

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the matter of the Nebraska)	
Public Service commission, on its)	
Own Motion, to Administer the)	Application No. NUSF-92
Nebraska Universal service Fund)	Progression Order No. 5
Broadband Program)	

Comments of Windstream Nebraska, Inc.

Windstream Nebraska, Inc. (“Windstream”) provides the comments below in response to Progression Order No. 5 entered on October 27, 2015, by the Nebraska Public Service Commission (“Commission”) in connection with the above-captioned proceeding and the administration of the Nebraska Universal Service Fund Broadband Program (“NEBP”).

The NEBP has been successful in increasing broadband availability throughout the State of Nebraska, and Windstream commends the Commission for continuing its work to improve the effectiveness of the NEBP program. In these comments, Windstream focuses solely on the process the Commission uses for reviewing funding applications and proposes principles the Commission can implement to improve the process and achieve greater program, effectiveness, efficiency, and transparency.

Background

Over the last few years, as broadband network deployments in the state have increased and more carriers have competed for NEBP dollars, there have been an increasing number of incidents where one or more parties have objected to a grant application because the applicant’s project would overlap a portion of the party’s (or parties’) broadband serving area(s). The most recent such challenges came in Windstream’s objection to the broadband adoption application of NebraskaLink in Docket No. NUSF-92.31 and in Windstream’s objection to the broadband

infrastructure application of Glenwood in Docket No. NUSF-92.25. In both cases, Windstream had two main concerns – the overbuilding in Windstream’s service territory and a not entirely transparent process – which made it difficult for Windstream (and possibly others) to fully understand the bases for the Commission’s decisions.

In the Glenwood case, which involved a project that overbuilt areas entirely served by Windstream with the exception of a few under-served or un-served rural pockets, the Commission said:

To avoid these types of arguments going forward, the Commission plans to clarify the manner in which NUSF broadband support is to be distributed to rural areas surrounding a served community.¹

Windstream urges the Commission to undertake that clarification, as well as make other process improvements, now, before more problematic overbuild instances arise, more resources are used inefficiently, and the possibility of inconsistent ad hoc results jeopardize the program.

Process Improvements

As a threshold matter, when considering reforms to the application and grant review process, Windstream encourages the Commission to be mindful of the need to use the limited NEBP funds in the most efficient manner possible. One thing the last few years of NEBP application processing and NEBP program changes has made clear is that the funding is limited while the need for that funding continues to increase. The Commission must therefore distribute limited NEBP resources in the most economically efficient manner possible to get the most bang for its buck. Efficient use of limited funds is critical because the broadband support offered

¹ Order on Motion for Reconsideration, issued October 6, 2015, in NUSF-92.25, p. 4.

through the NEBP is vitally important as a means to improve the lives of rural Nebraskans and stimulate economic activity in the areas in which they live.

Given the importance of broadband deployment for rural Nebraskans, Windstream urges the Commission to take this opportunity to do what it can to make the application and grant review process more transparent and clear, particularly as it relates to applications for projects – wireline, wireless, or adoption – that will overlap areas already served with like-kind broadband services. Specifically, at a minimum, Windstream urges the Commission to consider the following: (a) NEBP funds should not support a substantial overbuild of investor capital; (b) NEBP funds should not support an applicant’s targeted substitution of existing like-kind broadband services of one or more customers from a current provider; (c) an 80% overbuild, such as was approved in the Glenwood application, is unacceptably high and the Commission should adopt a much lower threshold for what constitutes a “significant overbuild” warranting denial of an application; and (d) more aspects of the review process can be and should be publicly disclosed and, in particular, analyses which the Commission staff performs regarding service areas when scoring or rejecting applications should be disclosed at least to the parties with suitable confidentiality protections. Windstream also suggests that the Commission still utilize the National Broadband Map, appropriately supplemented, as part of the review process, but, consistent with the foregoing, the serving area data the Commission considers should be more fully disclosed. The Commission should promptly move to formalize these principles through appropriate orders and/or rules and Windstream looks forward to working with the Commission on the details for such reform.

Conclusion

Windstream commends the Commission for its ongoing commitment to increasing broadband deployment in the rural areas of Nebraska. We believe that Commission reforms to the application review and grant process will create more certainty around the program, which in turn will improve the overall efficiency and integrity of the process and ensure its long-term viability.

Respectfully submitted this 20th day of
November, 2015.



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Certificate of Service

The undersigned hereby certifies that on this 20th day of November 2015, an electronic copy of the foregoing was emailed to the following:

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