

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska ) Application No. NUSF-92.41  
Public Service Commission, on )  
its own motion, seeking to )  
administer the Nebraska )  
Universal Service Fund's )  
Broadband Program; application ) DENIED  
to the Nebraska Broadband )  
Program Received from )  
Windstream and the Center for )  
People in Need. )  
Entered: May 27, 2015

APPEARANCES:

**For Windstream Communications Inc.**

Russell Westerhold  
Fraser Stryker Law Offices  
409 South 17<sup>th</sup> Street  
Suite 500  
Omaha, NE 68102

**For Center for People in Need:**

Loel Brooks  
Brooks, Pansing, Brooks, PC, LLO  
1248 O Street  
Suite 984  
Lincoln, NE 68508

**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 26, 2014, Windstream and the Center for People in Need filed a joint request for broadband adoption support.<sup>1</sup> Notice of the application appeared in the Daily Record, Omaha, Nebraska on December 15, 2014.

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. Reply Testimony was submitted on April 17, 2015. A hearing was held in Lincoln, Nebraska on April 27, 2015 with appearances as shown above.<sup>2</sup> Ms. Beatty Brasch, Executive Director for the Center for People in Need, Mr. Brad Hedrick, Division Vice President, Field Operations, and Ms. Sharon Webber, Vice President for External Affairs for Windstream all testified in support of the application.<sup>3</sup>

The total cost of the project to cover a one-year period as proposed was \$180,000 for Windstream to subsidize the rate offered to households with a child enrolled in the free lunch program from \$39.95 to \$9.95. The Center for People in Need proposed to contribute to the project through grant funds it obtained through other entities using those funds for digital literacy training through their center, for equipment in the center, and to pay Windstream for the modems used in the service offering.

Ms. Beatty Brasch, on behalf of the Center for People in Need testified the center aids those in the community through a number of programs and services including food distribution, job training, education programs with Southeast Community College, Special events, providing a resource

---

<sup>1</sup>The Windstream/Center for People In Need application was offered and received into the record as Exhibit No. 10.

<sup>2</sup>The hearing was consolidated with other broadband adoption applications for administrative efficiency.

<sup>3</sup>The pre-filed Direct Testimony of Beatty Brasch was offered and received into evidence as Exhibit No. 21. The pre-filed Direct Testimony of Brad Hedrick and Sharon Webber were offered and received into evidence as Exhibit Nos. 23 and 24.

handbook, and has a 24-seat computer lab and classrooms, which is free to the public and offers computer classes. The Center recently received a grant of \$350,000 called the Accessing College Through Technology grant to address on-going concerns that low-income students attending Southeast Community College lack the proper technology to succeed in their education.

Ms. Brasch testified the community served by the Center for People in Need do not have adequate access to broadband services in their home. She believes the limit for affordability to be \$10.00 per month. However, Windstream's broadband service is roughly \$40.00 per month. The joint request for funding would be directed to the low-income community and will be entirely directed to children who attend Lincoln Public School families who qualify for the Free Lunch Program.

#### 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 did not recommend Windstream's application be funded because the funds for the current year had been exhausted.<sup>4</sup>

Based upon the application, the staff recommendation, and the testimony provided at hearing, the Commission finds the application should be denied. While eligible, the Commission is not able to fund all projects filed in the current funding year. The Commission encourages Windstream and the Center for People in Need to re-file next round, if funding is made available by the Commission.

---

<sup>4</sup> See the pre-filed Direct Testimony of Sue Vanicek which was offered and received into evidence as Exhibit No. 13.

Commissioner Crystal Rhoades dissenting:

The application for adoption funding for Windstream and Center for People in Need should be granted. According to Federal Communications Commission (FCC), the Social Science Research Council, and Pew Center on the States the most practical benchmark for broadband adoption is whether or not American's have access to broadband in the home. Broadband Access is a prerequisite for social and economic inclusion in modern America. According to Social Science and Research Council ninety percent of non-adopters use the internet for employment, education, and other services and none of them need to have the value explained to them. Rather they lack the financial resources to obtain in home broadband access. The Pew Center estimates that the annual cost of digital exclusion is fifty-five billion dollars. Today most major employers require online applications which can take 30 minutes to 1 hour to complete and schools generally require that each child be allowed to spend time on the internet each day to complete assignments. Since "third spaces" such as schools, libraries, and other public internet access points have limited numbers of computers available, time limits on use, and often have wait times for access, they are not a substitute for in home access to internet services. In fact reliance upon third spaces for broadband access is woefully inadequate given that the average American spends five hours and forty six minutes per day online and the average time available for internet usage at a third space locations is 30 minutes.

The program purposed in this application targets low income populations and provides service in the home. It would allow the entire family to access internet services needed for education, work, banking, bill paying, email, and other basic modern communication needs by allowing the family to have 24 hour per day, seven days per week, three hundred sixty five day per year broadband access in the home. This application puts the adoption programming focus where it should be on providing services to people who would subscribe to broadband if they were able to afford service. There are approximately 27,300 people in Lancaster County living in poverty and in a survey done by the Center for People in need 72.9% of them report they are worried about being able to pay utilities and 65.2% reported having to make a choice between purchasing food and paying bills. Unfortunately, their inability to access broadband services exacerbates their economic and social inequality and unless they are able to

Application No. NUSF-92.41

Page 4

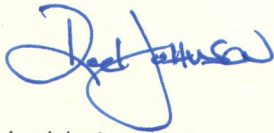
O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the above-captioned application be, and it is hereby, denied.

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

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:



//s//Tim Schram

//s//Frank E. Landis



Vice-Chairman

ATTEST:



Executive Director

COMMISSIONERS DISSENTING:



have regular access to broadband services their educational and work opportunities will be limited meaning they are likely to remain in poverty. Providing service at satellite locations, schools, libraries, and other public locations are not a panacea for broadband adoption. While access at public locations is important and does provide a desperately needed stop gap service, having to leave the home to access broadband still presents significant barriers for low income people who may not have reliable transportation, child care, flexible work schedules, or even be able to access a computer in a public space because of limited computers and hours. Even if low income patrons are able to access a computer at a public location they will not likely be allowed enough time to complete a job application or participate in online learning opportunities. It is impractical to expect public locations to be able to provide for broadband to all low income people in Lancaster County. The approach most likely to result in improved employment and educational opportunities is to provide in home broadband services to low income families. Therefore, the application submitted by Windstream and Center for People in Need should be funded as the best approach to providing broadband adoption to low income families in Lincoln.



---

Commissioner Crystal Rhodes