

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska) Application No. NUSF-92.22
Public Service Commission, on)
its own motion, seeking to)
administer the Nebraska)
Universal Service Fund's) GRANTED
Broadband Program: Application)
to the Nebraska Broadband)
Program Received from Cox)
Telcom, LLC and the Salvation) Entered: May 27, 2015
Army.

APPEARANCES:

For Cox Nebraska Telcom, LLC:

Deonne Bruning
2901 Bonacum Drive
Lincoln, NE 68502

For the Commission:

Shana Knutson
300 The Atrium Building
1200 N Street
Lincoln, NE 68508

BY THE COMMISSION:

On December 10, 2013, the Nebraska Public Service Commission (Commission) opened NUSF-92 to serve as the vehicle for the Nebraska Universal Service Fund Broadband Program (NEBP). The Commission allocated \$500,000 for broadband adoption projects in calendar year 2015. On September 3, 2014, the Commission solicited applications for broadband adoption projects. The deadline for filing an application was November 26, 2014.

On November 6, 2014, Cox Nebraska Telcom, LLC ("Cox") and the Salvation Army filed a joint request for broadband adoption funding.¹ Notice of the application appeared in the Daily Record, Omaha, Nebraska on December 4, 2014. N.E.

¹ The Cox Nebraska Telcom, LLC application was offered and received into the record as Exhibit No. 4.

Colorado Cellular, Inc. d/b/a Viaero Wireless ("Viaero") filed Petition of Formal Intervention which was granted on January 9, 2015. Subsequently, Viaero withdrew its Formal Intervention.

On March 13, 2015, a procedural order was entered determining the schedule for processing adoption applications. Pre-filed testimony was submitted on March 27, 2015. A hearing was held in Lincoln, Nebraska on April 27, 2015 with appearances as shown above.² Mr. Robert Logsdon, Director of Regulatory Affairs for Cox, testified in support of the application.³

Cox seeks broadband grant funds to construct and operate a public broadband kiosk at the Salvation Army Material Assistance and Seasonal Services ("MASS") facility that is being built in North Omaha. Broadband speeds of 28 Mbps on the downlink and 4 Mbps on the uplink will be provided. The current MASS facility operates in Omaha in a former Walgreens store. The new facility will have ample parking, is a short walk from the city bus line and is located in an area where 30 percent of the residents live in poverty according to www.city.data.com. The new facility is expected to open in the spring of 2015.

The Petition requests broadband adoption support to construct a broadband kiosk, and to purchase five (5) computers and their related hardware/software, a printer, a router, one (1) year of Internet services, as well as funds for an individual who would assist users individually and teach Internet classes, and an individual who would provide three (3) hours a month of computer administrative support. Most of the individuals who need support from the MASS facility have low-to-no income, with some being homeless or at-risk of being homeless.

² The hearing was consolidated with other broadband adoption applications for administrative efficiency.

³ The pre-filed Direct Testimony of Mr. Robert Logsdon was offered and received into evidence as Exhibit No. 25.

In its application, Cox states that of key significance is the fact that this Petition includes funds to teach individuals how to use the Internet. According to Cox, a common deterrent for non-Internet users are concerns that it is too difficult. Cox's experience is that successful adoption programs involve more than just offering service at a reduced cost. Programs must also address the issue of digital literacy by providing assistance to those who may not have any prior experience working with computers.

Ms. Vanicek, Director of the Nebraska Telecommunications Infrastructure and Public Safety Department of the Commission, testified in support of the staff recommendation.⁴ She stated the projects recommended for funding will represent a diverse test bed for the Commission to analyze which broadband adoption projects are most successful. Ms. Vanicek further testified all projects recommended for funding by the staff benefit low-income consumers and are aimed at increasing broadband adoption.

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

The Commission set aside \$500,000 for broadband adoption projects to increase broadband adoption and usage in Nebraska. Because it is a pilot program, the Commission found it would address these applications on an ad hoc basis rather than utilizing a specific methodology for choosing projects. Ten projects were proposed. In total, the amount of broadband adoption support initially sought was \$1,225,276; more than twice the amount of available funding.

The Commission staff filed a recommendation on February 12, 2015. In its filing, the Commission staff recommended Cox's application be funded in the amount of \$30,210. Subsequently, Cox filed an amended budget decreasing the amount of support requested to **\$27,160**. No one opposed the Cox application for broadband adoption support.

Based upon the application and the staff recommendation, the Commission finds the application should be granted. The Commission approves support for the proposed project up to an

⁴ The pre-filed Direct and Reply Testimony of Ms. Sue Vanicek were offered and received into evidence as Exhibit Nos. 13 and 14 respectively.

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amount of **\$27,160 or the actual cost** of the project whichever amount is lower.

The Commission will hold a workshop to discuss reporting requirements for this grant on July 22, 2015 at 1:30 p.m. in the Commission Hearing Room, 300 The Atrium Building, 1200 N Street, Lincoln, Nebraska. A telephone bridge will be made available for this workshop.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the above-captioned grant application be, and it is hereby approved as provided herein.

IT IS FURTHER ORDERED that a workshop to discuss reporting requirements for this grant will be held on **July 22, 2015 at 1:30 p.m.** in the Commission Hearing Room, 300 The Atrium Building, 1200 N Street, Lincoln, Nebraska.

IT IS FURTHER ORDERED that Applicant shall submit detailed and accurate invoices and other documentation required by the Department prior to reimbursement for the supported project(s).

IT IS FURTHER ORDERED that Applicant shall use Nebraska Broadband Program support only for the purposes described in its application and authorized by the Commission.

MADE AND ENTERED at Lincoln, Nebraska this 27th day of May, 2015.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Cystal Knowles

Tim Schram

Vice-Chairman

Frank E. Landis

ATTEST:

//s//Tim Schram
//s//Frank E. Landis

Steve Meradith
Executive Director