

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska)	Application No. NUSF-92.45
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)	
Nebraska Telcom, LLC/Adoption.)	Entered: September 7, 2016

APPEARANCES:

For Cox Nebraska Telcom, LLC:

Deonne Bruning
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Lincoln, NE 68502

For the Commission:

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

BY THE COMMISSION:

By Application filed February 23, 2016, Cox Nebraska Telcom, LLC ("Cox") seeks Nebraska Universal Service Fund support for a broadband adoption grant in the amount of \$114,218.00.¹ Notice of the Application appeared in the Daily Record, Omaha, Nebraska on April 6, 2016. No protests or petitions of formal intervention were filed by any other interested party.

On July 20, 2016, a procedural order was entered determining the schedule for processing the adoption applications received. Pre-filed testimony was submitted on August 9, 2016. A hearing was held in Lincoln, Nebraska on August 16, 2016 with appearances as shown above.² Mr. Robert Dickson, Executive Director of Information Management Services at Omaha Public Schools testified in support of the application.³

1 A copy of Cox's grant application was offered and received into the record as Exhibit No. 3.

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

3 The pre-filed Direct Testimony of Mr. Robert Dickson was offered and received into the record as Exhibit No. 4.

Description of the Proposed Project:

Cox states it seeks support to bring broadband service to low-income students and families in Omaha. Specifically, Cox's application seeks support to modify a bus to create a Wi-Fi enabled vehicle offering free broadband connectivity and devices to neighborhoods in north Omaha similar to the operation of a traditional library "bookmobile" bringing books to neighborhoods. Preliminary drawings were attached to the application as Exhibit 1. Cox plans to target students in the Wakonda and Kennedy Elementary School districts in the Omaha Public Schools (OPS) system. The Wakonda and Kennedy students reside in some of the lowest-income neighborhoods in Nebraska and thus access to broadband in students' homes is more unlikely.

OPS is a partner in the project and will provide learning opportunities for students on the bus and will schedule after school activities using Common Sense Media for students and their parents. Safe parking locations for the bus would be determined in consultation with the Omaha Police Department. The schedule of the bus's location and route would be widely promoted by the Wakonda and Kennedy schools. The Kennedy and Wakonda Elementary School neighborhoods are targeted to receive the broadband bus service as both are "Turnaround" schools for OPS.

According to the application, Kennedy and Wakonda Elementary Schools received a grant for electronic notebooks and next generation technology solutions for students. It is hoped that the notebooks will help create comparable learning opportunities for students to close the achievement gap that presently exists at the schools compared to other elementary schools. However, according to the applicants, the mere distribution of the notebooks is not a solution. The notebooks combined with consistent high-quality instruction, extended school days, daily classroom intervention blocks and regular communication with parents hope to bring increased student performance.

If the project is approved, Cox will reduce the price to install the equipment on the bus and will discount the services provided to the bus. Those costs include providing the bus itself for conversion, fuel, maintenance, insurance, licensure and taxes. In addition, OPS will cover some costs associated with this project. OPS will also pay the salaries and benefits for the teachers who will be on the bus (Instructional Technology Trainer and/or Digital Citizenship Trainer), and the costs of the bus driver. OPS will pay for the LTE service that will provide Internet to construct the broadband bus. OPS will pay the going-forward expenses to make and keep the bus operational.

As proposed by Cox, the broadband bus would be available for all students at Wakonda and Kennedy Elementary Schools outside school hours, or 708 students. In addition, family members who accompany their child will benefit. The number of users could exceed 1000 unique persons. Cox commits to offering service in partnership with OPS for at least five (5) years.

At the hearing, Mr. Robert Dickson, testified in support of the application. Mr. Dickson has served in his present role since 2014. Since coming to Omaha, OPS has partnered with Microsoft in its Compass early adopter program. OPS is the only K-12 school in the country working with Microsoft in this venture. Mr. Dickson testified broadband speeds of 15 Mbps on the downlink and 4 Mbps on the uplink will be provided although higher speeds may be possible. Some of the tentative locations where the bus will be parked include the Turning Point Campus, the Omaha Home for Boys, Salem Baptist Church, Mount View Presbyterian Church, New Vision Outreach Ministries and Wakonda Elementary. Community outreach and parent education will be provided as a part of project to give community members a better understanding of the technology on the bus and how to have a dialogue with their children regarding safe technology use.

Upon questioning, Mr. Dickson testified the unit will seat eight. OPS is working with Common Sense Media to teach digital literacy classes. Mr. Dickson further testified they decided on this path for a few reasons. First, Cox offers a Connect-to-Compete product which is a broadband service in the home at a rate of \$9.95. According to Mr. Dickson, if further discounts are provided they would be provided by Cox but OPS would not have anything to do with that decision. However, OPS is working with Cox on outreach to promote the broadband service in the home. Second, he believes providing education will increase broadband adoption among the users. He further stated that many kids don't want to go back to the school building for further broadband learning so he thought the bus would be a way to promote digital literacy training opportunities that may draw more interest.

Mr. Dickson admitted that the elementary students are not yet allowed to bring their devices home from school but indicated they are working on a plan to roll this out during the five year grant. He stated they were in year one of the five year improvement grant. He did not have a timeline relative to when the schools would permit sending the devices home with the students.

The Commission staff offered several exhibits into the record. The Commission staff offered a map depicting shootings and killings in the target area which was received into the record as Exhibit No. 5. The staff offered a copy of the OPS grant application and

reimbursements from Department of Education (DOE) funding for the notebooks provided to students which was received as Exhibit No. 6. Finally, the staff offered a copy of an email from Mr. Todd Schmaderer, the Chief of the Omaha Police Department relative to police presence in the area which was received as Exhibit No. 7.

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. Three applications for adoption support have been filed this year. The collective request for all three projects was less than \$500,000. Accordingly, the staff did not make a recommendation.

Based upon the application and information provided at the hearing, the Commission finds the application should be granted. The Commission agrees that overcoming broadband adoption barriers should be approached using multi-faceted strategies. The Commission finds mobile labs, such as this one, are a beneficial way to get computers and other equipment out into the community for students and families with limited access and availability. The Commission further believes the digital literacy component of this project along with the Connect-to-Compete rate offered by Cox could be a complementary solution to overcoming current broadband adoption barriers in these targeted areas. Accordingly, the Commission approves support for the proposed project up to an amount of **\$114,218.00 or the actual cost** of the project whichever amount is lower.

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 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.

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ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 7th day
of September, 2016.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

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


Chairman

ATTEST:

COMMISSIONERS DISSENTING:




Executive Director

Commissioner Crystal Rhoades Dissenting:

I write separately because I cannot in good conscience support this item. There are a number of reasons why this application should be denied.

First, I believe funding for this purpose is already being provided through a grant given to Omaha Public Schools (OPS) and in particular Wakonda and Kennedy Elementary Schools. They already have funding for tablets, mi-fi's (which are personal Wi-Fi devices) and digital literacy and safety training for the students and parents. If we were to grant this application we would also be obligated to report that there is a supplanting of those grant funds. OPS would be in effect double-dipping and it is likely that the Department of Education (DOE) would require them to return some portion of the money. Further, the witness admitted that under the grant received by the Department of Education, OPS is supposed to provide tablets and mi-fi's to the kids at home in the first year. They have not done so. If they are not being compliant with that grant it would stand to reason they shouldn't get additional government grants.

In addition, funding for this project is not a wise investment of public resources. One of the major premises of this proposed project is that the children could use the devices purchased with the DOE grant to connect to the Wi-Fi on the bus, yet according to the testimony, these elementary schools do not permit the kids to take their devices home. Consequently, these children will not have devices to use if they go to the bus after school hours. At the same time, the bus will only have 8 available devices. In sum, the bus will only serve 8 children at a time while the need is to serve 700 children on nearly daily basis in order to improve the child's ability to complete assignments and for parents to access the parent portal which gives them up to date information on child's assignments and other critical school communications. This is not good "bang for the buck."

For the same amount of money we could fund broadband to the home 24/7 similar to what Allo and Lincoln Public Schools are proposing. I believe that is a far more prudent path because it gives the children full access and is not limited to a small number of children for a couple of hours a day. It would have the added benefit of providing resources to the whole family to help with educational and other social service needs.

The Commission should hold out for something better. Just because they asked is not a sufficient reason to grant the application. We can continue to accept applications on a rolling basis, and wait for a stronger application to be submitted. If OPS is unwilling to partner there are a number of non-profits and community organizations who would gladly work with carriers to provide resources.

Moreover, I am extremely concerned about the safety of these school children. Exhibit 5, which depicts the shootings in that area, shows this is not a safe area for elementary school children to be walking around in the winter in the dark. There is routine gun violence at all hours of the day and night and several children have been shot and died. Sitting on a bus, which is likely to attract older children who maybe engaged in gang activity or expose these kids to other predators who may want to approach unattended children on the way to and from the bus is not something I am comfortable funding. The Omaha Police Department (OPD) cannot provide a dedicated officer to the bus during hours of operation.

I can guarantee you older children in the neighborhood will congregate around this bus in order to access the Wi-Fi. This could create unintended trouble areas for juvenile delinquency. This is common in Omaha around schools, parks, and recreational areas.

Finally, OPS has overstated community support for this project. I have spoken with 75 North and OPD. While they like the idea of providing Wi-Fi to children who might not otherwise be able to afford it they like the idea of them having it in the home even better. The same is true of the parents, students, and community members I discussed this application with in North Omaha.

I am all in favor of providing Wi-Fi in North Omaha, but there is a better way to do this. A safer, more cost effective way to do it. Approving this application is wasteful and dangerous. Accordingly, I dissent.