

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska ) Application No. NUSF-26  
Public Service Commission, on )  
its own motion, seeking to ) MOTION FOR RECONSIDERATION  
establish a long-term ) AND/OR REHEARING DENIED  
universal service funding )  
mechanism. ) Entered: November 26, 2002

BY THE COMMISSION:

By Motion for Reconsideration or Rehearing filed September 9, 2002, the Nebraska Department of Education (NDE) seeks reversal of the Commission's decision in NUSF-26, Progression Order No. 2 entered on August 28, 2002. NDE's request for oral argument was granted and was held before the Commission on October 8, 2002.

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

In its request for reconsideration or rehearing, Mr. Wayne Fisher argued for the NDE that the Commission should allocate a portion of NUSF support for lower priced access by the rural schools for telecommunications infrastructure and recurring costs of the network. Mr. Fisher stated that what he is seeking is an equal opportunity for learning across the state. Children in the higher cost areas have very limited opportunities. While there are some federal funding sources available, Mr. Fisher stated, there are still pricing disparities. Mr. Fisher argued that problems with the federal universal service mechanism leave room for price disparities which the NUSF should supplement. Moreover, it is more difficult for the smaller school districts to raise the needed revenues to accommodate these pricing disparities.

While we are very sympathetic to the requests of NDE, we continue to find that our decision to deny an allocation of state universal service funds for the NDE should stand for the present time. The NDE should further consider its ability to purchase the infrastructure and the monthly recurring costs in bulk through a unified front to alleviate pricing disparities. Aggregate purchasing by the NDE would result in fewer costs to Nebraska ratepayers.

Moreover, we do not believe that it is good policy to support infrastructure costs which, if Mr. Fisher is correct, overstate the true costs of providing the service. In the alternative, NDE should request redress with the Commission, in the case of price gouging situations, through the filing of a formal complaint or petition for investigation. Finally, we note that our finding in NUSF-26 is a tentative conclusion which could be modified as the NUSF transitions into a more permanent and predictable explicit funding mechanism.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the Motion for Reconsideration/Rehearing filed by the Nebraska Department of Education be and it is hereby denied.

MADE AND ENTERED at Lincoln, Nebraska this 26<sup>th</sup> day of November 2002.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chair

ATTEST:

Executive Director