

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska ) Application No. NUSF-92  
Public Service Commission, on its )  
Own Motion, to Administer the )  
Nebraska Universal Service Fund ) ORDER  
Broadband Program. )  
)  
) Entered: January 26, 2016

BY THE COMMISSION:

On October 27, 2015, the Commission released an Order in the above-captioned proceeding, setting a proposed budget for certain broadband grant programs and seeking comment. This Order adopts certain recommendations for the Wireless Broadband Infrastructure grants, and establishes the application window for the Wireless Broadband Infrastructure grant program and the Broadband Adoption program.

## Wireless Broadband Infrastructure

The Commission proposed to allocate \$4 million towards wireless broadband infrastructure projects, similar to the projects supported through the Commission's docket in NUSF-69. The Commission further proposed to keep the 25 percent (25%) match requirement. The Commission sought comment on the appropriate criteria for evaluating applications for wireless support.

Comments were filed by the following interested parties: N.E. Colorado Cellular, Inc., d/b/a Viaero Wireless ("Viaero"); Windstream Communications, Inc. ("Windstream"); Rural Independent Companies ("RIC"); Rural Telecommunications Coalition of Nebraska ("RTCN"); and United States Cellular Corporation ("US Cellular").

With respect to the proposed Wireless Broadband Infrastructure program, Viaero and US Cellular filed comments in response to the questions posed by the Commission. Viaero recommended the Commission rely on the evidence presented by the applicants and affected competing carriers, rather than broadband mapping data and the FCC Form 477 data. Viaero further commented that it did not believe the use of cell tower location records was a compelling factor in ranking proposed projects. Viaero recommended using household density and road traffic data. Viaero further believed both broadband speed and retail cost factors should be used to rank projects. Finally, Viaero stated the Commission's match requirement could be a formidable economic barrier to the construction of certain projects in areas where there is no viable economic model to construct and operate wireless facilities.

US Cellular supported the creation of a stand-alone wireless fund. US Cellular further encouraged the Commission to eliminate the 25 percent (25%) match requirement. In stating this position, US Cellular indicated that a 25 percent (25%) match is a significant sum for wireless companies to absorb when the new towers are economically insufficient. The problem is exacerbated by the wireless carrier's inability to recover the ongoing maintenance and operating costs from the program. Finally, US Cellular encouraged the Commission to revise the scoring criteria. US Cellular recommended the Commission increase the value to applications, which benefit a larger number of Nebraskans. Changing the scoring criteria, to increase the value of serving more densely populated areas, would lessen the financial strain on carriers.

In consideration of the comments filed, the Commission finds it appropriate to allocate a \$4 million budget to be used for wireless broadband infrastructure projects. Grant applications may be filed beginning February 15, 2016. The window for applications will close on March 31, 2016.

The Commission further finds the cell tower data, the Commission collects, continues to be an important part of our review. This information helps the Commission establish where service is likely to already exist, notwithstanding the data provided by the applicants. Consistent with the Commission's approach in NUSF-69, the Commission will use existing tower data to rank projects. However, the Commission invites applicants to provide additional information relative to dead or weak spots, terrain, and other information indicating the wireless broadband service does not exist or is not sufficient in a given project area.

Likewise, population density will continue to be used to determine whether the support would be provided in a rural area, as opposed to an area where a business case would otherwise exist, for providing wireless broadband service to consumers in the absence of support. Consistent with the Commission's methodology in NUSF-69 the Commission will first determine whether the area is rural and in need of support using household density information, and then use information on the number of households to rank projects to provide the benefits of wireless broadband service to the greatest number of households in a given rural area. In addition, consistent with the comments, the Commission will consider road traffic data, and evidence provided relative to the need for service near recreational facilities (such as terrain features and visitor information) provided by applicants in its density calculation. The Commission plans to verify the information, provided by the applicant, using reliable public source data made available by the Department of Roads or the Game and Parks Commission.

The Commission previously sought comment on whether to require a 25 percent (25%) match from the applicant. The wireless commenters indicated a match requirement could be a barrier to constructing towers and providing service in the most uneconomic areas. These areas are most likely the locations where service would not exist absent support. Upon consideration of the comments filed, the Commission finds a fixed match of 25 percent (25%) match should not be a bright line requirement. In the alternative, the Commission will consider the expected revenue a carrier will receive over the expected life of the tower and will determine how much support the carrier must contribute towards a project.

The Commission will require applicants to provide the following information:

1. Location of the proposed tower(s) with longitude and latitude coordinates, county, and census block identification number.
2. Detailed description of the proposed service area including information relative to the existence or nonexistence of wireless and broadband service in the proposed area.
3. Anticipated households to be covered by the proposed tower(s). The applicant should include in the description any relevant road traffic data or visitor information they wish to be considered in the approval process.
4. A detailed budget describing the cost components of each proposed tower.
5. Amount of expected revenue associated with proposed tower(s) on an annual basis.

The above information must be filed separately for each proposed project application. Applicants must file one (1) original and ten (10) paper copies of their application. In addition to the paper applications, applicants must file electronic copies of their application with the latitude/longitude coordinates, census block information and the detailed budget in an electronic excel format. Also, if the application contains confidential information, each applicant must also file one (1) paper and one (1) electronic redacted copy of the application. All electronic submissions should be directed to [psc.nusf-filings@nebraska.gov](mailto:psc.nusf-filings@nebraska.gov). Paper copies should be directed to Brandy Zierott.

### **Wireline Infrastructure Grants**

The Commission is evaluating the comments received relative to the proposed wireline infrastructure grant program. The Commission makes no findings in the present order relative to the proposal to set aside \$1 million for that purpose.

**Broadband Availability and Adoption Grants**

Finally, no commenter opposed the Commission's proposal to retain the Broadband Adoption program. In consideration of this, the Commission finds it appropriate to allocate \$500,000 for broadband projects which include adoption and availability projects designed to reach low-income consumers and non-adopters. The Commission's goal is to determine what programs are most effective at promoting broadband availability and usage.

Specifically, the Commission would like to see projects designed to assist low-income subscribers in obtaining affordable access to broadband services in their homes. Low-income standards should be consistent with the Commission's criteria for obtaining Nebraska Telephone Assistance support. While we recognize the importance of affordable broadband access to everyone in their homes, and ideally would like to reach that goal, we also recognize that with limited resources that is not always financially feasible. Accordingly, we will continue to consider applications of varying technology solutions, which promote access in community centers and public facilities, to achieve broadband availability and literacy. Accordingly, in cases where broadband availability or capacity is lacking, the Commission would like to see proposals designed to bring broadband availability to community centers or public facilities where low-income and elderly consumers can obtain public access to free broadband service and digital literacy training. The Commission will consider broadband proposals aimed at making broadband available through provider/community-based partnerships.

Consistent with the NUSF Act's requirement to provide support to eligible carriers, applicants must partner with a broadband provider in order to be eligible for support in this program. Applications may be filed beginning February 15, 2016. The window for applications will close on March 31, 2016.

Applicants must file one (1) original and ten (10) paper copies of their application. In addition to the paper applications, applicants must file electronic copies of their budget in an electronic excel format. Also, if the application contains confidential information, each applicant must also file one (1) paper and one (1) electronic redacted copy of the application. All electronic submissions should be directed to [psc.nusf-filings@nebraska.gov](mailto:psc.nusf-filings@nebraska.gov). Paper copies should be directed to Brandy Zierott.

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O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the findings set forth herein be and they are hereby adopted.

IT IS FURTHER ORDERED that the filing window for grant applications be opened on February 15, 2016, and shall close on March 31, 2016, as provided herein.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska this 26th day of January, 2016.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

*Gerald L. Vop*

*Crystal L. Loecker*

*Frank E. Landis*

//s//Frank E. Landis

//s//Tim Schram

*Tim Schram*

Chairman

ATTEST:

*Jeffrey L. Puley*

Executive Director