable and efficient means for adjusting the ongoing support allocation upwards each year to account for increased deployment in the preceding year; and the mechanism should be reviewed annually with opportunity to comment on necessary adjustments.[67] The RTCN also stated that additional state and federal funds should not delay reforms to the Commission's ongoing support mechanism.[68]

Windstream recommended support for transitioning all NUSF programs to a grant-based process and prioritizing deployment of broadband services in underserved and unserved areas in Nebraska.[69] Windstream stated that it understands that ongoing support is certainly contemplated under the NUSF.[70] Windstream stated that some carriers make a windfall with funds they receive from the federal and state universal service funds and those windfalls are used to provide payouts to coop members or customers and to overbuild in areas outside of the carriers' territories.[71] Windstream stated that the Commission has already begun to move toward more grant-based support, and both the executive and legislative branches have shown a strong preference for new broadband infrastructure investments.[72]

Windstream recommended the Commission establish more detailed guidelines for speed test results submitted under Section 5 of LB 338, either to create a standard set6 of criteria for requested

[65] RTCN Comments at 12.
[66] *See* Reply Comments of the Rural Telecommunications Coalition of Nebraska (filed June 18, 2021) at 1 ("RTCN Reply Comments").
[67] *See* RTCN Reply Comments at 2.
[68] RTCN Reply Comments at 3.
[69] *See* Initial Comments of Windstream (filed May 28, 2021) at 1 ("Windstream Comments").
[70] *See* Windstream Comments at 2.
[71] Windstream Comments at 1.
[72] Windstream Comments at 2.

speed tests or establish what criteria much be included in a request from the Commission to conduct speed tests.[73]

Windstream recommended the Commission retain the current SBCM but revisit the SBCM in the next few years.[74] Windstream stated that after the implementation of the FCC's Digital Opportunity Data Collection mechanism, the Commission may find it can rely on data from the FCC without a need to supplement it with its own data collection effort.[75]

Relative to affordability, Windstream recommended the Commission undertake a study to better determine the scope of the problem before endeavoring to create parameters or benchmarks for carries.[76] In addition, there may be a federal affordability program implemented in the near future which could provide additional support to consumers.[77]

Commission Hearing

On August 18, 2021, the Commission held a hearing on the issues outlined in its April 27, 2021, Order. The hearing was held by videoconference. Appearances were entered as indicated above.

Mr. Cullen Robbins, Director of the Communications and Nebraska Universal Service Fund Department at the Commission, provided the Commission with an overview with respect to the allocation of support to rate-of-return carriers as well as the staff perspective on some of the larger questions posed in this docket.[78] Mr. Robbins stated that every census block in a carrier's territory goes through a series of steps to determine how it should be classified.[79] These include factors such as whether the block is rural or urban, A-CAM eligible, and if so, is it a capped location that has been built to 25/3 Mbps.[80] If it is not an A-CAM block, we check to see whether it is 25/3 Mbps capable.[81] If the census block is not 25/3 Mbps capable, then it is eligible for BDS

[73] *See* Windstream Comments at 2-3.
[74] Windstream Comments at 3.
[75] *Id.*
[76] *See* Windstream Comments at 4.
[77] *Id.*
[78] *See* Testimony of Cullen Robbins, Hearing Transcript (TR) at 11:17-12:2.
[79] TR 13:22-24.
[80] TR 13:24-14:3.
[81] *Id.*

support.[82] If it is 25/3 Mbps capable, the question then becomes whether that service is being provided by the carrier itself or a competitor, and, further, has the NUSF directly paid for the buildout of that block with BDS.[83] Mr. Robbins stated that all of these steps determine whether a block should be eligible for any support at all and, if so, whether it is eligible for both CapEx and OpEx or just OpEx, which are portions of the modeled cost for those blocks.[84] In addition, Mr. Robbins stated, since the Commission has a limited budget all of the relative demand is aggregated by a company, and each receives a proportional amount based on that relative demand.[85] With respect to the Commission's allocation mechanism, it is designed with the idea that as areas are built out with BDS, they receive ongoing support once the project is completed.[86]

Mr. Robbins stated that over the last few years, more and more areas are eligible for ongoing support and fewer areas are eligible for BDS.[87] He stated that the Commission restricted itself a little when it made the determination to fix those percentages of support that would go to ongoing and to BDS allocations.[88] The Commission has been at a 57 percent ongoing and 43 percent BDS split in the first few years of the program.[89] This split was based on the general overall OpEx and CapEx split of all of the blocks that were initially eligible for support.[90] If the Commission decides to use a split that is based on the OpEx and CapEx required for all of the rate-of-return blocks that have already been built, the Commission would have a split that is very similar to what it has today which is 56.5 percent to ongoing and 43.5 percent to BDS.[91]

Mr. Robbins explained that for the current payment year, of the $11.1 million that is provided as ongoing support, about $2.7 million of that is redistributed among underearning companies.[92]

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[82] TR 14:4.
[83] TR 14:5-9.
[84] TR 14:10-15.
[85] TR 14:16-19.
[86] TR 14:20-24.
[87] TR 15:8-10.
[88] *See* TR 15:11-15.
[89] *See* TR 15:21-23.
[90] TR 15:23-25
[91] *See* TR 16:1-10.
[92] TR 16:14-17.

Of the 32 entities that are eligible to receive support, 21 of the 32 receive redistributed ongoing support.[93] He stated that it was the staff's position that redistribution of overearnings is a rational approach on how ongoing support should be allocated.[94] He stated that this was not a new practice and carriers should be aware of ways to be below the earnings cap to remain eligible for ongoing support.[95] One of the primary ways this can be accomplished, Mr. Robbins stated, is for carriers to increase investment in their own network.[96]

In addition, Mr. Robbins stated, the Commission is being asked to change its prior findings relative to BDS support for capped locations.[97] Mr. Robbins stated that the Commission does provide ongoing support to capped locations, approximately $2 million per year.[98] However, if a carrier had already hit the earnings cap and wasn't eligible for ongoing support, no additional support was received if they had built out to a capped location.[99] Mr. Robbins explained the general challenge with supporting capped locations which is that the carriers receive monthly support amounts for capped locations through the entire term of the A-CAM while in some cases there is no obligation to build anything to those locations.[100] This makes it difficult to reconcile with a program that is set up to provide support for the full cost of construction.[101]

Mr. Robbins indicated that the approach suggested by RIC where the $252.50 capped monthly support amount per location and the full modeled monthly costs are compared to arrive at a percentage of the cost covered and then applied to the modeled total investment to determine a potential reimbursement amount was a rational approach and could be implemented if the Commission so chooses.[102] He recommended that if the Commission were to do that, it would apply only to those blocks that have not already been

[93] TR 16:18-20.
[94] TR 16:21-24.
[95] *See* TR 16:25-17:3.
[96] TR 17:4-6.
[97] *See* TR 17:9-11.
[98] TR 17:12-15.
[99] TR 17:16-20.
[100] *See* TR 17:21-18:4.
[101] *See id.*
[102] TR 18:5-14.

built to upgraded speeds.[103] He stated that the Commission could create a separate additional allocation for BDS for capped locations somewhat similar to the initial year in Progression Order No. 4.[104] The Commission would only include capped locations as eligible for that support.[105] The support would be allocated to the companies with eligible areas according to the relative overall demand. [106] Mr. Robbins suggested that carriers would be able to utilize that support much like the existing BDS where they would notify the Commission of the census blocks they intend to build to and would receive reimbursement once the costs have been verified through the submission of documentation.[107] The maximum reimbursement amount on a block-by-block basis for capped locations would be determined according to the RIC suggested methodology.[108] Mr. Robbins stated that he would continue to recommend that this additional bucket of BDS support is not subject to the earnings test so that the households in these areas have the opportunity to get expanded service extended to them.[109] Finally, any locations built through BDS or other NUSF funds, whether capped or otherwise must by 100/100 Mbps capable.[110]

Mr. Scott Schultheis, a principal of Reynolds, Schultheis Consulting, Inc., offered testimony for RIC. Mr. Schultheis stated that RIC requests that the Commission take action in response to Progression Order No. 6 in a manner consistent with RIC's comments and reply comments.[111] First, he stated, there should be revisions to the current Commission policy disallowing BDS for capped locations.[112] The second issue, he stated, was whether the Commission should approve the use of a carrier's overearnings as a NUSF BDS funding source for building fiber broadband networks to unserved and underserved locations in the overearning carrier's service area.[113]

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[103] TR 18:15-18.
[104] TR 19:1-5.
[105] TR 19:6-7.
[106] TR 19:8-10.
[107] TR 19:11-16.
[108] TR 19:17-22.
[109] TR 19:23-20:2.
[110] *See* TR 20:13-16.
[111] *See* Testimony of Scott Schultheis, TR 25:3-6.
[112] *See* TR 25:15-19.
[113] TR 26:3-9.

Relative to NUSF BDS eligibility, Mr. Schultheis stated that RIC has demonstrated that allowing NUSF BDS support for capped locations will increase broadband deployment in rural areas of Nebraska at speeds consistent with legislative policy.[114] He further elaborated that the impact of the Commission's current NUSF BDS distribution policy which denies BDS support for capped locations is illustrated by the color-coded map which was received into the record as Exhibit No. 7.[115] Mr. Schultheis stated that the map illustrates that over 12,000 locations are capped locations. Those yellow highlighted areas have customer density of less than one customer per square mile.[116] Mr. Schultheis stated that for RIC members, in aggregate, the unfunded amounts are approximately $83 million.[117] To be clear, he stated, RIC is not asking the Commission to provide duplicate universal service support for capped locations.[118] To illustrate his point, Mr. Schultheis provided a hypothetical example of how the provision of supplemental NUSF BDS support could work for capped locations.[119] This example was marked as Exhibit No. 8 and received into the record.[120]

With respect to the issue of using overearnings to fund build-out to capped locations Mr. Schultheis stated the Commission should not foreclose a carrier's overearnings as a potential BDS funding source.[121] He contended that allowing the use of overearnings to build out partially funded locations will provide incentives for increased deployment of broadband to consumers consistent with Legislative goals and the use of funds would be limited to building fiber-based broadband capable networks.[122]

In response to other carrier's arguments, Mr. Schultheis stated that they did not present any data to rebut RIC's evidence provided in its comments establishing the unfunded costs to build out to capped locations, nor did they cite to any legislative or

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[114] TR 26:19-21.
[115] *See* TR 28:7-14.
[116] TR 28:15-23.
[117] *See* TR 31:8-13.
[118] TR 33:21-24.
[119] *See* TR 34:4-35:18.
[120] *See* TR 55:11-18.
[121] TR 36:6-9.
[122] *See* TR 36:10-37:24.

Commission policy that would be violated by the Commission's implementation of the RIC BDS and overearnings proposal.[123]

Upon questioning, Mr. Schultheis stated that the capped locations are locations where the FCC model does not provide full support. It was not correct to say that carriers would not build to any of those locations.[124] Mr. Schultheis also stated that extending the A-CAM for six years would not recover all of the investment and all of the costs that's associated with operating the networks.[125] When asked about other sources of funding, Mr. Schultheis stated that the more funding the better.[126] If funding is available via BDS, then the carrier would have an opportunity to use that funding from the BDS.[127] Mr. Schultheis stated that while he cannot speak for all the companies in RIC, fiber is the most popular technology used.[128] Many of the RIC companies that Mr. Schultheis works with are only using fiber for their technology to deploy broadband in these rural areas using BDS support.[129]

Ms. Stacey Brigham, regulatory director for TCA Inc., testified on behalf of the NRBA. The NRBA was frustrated with the pressure put on the Commission to reconsider several critical elements of NUSF reform.[130] Ms. Brigham stated that we all need to be moving forward, not backwards.[131] The NRBA opposes the request of the RIC that the Commission ignore earnings cap for subsidized and regulated monopolies that are behind in broadband deployment.[132]

The NRBA believed many of the RIC group's concerns with regard to administration of high-cost support to capped A-CAM locations could be resolved by bifurcating broadband deployment support (BDS) and ongoing support as the Commission has suggested.[133] Ms. Brigham stated that RIC is wrong in attempting to characterize the

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[123] *See* TR 38:7-19.
[124] *See* TR 40:18-19.
[125] TR 42:1-4.
[126] TR 45:25.
[127] TR 46:4-10.
[128] TR 54:17-21.
[129] TR 54:21-25.
[130] TR 57:10-13.
[131] TR 58:11-15.
[132] TR 58:19-25.
[133] See TR 59:1-7.

current NUSF-108 PO 4 mechanism as not providing BDS.[134] She stated that the Commission combines BDS and ongoing support and pays all support on a recurring basis after proof of deployment.[135] The NRBA does not oppose bifurcating BDS and ongoing support for capped A-CAM locations.[136] But, she stated, the Commission should not increase BDS to capped locations.[137]

Ms. Brigham also emphasized that ongoing support is critical when the costs of operating and maintaining infrastructure that is needed to meet the standards of state law exceed what would allow limited rate-of-return from customer revenues for affordable services.[138] The NRBA supports the RTCN in asking the Commission to determine how to transition BDS to ongoing support after the eligible costs of deployment have been reimbursed.[139]

The NRBA opposed RIC's proposal as it related to transferability among affiliated providers.[140] Ms. Brigham stated that the Commission wisely tightened its rules to prevent gamesmanship with support that led to problems with deployment and it should not loosen them now.[141]

With respect to speed metrics and affordability, the NRBA supported an increase in the standards to 100/100 and stated that affordability may be achieved through the Broadband Bridge Act Program and Reverse Auctions. Ms. Brigham stated the Commission should not use subsidies to prop up obsolete infrastructure.[142] Ms. Brigham stated that while the NRBA does not question the Commission's authority to regulate affordability of supported services, it should use other programs to achieve affordability such as the Broadband Bridge Program and the Reverse Auction process in Rule and Regulation No. 202 if rates are too high.[143]

Mr. Loel Brooks testified on behalf of CTIA. He stated that CTIA urged the Commission to wait with the changes recommended by RIC in large part because of the pending distribution of state and

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[134] TR 59:13-15.
[135] TR 59:15-20.
[136] *See* TR 59:24-60:4.
[137] *Id*.
[138] TR 60:17-22.
[139] *See* TR 60:23-61:3.
[140] TR 61:4-9.
[141] TR 61:10-13.
[142] *See* TR 62:11-13.
[143] *See* TR 62:14-63:3.

federal subsidy dollars which could dramatically change the landscape of broadband deployment in Nebraska.[144] Mr. Brooks stated that subsequent to the Commission releasing this order, the Broadband Bridge Act support has been made available.[145] Mr. Brooks stated that we also had recognition that the American Rescue Plan Act had been adopted and awarded $2.3 billion to the State of Nebraska.[146] Then on June 4th, he stated, there was a notice of funding opportunity under the Consolidated Appropriations Act that offered another $300 million for broadband infrastructure programs.[147] This amount of federal funding is being done independently of the federal and state universal service fund programs.[148] Accordingly, Mr. Brooks stated, the policies of the state need to be made in consideration of the huge amounts of federal money that will soon hit the state and some of which is going out now.[149]

Mr. Russell Westerhold testified on behalf of the Rural Telecommunications Coalition of Nebraska (RTCN). Mr. Westerhold stated that RTCN's main point of interest in this proceeding is the Commission's inquiry on reforming the ongoing support allocation methodology.[150] The RTCN believes ongoing support continues to be an important and necessary component of overall NUSF.[151] Mr. Westerhold stated that RTCN agrees that ongoing support should not be static but rather should change based on deployment progress.[152]

In response to questions, Mr. Westerhold stated that the staff's proposal to have a separate or third bucket of money for the capped locations appears logical.[153] However, he stated, RTCN does not agree with RIC's proposal to eliminate the overearnings redistribution process.[154]

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[144] *See* TR 69:8-16.
[145] *See* TR 69:17-23.
[146] TR 69:24-70:1.
[147] TR 70:2-5.
[148] *See* TR 70:14-22.
[149] TR 72:1-5.
[150] TR 81:19-23.
[151] *See* TR 82:1-3.
[152] TR 82:4-8.
[153] *See* TR 85:17-19.
[154] *See* TR 86:10-87:4.

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

Support Provided to Capped Locations

In awarding support to rate-of-return carriers, the FCC provided rate-of-return carriers a voluntary path to electing model-based support using the Alternative Connect America Model (A-CAM) which was a cost model like the one adopted for price cap carriers, tailored to reflect the specific requirements in rate-of-return areas. The A-CAM model was used to establish fixed support amounts over a ten-year term in exchange for broadband deployment to a pre-determined number of eligible locations at speeds of 4/1 Mbps, 10/1 Mbps, or 25/3 Mbps.[155] A-CAM offer amounts and deployment obligations were predicated on a monthly funding cap of $200 per location.[156] The other pathway for rate-of-return carriers was to elect legacy universal service support. As it relates to locations where the modeled cost of deployment exceeds the funding cap plus expected revenue the Commission has provided a mechanism where the carrier could recover additional NUSF budget adjusted support once the location was built to at a minimum speed of 25/3 Mbps as long as the carrier was not earning in excess of the Commission prescribed rate-of-return cap. In the initial year of support for these "capped locations" the Commission specifically allocated support that was separately identified apart from the carrier's BDS support and ongoing support. However, for administrative efficiency, the Commission indicated that this support would be collapsed into the ongoing support bucket to be allocated to the carrier once documentation about deployment was provided.

RIC previously filed comments urging the Commission to modify the high-cost distribution mechanism arguing primarily that the Commission has singled out locations partially funded by the federal Alternative Connect America Cost Model (A-CAM) support in

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[155] *See Connect America Fund, ETC Annual Reports and Certifications, Developing a Unified Intercarrier Compensation Regime*, WC Docket No. 10-90, et al., Report and Order, Order on Reconsideration, and Further Notice of Proposed Rulemaking, 31 FCC Rcd 3087, 3094-3117, paras. 17-79 (2016 Rate-of-Return Reform Order).

[156] *See Wireline Competition Bureau Announces Support Amounts Offered to Rate-of-Return Carriers to Expand Rural Broadband*, WC Docket No. 10-90, Public Notice, 31 FCC Rcd 8641, 8642 (WCB 2016) (A-CAM Offer Public Notice). See also In the Matter of Connect America Fund et al., WC Docket NO. 10-90; REPORT AND ORDER, FURTHER NOTICE OF PROPOSED RULEMAKING, AND ORDER ON RECONSIDERATION, 33 FCC Rcd 11893, 11896, at para. 8 (December 13, 2018)(A-CAM Revised Offer Order).

a manner that is discriminatory.[157] In addition, RIC argues that this situation has been and is creating "haves" and "have nots" among Nebraska consumers.[158]

Other commenters challenged RIC's assertion that the Commission's mechanism was discriminatory, nonetheless, agreed that the Commission should separate the funding for capped locations into a third bucket which would be more transparent for all carriers. There was general agreement that this support should be categorized as separate support for capped locations and that such support, subject to the same budget limitations, should be considered deployment support.

The Commission disagrees with RIC's characterization that the mechanism established by the Commission is discriminatory. Rather, the Commission's decisions have been carefully crafted to consider the amount of support and the mechanism by which federal universal service funding has been provided to rate-of-return carriers and price cap carriers receiving funding from separate federal universal service fund mechanisms. As the Commission previously determined it was difficult to discern where the A-CAM model investment would occur and where targeted NUSF support should be applied.[159] The Commission was concerned about providing duplicative support to carriers based upon undetermined investment decisions that were to occur over the course of the FCC's 12-year funding commitment.[160]

The Commission further disagrees that it has created "haves" and "have nots." Rather, the carrier's own decisions have created "haves" and "have nots" among its consumers. A carrier's internal investment decisions should not be imputed to the Commission. Notwithstanding, the Commission also believes that Nebraska consumers should not be penalized for a carrier's decision to not

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[157] *See* RIC Comments at 4.
[158] *See id.*
[159] *See In the Matter of the Nebraska Public Service Commission, on its own Motion, to Make Adjustments to its High-cost Distribution Mechanism and Make Revisions to its Reporting* Requirements, NUSF-108 PO 3, FINDINGS AND CONCLUSIONS (November 19, 2018) at page 45.
[160] *See A-CAM Revised Offer Order*, 33 FCC Rcd 11893,11902, para. 28 (Adopting a modified term of support and deployment milestones for A-CAM carriers. The term of the revised offer started beginning January 1, 2019 and runs until December 31, 2028, extending A-CAM by two years for carriers that elected this revised offer.)

deploy broadband in the absence of specific subsidies. Accordingly, we find that a separate, third bucket of support should be made available as deployment support for capped locations. As discussed further below, this third allocation will be an additional allocation of support which will increase the rate-of-return carrier budget, rather than an allocation taken from the overearnings redistribution. The amount of the BDS support for capped locations will initially be set at $2 million annually but will be subject to review on a regular basis. Similar to the treatment of BDS allocated to rate of return carriers in recent years for unfunded locations, we find the allocations of BDS for capped locations (BDS-CL) will not be subject to earnings limitations. The timeline for the use of the BDS-CL will be the same timeline that is applied for BDS generally. Additionally, consistent with RIC's proposal, any such additional BDS allocation for a ROR is subject to the budget limitation for ROR carriers applicable to any given year.[161]

Overearnings Redistribution

The overearnings redistribution process in the Commission's annual high-cost support determination starts with support that a ROR carrier is not eligible to receive by virtue of the fact that they are earning in excess of the Commission prescribed rate-of-return cap. That support is then distributed to other qualifying ROR carriers that are eligible for additional support and are under the earnings cap. As Mr. Robbins stated in his hearing testimony, there are ways that ROR carriers can avoid this issue which would include increasing investment in their own network.[162]

RIC advocates that where the NUSF-EARN Form shows that a ROR carrier over-earned, that ROR carrier's initial ongoing support as calculated by the Commission's NUSF distribution model should be separately identified and available to the ROR carrier as additional BDS support. RIC proposed that the BDS support amount should be capped at that ROR's SBCM-determined Base Total Ongoing Model Support Amount. Further, RIC proposed that the additional BDS representing the overearnings of the ROR must be used for projects within the ROR carriers service area to provide access to

[161] *See* RIC Comments at 18.
[162] TR 17:4-7.

fiber-based broadband at minimum speeds of 25/3 Mbps within a time frame established by the Commission.[163]

The NRBA challenged RIC's argument as an attempt to override Commission's decisions relative to incentives and accountability for ROR carriers. The NRBA argued the over-earnings distribution process should not be modified to primarily benefit a small group of carriers whose NUSF-EARN Form filings show them to be the highest-earning and slowest to deploy broadband infrastructure.[164] The RTCN also oppose RIC's proposal regarding the overearning distribution process.

The Commission agrees with the carriers recommending that we retain the current overearnings redistribution process. This process has bolstered the total amount of ongoing support available for eligible carriers despite limited funding.[165] This process also incentivizes carriers to continue to invest in their network in order to be eligible for additional ongoing support. As the Commission is adopting RIC's proposal relative to a separate allocation for capped locations and providing the support by increasing the ROR carrier budget, the Commission finds there is no reason to remove overearning redistribution process from the high-cost distribution mechanism.[166]

Adjustments to Allocations for Ongoing Support

The Commission sought comments on whether to make adjustments to allocations for ongoing support to reflect changes in the percentage of census blocks that are increasingly being built-out. Mr. Robbins testified that the Commission perhaps restricted itself by setting a fixed percentage but not making it clear that the ongoing and BDS split should be adjusted as more infrastructure is built out. Mr. Robbins stated that we have been at a 57 percent ongoing and 43 percent BDS split in the first few years of the program.[167] He stated that the Commission based that generally on the overall OpEx and CapEx split of all the blocks that were initially eligible for support.[168]

[163] *See* RIC Comments at 19.
[164] *See* NRBA Comments at 4.
[165] *See* RTCN Comments at 2.
[166] *See* RIC Reply Comments at 12. (Suggesting that the Commission could utilize other sources to fund BDS for capped locations.)
[167] *See* TR 15:21-25.
[168] *See* TR 15:23-25.

The Commission agrees that this split should be automatically adjusted each year rather than set at a fixed percentage. The Commission finds that the staff should annually determine the split between Ongoing support and BDS. The modeled ongoing costs for all rural ROR blocks shall be taken into consideration. The split shall be determined by aggregating both the total OpEx demand for all of those blocks, and the total CapEx demand for blocks that still needed to be built out that are not 25/3 Mbps capable. For calendar year 2021, the resulting percentage would have been 56.45% OpEx/43.55% CapEx, which is close to the 57/43 split that was used. In future years, as locations are built out, it is expected that those percentages will gradually shift towards ongoing support.[169]

Transfers of BDS Support to Affiliate ROR Carriers

RIC proposed that the Commission permit carriers to transfer BDS support among affiliated entities. The RTCN opposed this recommendation. The RTCN stated that permitting affiliate transfers of high-cost support would require the Commission to devote resources and develop safeguards ensuring such affiliate transfers are proper.

In consideration of this recommendation, we agree with RTCN that permitting affiliate transfers of high-cost support would require the Commission to devote additional resources to ensure that such support is properly accounted for in the NUSF-EARN Form and develop additional systems and processes to track the use of the transferred support over a multi-year buildout cycle. The Commission finds that the resources needed to allow affiliate transfers of support outweigh the indistinct benefits of permitting this practice. Accordingly, the Commission declines to adopt RIC's proposal as it relates to affiliate transfers.

Speed Requirements

The Commission sought comments on the speed requirements for high-cost supported deployment and how to verify that such speed requirements have been met. The NRBA and RTCN both commented that with LB 338, the Legislature has determined the Commission's speed standard for high-cost BDS support.[170] Windstream also stated given

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[169] The calculation determining the Ongoing/BDS split should be made independent of the allocation for BDS-CL.
[170] *See* NRBA Comments at 8; *see also* RTCN Comments at 9.

the passage of LB 338, the questions asked in the Order regarding minimum speed requirements are largely moot.[171] On the other hand, in RIC's proposal seeking BDS support for capped locations, RIC commits to using BDS support to provide access to fiber-based broadband at minimum speeds of 25/3 Mbps within a time frame specified by the Commission.[172]

Given the passage of LB 338, we agree that the issue of minimum speed for broadband buildout supported by the NUSF high-cost program has largely been settled. The Legislature requires the Commission to ensure that beginning on January 1, 2022, "funds distributed from the Nebraska Telecommunications Universal Service Fund for construction of new broadband infrastructure shall go to projects that provide broadband service scalable to one hundred megabits per second or greater for downloading and one hundred megabits per second or greater for uploading."[173] To further clarify, the BDS support allocated for capped locations must also be used to deploy broadband service with offerings of 100/100 Mbps.

Affordability of Service Offerings

The Commission sought comment on ensuring that NUSF support is used to provide access to affordable broadband services. One of the Legislative goals in the NUSF Act is for the Commission to ensure that telecommunications and advanced services are available at rates that are reasonably comparable to rates charged for similar services in urban areas."[174]

The comments on the issues were generally supportive of the Commission's ability to set policy on this issue. The NRBA stated that the NUSF Act speaks clearly to the importance of ensuring that ensuring that NUSF high-cost funds are being used to make sure that services are available at rates that are reasonably comparable to rates charged for similar services in urban areas.[175] The NRBA further argued that the Commission has raised the larger question of the duties of eligible telecommunications carriers receiving support.[176] Windstream agreed that affordability of

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[171] *See* Windstream Comments at 2.
[172] *See* RIC Comments at 19.
[173] Neb. Rev. Stat. § 86-324.01 (2021).
[174] *See* Neb. Rev. Stat. § 86-323(3).
[175] *See* NRBA Comments at 10.
[176] *See id.*

service is an important component to broadband adoption.[177] Windstream recommended the Commission undertake a study to better determine the scope of the problem before endeavoring to create parameters or benchmarks.[178] The RTCN acknowledged the Commission's authority to undertake steps to ensure affordability, however, it believed targeted relief through the low-income program was the best approach for addressing the issue.[179] RIC encouraged the Commission to look at this issue in a separate proceeding.[180] In its Reply Comments, RIC suggested the Commission may need to seek an Attorney General's opinion on the issue of its authority over affordability of broadband service rates.

Affordability is a key goal in the NUSF Act. Services should not only be provided at affordable for NTAP subscribers, they should be provided at affordable rates generally for all Nebraska consumers consistent with Neb. Rev. Stat. § 86-323(1). The Commission finds that it is within its authority to undertake steps to ensure affordability for services the Commission supports through the NUSF. But based upon the comments filed, we will refrain from taking specific action in this proceeding. We will continue to monitor this issue, however, and may open a separate proceeding to address affordability concerns.

State Broadband Cost Model/Mapping Data

The Commission also sought comment on whether it should continue to rely on the SBCM for cost modeling and the FCC Form 477 data for broadband availability. Commenters were supportive of the continued use of the SBCM for cost modeling.[181] Commenters pointed to the FCC's Digital Opportunity Data Collection Mechanism as a solution for some of the inaccuracies of the Form 477 data. Most commenters were supportive of the Commission utilizing the FCC's Digital Opportunity Data Collection once data from that alternative mechanism becomes available.

We agree with the commenters that recommended that we should continue to rely on the SBCM for cost modeling information. The SBCM appears to be the most accurate way to estimate the costs of

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[177] See Windstream Comments at 4.
[178] *See id.*
[179] *See* RTCN Comments at 11.
[180] *See* RIC Comments at 23.
[181] *See* RTCN Comments at 11; *see also* Windstream Comments at 3.

broadband deployment. We also agree that once the FCC's revised data collection mechanism is available, we should utilize that information for the determination of broadband availability and transition away from using the FCC Form 477 data. We further find that along with other publicly available resources, we should utilize the data collected from the Broadband Bridge Act program.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the opinion and findings set forth above be, and they are hereby adopted.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska this 19th day of October, 2021.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Rod Johnson

Mary Ridder

Tim Schram

Dan Watermeier

Chair

ATTEST:

Shanicee Knutson

Deputy Director

Commissioner Rhoades Dissenting:

Universal Service support should be simple, but we insist on making it complicated. The Commission's order further complicates an already tortuous way of allocating support and brings us no closer to actually getting broadband to those who need it. Accordingly, I dissent.

I believe the previous decision not to fund partially funded locations using CapEx support was both discriminatory and in error. The previous decision was not in alignment with the stated policy goals of the legislature or the Commission. The intent of the NUSF high-cost support is to provide support to consumers to build and maintain the network and provide affordable service in areas that would otherwise be unable to attain service. In failing to provide such funding the Commission has thwarted its own policy objectives. I agree that funding is necessary for capped locations however, two million dollars is woefully inadequate given the number of households still without service or with substandard service in our state. The policy adopted by the Commission does create a system of "haves and have nots." The Commission's assertion that the reason so many Nebraskans have been left behind due to carriers "internal investment decisions" that should not be imputed to the Commission is irrational. The Commission has always been firmly in control of the subsidy framework, we have failed to create an efficient and accountable mechanism and the carriers are simply playing the game the Commission designed. Unfortunately, the consumers are the losers in this poorly designed framework.

I also take issue with the SBCM model. The model is a "greenfield" estimate which assumes there are no facilities there. With the state having spent more than half a billion dollars[182] for universal service in rural areas, I think we can safely assume that we are not starting with nothing. To that end, I am deeply concerned that we are overestimating the costs to provide service. Not only has it been pointed out by commenters in the past,[183] it continues to be an ongoing discussion today with the FCC relative

[182] *See In the Matter of the Nebraska Public Service Commission, on its own Motion, to Make Adjustments to its High-cost Distribution Mechanism and Make Revisions to its Reporting Requirements, Comments of Charter Fiberlink-Nebraska, LLC and Time Warner Cable Information Services (Nebraska) LLC*, NUSF-108 PO 4 (December 18, 2018) at 2.
[183] *See id.* at 8.

to support calculated by the national model upon which the SBCM is based.[184] I would really like to see a more accurate estimate of the costs to upgrade the existing infrastructure and provide broadband to the unserved areas. I think we should start with the presumption that it is at least 50 percent-or half-of what the model estimates given that the carriers have been the beneficiaries of millions in federal and state subsidies every year over the last twenty-five years. In addition, there is the $8 million award of support to rate-of-return carriers from the USDA Reconnect Program,[185] grant support available from the Broadband Bridge Act, and other potential infrastructure funding.

The Commission has to stop its fixation on the funding differences between the A-CAM and legacy carriers. We are second-guessing what the FCC decided would be a fair allocation of support. That is not our role. Our fixation on these differences rather than focusing on getting CapEx support to unfunded and underfunded areas such as the capped locations most certainly discriminates against the A-CAM carriers. The Commission needs to stop punishing carriers for what they are getting in support and focus on what support is still needed.

The overearnings redistribution process is another example of this misguided fixation giving carriers more money for ongoing support when it should be allocated to capital expenditures. Any support not given due to overearnings should be earmarked for CapEx support and allocated to areas that are still unserved. If we are truly prioritizing buildout to unserved areas, this support should be directed there first.

I also strongly disagree with the allocated split between infrastructure expense and ongoing support. The 57 percent allocation for ongoing support is obscene. It should not be annually reviewed and adjusted to go even higher. The Commission should set the ongoing support budget at 20 percent of the overall budget similar to the allocation for price cap carriers. A single

[184] *See e.g.*, Ex Parte Letter of Stephen Coran for Midco, *In re Connect America Fund*, WC Docket No. 10-90, (April 14, 2021)(Pointing out that the number of locations Midco verified was 16 percent less than the number of locations in its CAF award).

[185] *See* https://www.usda.gov/media/press-releases/2020/01/17/usda-invests-57-million-broadband-rural-nebraska-communities. *See also* https://www.usda.gov/media/press-releases/2020/10/30/trump-administration-invests-31-million-high-speed-broadband-rural

carrier's ongoing support allocation should also not be higher than 20 percent divided by the number of subscribers they can serve with 100/100 Mbps speeds. If our goal is to get broadband out to everyone, more of the budget needs to be allocated for people who do not have broadband. Twenty percent of the budget for ongoing expenses is more than adequate in light of the rate of return carriers receiving $84 million annually in federal support.[186] The ROR mechanism should be revised to mirror the mechanism used for price cap carriers where 80 percent of the support is used for grants for infrastructure projects and 20 percent of the support is allocated for ongoing expenses. I would revise both programs to make the 20 percent of ongoing support only available to the extent that broadband at speeds of 100/100 Mbps is available to consumers.

I agree with the majority's conclusion that support should not be transferred among affiliated entities. These are separate entities and should not be treated as one. We should not be allowing carriers to transfer support which was calculated based on the premise that they are separate entities.

Finally, I am disappointed that we have not taken the opportunity in this proceeding to address affordability. We are providing support to carriers in order to make services available and *affordable* to consumers. The FCC uses survey data to determine the reasonable comparability benchmarks for broadband rates nationally. Carriers are required to certify that their rates are compliant or that they are charging the same rate in their urban exchanges. This standard is virtually meaningless. We should not be looking at national statistics for nearly 329 million people to determine affordability at home. This Commission needs to decide what this benchmark should be in Nebraska. To do this, we need to do a better job at collecting data from so we know what the prices are. We need to set a benchmark that is based upon cost of living statistics, geography, income barriers, and adoption rates locally. Because we have a state mechanism providing subsidies to carriers, I would expect that consumers should pay less for service than in states without a fund. Above all, we need to do a better job of demonstrating why Nebraska's universal service program is a benefit for ratepayers and affordability is axiomatic.

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[186] This refers to federal distributions to rate-of-return carriers for 2020 as shown on the Universal Service Administrative Company's (USAC's) disbursement tool. *See* https://opendata.usac.org/High-Cost/High-Cost-Funding-Disbursement-Search/cegz-dzzi.

Because the Commission has made the distribution process way more complex and laborious than it needs to be, accountability of the funding gets lost in the complex web of the current distribution mechanism. With the various sources of federal and state money being made for broadband infrastructure, now is the time for us to simplify this process and direct it to specific projects that we can account for. The Commission must come up with a better way to estimate the actual cost of remaining deployment and target the majority of our support to those areas. We need to hold the carriers accountable until the job is done.

Crystal Rhoades
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Commissioner Crystal Rhoades