

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission, ) Application No. NUSF-4  
on its own motion, seeking to )  
determine the level of the fund )  
necessary to carry out the ) ORDER SETTING SURCHARGE  
Nebraska Telecommunications ) FROM JULY 1, 2015 THROUGH  
Universal Service Fund Act ) JUNE 30, 2016  
effective fiscal year beginning )  
July 1, 2015. ) Entered: June 16, 2015

BY THE COMMISSION:

On April 15, 1999, the Commission, on its own motion, opened this docket to determine the level of the fund necessary to carry out the Nebraska Telecommunication Universal Service Fund Act. Neb. Rev. Stat. § 86-328 (2008) states, in pertinent part, that "Annually, the Commission shall hold a public hearing to determine the level of the fund necessary to carry out the Nebraska Universal Service Fund Act." Notice of this hearing appeared in The Daily Record, Omaha, Nebraska, the Lincoln Journal Star, Lincoln, Nebraska, and the Omaha World Herald, Omaha, Nebraska on May 19 and May 26, 2015 pursuant to § 86-328. A public hearing on this matter was held in the Commission Hearing Room, Lincoln, Nebraska, on June 2, 2015.

F I N D I N G S A N D C O N C L U S I O N S

Ms. Sue Vanicek, Director of the Nebraska Telecommunications Infrastructure and Public Safety Department, which administers the Nebraska Universal Service Fund (NUSF), recommended that the surcharge remain at 6.95 percent.

Ms. Vanicek based her recommendation on the lack of growth forecasted for NUSF remittances in the upcoming year. Remittances have been declining about 2.3 percent per year since 2010. The current forecast predicts a continued decline in remittances over the next year. The reduction in remittances has led to a reduction in funding from the previous year for both the high-cost and broadband programs. The Commission currently has a docket open to examine possible changes in the contribution methodology for the NUSF. The Commission also has a docket open to examine possible changes in high-cost support for carriers classified as price cap carriers at the federal level to consider whether to distribute support to price cap carriers through a mechanism that is more comparable to the FCC's Connect

America Fund. Given the amount of the forecasted annual remittances is less than the total annual amount of funds being used for the various NUSF programs, reductions in the currently funded amounts of some programs will need to occur in the future and/or the operating reserve will need to decrease, even if the surcharge is maintained at 6.95 percent.

The NUSF Advisory Board met on May 8, 2015 to discuss the NUSF surcharge. After deliberation, the NUSF Advisory Board voted to recommend to the Commission that the surcharge level be maintained at 6.95 percent.

Mr. Loel Brooks, entered an appearance for N.E. Colorado Cellular, Inc. d/b/a Viaero Wireless ("Viaero"), and provided testimony. Viaero recommended the Commission maintain the NUSF surcharge so that adequate broadband funding is available to provide ubiquitous coverage in Nebraska. Viaero discussed its support for several Commission initiatives. Mr. Brooks further testified that it is important to continue the Commission's broadband support as confirmed by Nebraska's Next Generation 911 study. Viaero also appreciated the Commission's continued refinements to the NUSF-92 broadband program.

Upon review of the testimony given, the Commission is of the opinion and finds that the recommendation of Ms. Vanicek and the NUSF Advisory Board should be accepted. Maintaining the surcharge level at 6.95 percent will keep the NUSF specific, sufficient, and predictable pursuant to Neb. Rev. Stat. § 86-323. Accordingly, the NUSF surcharge should continue to be set at 6.95 percent for the fiscal year of operations beginning July 1, 2015, and extending through June 30, 2016.

#### O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that a 6.95 percent surcharge shall fund the Nebraska Universal Service Fund from July 1, 2015 to June 30, 2016.

IT IS FINALLY ORDERED that all affected telecommunications companies are hereby required to collect said surcharge and remit it to the Commission as set forth herein and in Commission Universal Service Rules and Regulations and Commission orders.

Application No. NUSF-4

PAGE 3

MADE AND ENTERED at Lincoln, Nebraska, this 16th day of June, 2015.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

*Tom Schram*

*Crystal Goodrich*

*Frank E. Landis*

//s//Frank E. Landis,  
//s//Gerald L. Vap

Chairman

*Gerald L. Vap*

ATTEST:

*Sharon K. R...*

Deputy Director