

ONE HUNDRED SEVENTH LEGISLATURE - FIRST SESSION - 2021
COMMITTEE STATEMENT
LB338

Hearing Date: Tuesday February 09, 2021
Committee On: Transportation and Telecommunications
Introducer: Bostelman
One Liner: Provide powers and duties for the Public Service Commission regarding redirection of funding for broadband services

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 8 Senators Albrecht, Bostelman, Cavanaugh, M., DeBoer, Friesen, Geist, Hughes, Moser
Nay:
Absent:
Present Not Voting:

Oral Testimony:

Proponents:

Senator Bruce Bostelman
Kyle Arganbright
Dan Watermeier
Andy Pollock
Lash Chaffin

Representing:

Introducer
NE Rural Broadband Alliance, NREA, Et al
NE Public Service Commission
NE Rural Broadband Alliance
League of NE Municipalities

Opponents:

Representing:

Neutral:

Representing:

Submitted Written Testimony:

Proponents:

James Dukesherer
Brad Moline

Representing:

NE Rural Electric Assn
ALLO Communications

Opponents:

Trent Fellers

Representing:

Windstream

Neutral:

Representing:

Summary of purpose and/or changes:

LB 338 would substitute the term "funding redirection" for "reverse auction" in sections of law, and allow the Public Service Commission (PSC) to consider a "community-based plan" when redirecting support and approving an entity (which must

include an eligible telecommunications company (ETC)) to receive Nebraska Universal Service Fund (NUSF) support in a particular exchange. This change will apply in exchanges where support is being withheld from the telecommunications company currently serving the exchange for failing to provide adequate broadband internet service. Scoring criteria for community-based plans would include the history of the entity providing quality and affordable telecommunications and broadband services in rural areas, the capability to provide the service in every area of the exchange, support of local stakeholders, other sources of funding, partnerships with local public power providers, partnerships with local wireless internet service providers, and an ability to cooperate with the local incumbent carrier.

Current rules allow the PSC to withhold support through a reverse auction. LB 338 appears to eliminate the reverse auction system, but allows the PSC to use the reverse auction program as a guide for the design, implementation, and operation of a funding redirection program.

The PSC would determine a timeline for deployment and milestone reporting by the ETC receiving the redirected funding.

Section-by-Section Summary

Section 1 replaces "reverse auction" with "funding redirection" in section 86-330. Subsection (3) establishes a scoring system for community-based plans, which are proposals for redirecting support made under this section by residential and business users of telecommunications and broadband service in the exchange area.

Section 2 replaces an instance of "reverse auction" with "funding redirection" in section 86-1102.

Section 3 repeals the original sections.

Explanation of amendments:

AM 110 adds language to clarify that the bill does not eliminate the current reverse auction system, and changes "community-based plan" to "rural-based plan," which is defined as "a proposal for redirecting funding as described in this section which is made by rural residential and business users of telecommunications and broadband services in high-cost areas of the exchange."

Curt Friesen, Chairperson