

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission,) Application No. NUSF-91
on its own motion, to increase)
broadband adoption among low-)
income consumers through the) ORDER OPENING DOCKET AND SEEKING
development of a Nebraska) COMMENT
broadband telephone assistance)
program.) Entered: August 13, 2013

BY THE COMMISSION:

The Nebraska Public Service Commission (Commission), on its own motion opens this docket to investigate ways to increase broadband adoption among low-income consumers in Nebraska. Along with affordable telecommunications services, affordable broadband has become essential to obtaining employment, furthering education, and providing economic opportunities to Nebraska consumers.

According to an April 2012 report released by the Pew Research Center, the leading barriers to broadband adoption are digital literacy, relevancy, and cost.¹ Studies have further shown that low-income households adopt broadband at much lower rates than the average household even when access to broadband service is available. A 2011 Pew Research survey found that 62 percent of households in the lowest income bracket (\$30,000 and below) use the Internet while 90 percent of households in a higher income bracket (\$50,000 or more) use the Internet.²

In 2010, the Commission became the recipient of a federal grant funded by the Department of Commerce. A portion of the grant funds are focused on studying broadband adoption statewide. This grant program will continue through the end of calendar year 2014. Through this federal grant, and in cooperation with the University of Nebraska, the Department of Economic Development, the Nebraska Information Technology Commission, and the AIM Institute (collectively "Planning Partners"), residential and business subscribers have been surveyed to determine existing barriers to broadband adoption. The Planning Partners have then focused efforts on increasing broadband adoption through awareness, technical training and digital literacy programs. However, if the broadband services offered are not considered affordable to low-income consumers, barriers to adoption may continue to exist.

¹ See Pew Research Center, *Digital Differences* (April 13, 2012) available online at: <http://pewinternet.org/Reports/2012/Digital-differences.aspx> (accessed on August 9, 2013). See also FCC Launches Competition to Identify the Best Ways to Increase Broadband Adoption Among Low-Income Americans, *Public Notice* (April 30, 2012).

² *Id.*

This Commission has previously found that it possessed the requisite authority to promote access to advanced services through its universal service fund programs. The Commission's broadband pilot program (NEBP) provides grants to carriers for broadband infrastructure to promote universal access to advanced telecommunications and broadband service. While this program is critical to providing the necessary infrastructure for ubiquitous broadband service, we recognize additional barriers to adoption may continue to exist.

The Commission recognizes that the Federal Communications Commission (FCC) has begun a data collection process through a Low-Income Broadband Pilot Program with the savings generated by its federal Lifeline reforms.³ To the Commission's knowledge, none of the pilot projects will take place in Nebraska. However, it appears the FCC may expand the federal Lifeline Program at some point to include broadband services when its data collection activities have concluded. As it is unclear whether and when this may occur on a national basis, the Commission believes it may be appropriate to establish its own statewide initiative rather than wait for the FCC to act.

In the present docket, the Commission seeks comment on whether to expand the Nebraska Telephone Assistance Program (NTAP) to include a broadband subscription component. The Commission limits its investigation to whether to provide NTAP support to offset the recurring rate for broadband services for qualifying low-income consumers. Support for the proposed discount would be provided to qualifying eligible telecommunications carriers designated by the Commission to receive NTAP support similar to the way support is provided for voice service under the current program.

As an alternative, the Commission may use this proceeding to investigate other programs which increase broadband adoption for low-income consumers. The Commission is aware that some low-income broadband initiatives are already being promoted by carriers. The Commission seeks comments on the details of these

³ See *Lifeline and Link Up Reform and Modernization; Lifeline and Link Up; Federal-State Joint Board on Universal Service; Advancing Broadband Availability Through Digital Literacy Training*, WC Docket Nos. 11-42, 03-109, CC Docket No. 96-45, WC Docket No. 12-23, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 at para. 326 (rel. Feb. 6, 2012)(Lifeline Reform Order and FNPRM); see also *Wireline Competition Bureau Announces Application Procedures and Deadline for Applications to Participate in the Broadband Adoption Lifeline Pilot Program*, *Public Notice*, WC Docket No. 11-42, DA 12-683 (rel. April 30, 2012).

initiatives and how these initiatives are overcoming the barriers to broadband adoption.

ISSUES FOR PUBLIC COMMENT

1. Should the Commission consider implementing a Nebraska-specific broadband lifeline program by adding a broadband component to its existing NTAP program to increase adoption among low-income consumers in Nebraska? Please explain.
2. Does the Commission have the authority under its current statutory framework to implement a broadband component to its NTAP program? Why or why not?
3. If the Commission should adopt such a program how should it be implemented?
 - a. Should the Commission set aside a certain amount from the universal service fund and dedicate such funds to the NTAP broadband program? The Commission seeks comment on whether the Commission should initially cap the NTAP broadband program at no more than \$5 million per year? Why or why not?
 - b. Should the Commission provide a discount on recurring broadband rates similar to the current telephone assistance program? If not, why not?
 - c. If so, what would be the appropriate discount?
 - i. Should the discount be a fixed amount? Would twenty dollars (\$20.00) per household per month be reasonable? Why or why not?
 - ii. In the alternative, if an NTAP discount is applied, should it be a tiered amount based upon the recurring retail broadband rate? If so, how should the tiered amounts be determined and how would this be administered by the Commission? Would the Commission need to require copies of customer invoices or rate lists from NTAP providers?
 - iii. If an NTAP discount is applied should there be a minimum recurring amount subscribers should pay for broadband service? If so what is the appropriate amount?
 - d. How should broadband speed tiers be taken into account?
 - e. How should bundled rates be taken into account?
 - f. Should the Commission use the FCC's definition of "broadband" to determine eligible speed tiers? Given that a number of speed tiers or service offerings may be available should there be other Commission

requirements associated with an NTAP broadband discount?

4. Are there other programs which are currently being used to increase broadband adoption for low-income consumers? If so, please provide a description of these programs? Are these programs successful? Why or why not?
5. As broadband services are becoming more widely available are rates for broadband services decreasing? Are broadband services becoming more affordable? Why or why not?
6. Are there any other states that have implemented a broadband component to their low-income program? If so, please provide details as to how these programs have been implemented?
7. Are there any other suggestions or proposals the Commission should consider to increase broadband adoption?

The Commission solicits comment on the foregoing questions. Interested persons may also provide comments on any other issues germane to this proceeding. We give commenters until **September 30, 2013** to file initial comments in response to this Order. Commenters should file five (5) paper copies and one (1) electronic copy of their Comments with the Commission. Reply comments shall be filed on or before **October 11, 2013**. Electronic copies should be sent to Sue.Vanicek@nebraska.gov and Brandy.Zierott@nebraska.gov.

Commission Hearing

A hearing on this matter will be scheduled on a date later to be determined.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that this docket be opened to investigate ways to increase broadband adoption among low-income consumers in Nebraska.

IT IS FURTHER ORDERED that interested persons may file comments responsive to this Order on or before **September 30, 2013** and reply comments on or before **October 11, 2013** as provided herein.

MADE AND ENTERED at Lincoln, Nebraska, this 13th day of August, 2013.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chair

ATTEST:

Executive Director


Application No. NUSF-91

Page 5

MADE AND ENTERED at Lincoln, Nebraska, this 13th day of August, 2013.

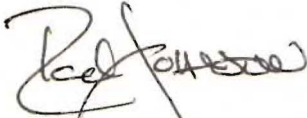
NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

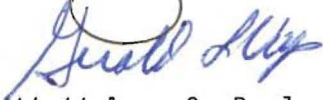


Chair

ATTEST:



Executive Director



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