

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the)	Application No. NUSF-99.09
Nebraska Public Service)	
Commission, on its own)	
Motion, to administer the)	
Universal Service Fund High-)	GRANTED
Cost Program: Qwest)	
Corporation d/b/a)	
CenturyLink QC's Broadband)	
Grant Request.)	Entered: November 6, 2018

BY THE COMMISSION:

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

By Application filed September 7, 2018, Qwest Corporation d/b/a CenturyLink QC ("CenturyLink") seeks high-cost support from the Nebraska Universal Service Fund (NUSF). Notice of the application appeared in The Daily Record, Omaha, Nebraska on September 12, 2018 and in the Valentine Midland News, on September 12, 2018. No interventions or protests were filed; therefore, the Commission processes this Application pursuant to its Rule of Modified Procedure.

According to the Application, CenturyLink would deploy fiber and electronics necessary to enable a network capable of providing voice and broadband service at speeds up to 1 gigabit to approximately 345 living units in 358 census blocks in rural areas of CenturyLink's Valentine Exchange. None of these households receive broadband service from CenturyLink currently. The project will also make the needed upgrades to the central office.¹ CenturyLink seeks NUSF support in the amount of fifteen million one hundred eighty-five thousand nine hundred dollars (\$15,185,900) for the construction of facilities in the Valentine Exchange. The proposed project would be completed in three phases. If approved, CenturyLink would start construction on this project in January of 2019 and would plan to complete the project no later than the end of 2022.

CenturyLink committed to offering voice and broadband services to all households in the project area for a minimum of five (5) years. According to the application, CenturyLink

¹ In the near term, CenturyLink has been requested to provide satellite phones to Commission-identified first responders in the area to address some of the Commission's public safety concerns.

requested the ability to survey customers in the project area to determine interest in receiving CenturyLink's fiber broadband service as CenturyLink did not want to waste NUSF resources deploying fiber to living units where it was not wanted. In a supplemental clarification filed on October 9, 2018, CenturyLink stated it would provide a fiber drop to any homeowner that indicated they were interested in subscribing to CenturyLink voice or broadband service.

Further, in response to questions from the Commission, CenturyLink stated if a customer has more than one structure or residence on a parcel and wants service to those locations, CenturyLink would ask that the cost of the additional lines be reimbursed as part of the project. CenturyLink further indicated it was willing to work with landowners in the area as resources in helping them site the new loops. If a subscriber chooses only voice service, CenturyLink would prefer the subscriber commit to receiving that service for two years, but would be willing to work with the Commission and the subscriber on a case-by-case basis. Finally, CenturyLink would be willing to negotiate wholesale agreements with competitive carriers that currently serve subscribers in the area.

The Commission staff conducted an analysis of the census blocks submitted and compared the information against the Connect America Fund Phase II eligible areas. The Commission staff also reviewed the census block information and compared it to FCC Form 477 deployment data, collected by the FCC biannually, to determine if comparable wireline service was reported as available in the same area. Taking the wireline competition information into account the Commission finds the project should be approved as set forth herein.

The Commission supports this proposed project as it considers many of these investments necessary in order to provide reliable service throughout the exchange. Because the Commission is providing considerable NUSF support, however, it does not believe consumers should be required to make a two-year commitment in order to receive the benefit of the service improvements expected from this project. Accordingly, the Commission finds a two-year commitment from consumers must not be a condition precedent to receiving the proposed fiber-based service.

Further, the Commission recognizes CenturyLink does not wish to use the limited resources of the NUSF fund in areas where a

potential subscriber does not want service. To that end, CenturyLink requests the ability to conduct a survey of potential subscribers prior to deployment. The Commission agrees to approve this request but finds CenturyLink must work closely with the Commission staff during this process. A draft copy of the survey should be provided to the Commission staff for review and approval prior to it being sent out to subscribers. A Commission staff contact name and number should be included in the notice given. In addition, the Commission finds information relative to subscriber responses should be provided to the Commission staff so that it can inform the Commission of the survey progress and results.

Requests for Reimbursement:

CenturyLink must first make the investment and then may file a request for reimbursement with the NUSF Department. CenturyLink does not need to complete the construction process prior to seeking reimbursement; rather, it may work with the NUSF Department to develop intervals at which reimbursement can be sought. The NUSF Department will reimburse CenturyLink for capital improvement costs made relative to and as included in the application filed by the company for the project approved in this Order. Once the investment is made, CenturyLink shall file a request for support, provide the NUSF Department with documentation consistent with Department policy and shall certify to the Department that it had made the described investment for the provision, maintenance and upgrading of facilities and services in the described rural areas.

Reporting Requirements:

CenturyLink shall file, on an annual basis, consistent with federally designated ETCs, the information required by the Commission's Telecommunications Rules pertaining to eligible telecommunications companies and the investment information required by the Commission's Order in Docket NUSF-66. The report should make clear to the Commission that CenturyLink will not request reimbursement for equipment where grant money was also received from another source. CenturyLink shall file its annual report on or before June 1 of each year.

Further, as we are concerned with the subscribers' ability to receive reliable voice service in the project area, we require CenturyLink to update the Commission on its progress with this project every six months starting from the date of this Order. We ask that CenturyLink include with the initial report the number of

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subscribers surveyed and the number of subscribers electing to take CenturyLink's service. In subsequent reports thereafter we ask CenturyLink include statistics on the percentage of the project completed, the amount of fiber deployed, as well as the number of subscribers served during each reporting period.

As set forth in its application, CenturyLink shall be required to complete the approved project no later than by the end of the year 2022, unless good cause is shown for a later completion date.

Broadband:

The Commission maintains broadband availability data and updates that information on at least an annual basis. As a condition of this support, CenturyLink must report broadband availability to the Commission upon request. CenturyLink must also confirm it will not seek duplicative support through the federal universal service mechanism for the areas supported herein.

O R D E R

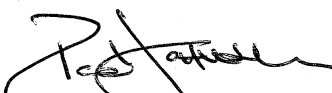

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission the above-captioned application submitted by Qwest Corporation d/b/a CenturyLink QC be, and is hereby, approved as described herein.

IT IS FURTHER ORDERED Qwest Corporation d/b/a CenturyLink QC be subject to all terms and conditions adopted in this order.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 6th day of November, 2018.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:



Chair

ATTEST:



//s//Frank E. Landis
//s//Crystal Rhoades
//s//Mary Ridder