I. INTRODUCTION

The Rural Telecommunications Coalition of Nebraska ("RTCN"),1 by and through its attorneys of record, hereby respectfully submits these comments to the Nebraska Public Service Commission ("Commission") in response to the Commission's December 20, 2016, Order Seeking Further Comment and Releasing Proposed 2017 Distribution Calculations in Application No. NUSF-108 ("Order").

II. COMMENTS

In the Order the Commission sought comments responsive to the attachments to the Order as well as the proposed 2017 distribution model. The Commission also ordered that the 2017 support payments be calculated consistent with Attachment "B" to the Order, subject to true-up.2 In its explanation for adoption of the proposed support calculations shown on Attachment "B," Commission found that its preferred policy regarding price cap carrier distributions is to convert price cap high-cost support to 100 percent capital

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2 See Order at page 4.
investment support. At this time, RTCN does not oppose such a policy position as it relates to price cap carriers, so long as such policy only applies to price cap carriers and does not apply to rate of return carriers. However, to the extent the Commission intends to adopt such policy for rate of return carriers, RTCN would object and requests separate consideration be given by the Commission in order to ensure fair and just treatment of rate of return carriers and their customers, as well as to protect the due process rights of rate-of-return carriers.

Although the Commission referred to the opening Order of this docket as its proposal of “modifications to the distribution mechanism for price cap carriers,” the Commission later indicated that the staff included certain proposed changes “that would impact the distribution of support for all high-cost recipients, not just price cap carriers.” Those proposed changes include “a step down in the rate of return to 11 percent” and “a change in the benchmark to $52.50,” both of which are intended to match actions taken by the FCC. RTCN respectfully requests further explanation of these proposed changes and the rationale therefor. In particular, this is the first time in this NUSF-108 proceeding that the issue of implementing a $52.50 benchmark has been introduced. Little to no information was provided in the Order with regard to the change in benchmark to $52.50. While RTCN may assume the $52.50 benchmark proposal is similar to the proposal set

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3 See Order at page 3.  
4 See Order at page 1 (emphasis supplied).  
5 Id.  
6 Id.  
7 Id.  
8 RTCN acknowledges that the issue of imputing a $52.50 funding benchmark as used in the FCC price cap model (“CACM”) instead of the loop revenue benchmark was raised for comment in the Commission’s November 17, 2015, Order on Reconsideration and Setting Hearing in Application Nos. NUSF-99/NUSF-50. However, that was a separate proceeding, and this Order does not provide enough information to determine whether the proposal in this Order is the same as the benchmark proposal in the November 17, 2015, Order in Application Nos. NUSF-99/NUSF-50.
forth in NUSF-99/NUSF-50, the Order does not specify what particular benchmark is at issue, what benchmark it is replacing, or the rationale for implementing the benchmark.

Finally, in footnote 1 of the Order, the Commission estimates that there will be a 20% reduction in remittance receipts between 2017 and 2018. In light of the steady decline of remittance receipts in previous years and this alarming projection for 2017 and 2018, RTCN strongly urges the Commission to move quickly to implement NUSF contribution reform in order to provide sufficient support to preserve and advance universal service as required under the Nebraska Telecommunications Universal Service Fund Act.

RTCN appreciates the opportunity to contribute to this proceeding and hereby respectfully submits its comments hereinabove.

Signature page follows

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9 See supra note 8.
Dated this 20th day of January, 2017.

RURAL TELECOMMUNICATIONS
COALITION OF NEBRASKA

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Benkelman Telephone Company, Inc.,
Cozad Telephone Company,
Diller Telephone Company,
Glenwood Network Services, Inc.
The Glenwood Telephone Membership
Corporation,
Hartman Telephone Exchanges, Inc.,
Hemingford Cooperative Telephone Co.,
Mainstay Communications,
Pierce Telephone Co., Inc.
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that an original and five copies of the foregoing Comments of the Rural Telecommunications Coalition of Nebraska were filed with the Public Service Commission on January 20, 2017, and a copy was served via electronic mail on January 20, 2017, addressed as shown below, to the following:

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