BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission, on its own motion, to administer the Nebraska Internet Enhancement Fund.	)	Application No. C-3206
	)	ORDER AWARDING GRANTS
	)	Entered: March 10, 2009

BY THE COMMISSION:

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

On May 18, 2004, the Nebraska Public Service Commission (Commission) opened the above-captioned docket, on its own motion, to administer the Nebraska Internet Enhancement Fund (NIEF) established by the Legislature pursuant to *Neb. Rev. Stat.* §§ 86-579 through 86-580 (2002 Supp.). On August 5, 2008, the Commission issued an order establishing a schedule for the 2008 application process and grant awards under the NIEF Grant Program.

The Commission received four pre-applications. On October 29, 2008, the Commission entered an Order inviting the following pre-applicants to submit full applications: Village of Bushnell, Nebraska; Village of Elsie, Nebraska; and Banner County, Nebraska.

Applications from the applicants mentioned above were received on or before January 15, 2009. The Village of Bushnell, Nebraska, requested funds in the amount of $10,000. The Village of Elsie, Nebraska, requested funds in the amount of $19,875. Banner County, Nebraska, requested funds in the amount of $10,000.

The NIEF Advisory Board reviewed and scored the above-mentioned applications during its January 27, 2009, meeting and again at a meeting on February 26, 2009. In a letter dated March 5, 2009, the advisory board recommended that the Village of Elsie and Banner County applications be approved for NIEF grants in the amounts requested. With respect to the application filed by the Village of Bushnell, the advisory board was unable to reach a consensus on a recommendation and therefore offered none. Some members of the board expressed concern over the applications from the Village of Bushnell and

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the Village of Elsie as both had at least one provider offering some kind of high speed internet service in the grant project areas. The board recommended that the grant guidelines be reevaluated and specifically the terms unserved and underserved be more clearly defined in the NIEF grant guidelines. The board

further recommended that the evaluation of the grant guidelines be conducted prior to the Commission soliciting further grant applications.

The Commission has reviewed the applications submitted and finds that the proposed projects are consistent with the statutory purpose of the NIEF program and meet the requirements of the Commission approved grant guidelines. We are mindful of the concerns expressed by some board members, including those of the board member that submitted a letter of dissent to the board's recommendation. However, the proposed projects meet the currently established grant guidelines and goals, and will provide financial assistance to communities in which the provision of the internet and advanced telecommunications services are particularly costly due to factors including population scarcity and location remoteness. Furthermore, the Commission finds that the proposed projects are economically viable and sustainable, provide benefits to the areas they propose to serve in terms of access to the internet and advanced telecommunications services and will enhance rural development, economic development, education or telemedicine.

The Commission finds that the following applications should be approved for the amounts requested:

Village of Bushnell, Nebraska
Banner County, Nebraska
Village of Elsie, Nebraska

Due to the concerns raised by the advisory board, the Commission directs the advisory board to carefully consider and evaluate the current grant guidelines for the NIEF program and to make recommendations to the Commission for possible changes and/or additions to the grant guidelines. We find that such consideration of the grant guidelines should be conducted prior to the Commission soliciting further grant applications.

The Commission further finds that pursuant to NIEF guidelines, each grant recipient shall sign a Grant Agreement containing the terms or conditions of the grant, previously approved by the Commission, prior to receiving any grant funds.

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O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the above-captioned applications are approved for the requested amounts.

IT IS FURTHER ORDERED that the NIEF Advisory Board consider the NIEF Grant Guidelines in their current form and make recommendations to the Commission regarding possible changes and/or additions as outlined above.

IT IS FURTHER ORDERED that the grant recipients shall sign a Grant Agreement, as previously approved by the Commission, containing the terms and conditions of the grant.

MADE AND ENTERED at Lincoln, Nebraska, this 10th day of March, 2009.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director

//s// Frank E. Landis

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