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Transportation and Telecommunications Committee
February 05, 2018

[LB721 LB993 LB994 CONFIRMATION]

The Committee on Transportation and Telecommunications met at 1:30 p.m. on Monday, February 5, 2018, in Room 1113 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on a gubernatorial confirmation and on LB993, LB994, and LB721. Senators present: Curt Friesen, Chairperson; Jim Smith, Vice Chairperson; Bruce Bostelman; Tom Briese; Suzanne Geist; Mike Hilgers; Dan Hughes; and John Murante. Senators absent: None.

SENATOR FRIESEN: Welcome, everyone, to the Transportation and Telecommunications hearing. I'm Curt Friesen, District 34, from Henderson, and I'll begin with a few procedural items here. I'd like you to all turn your cell phones to silent, and all the other electronic devices. We'll be hearing bills in the order listed on the agenda. Those wishing to testify on a bill should move to the front of the room and be ready to testify. We have set aside an on-deck chair here in the front so the next testifier will be ready to go when their turn comes. If you'll be testifying, legibly complete one of the green testifier sheets located on the table just inside the entrance. Give the completed testifier sheet to the page when you sit down to testify. Handouts are not required but, if you do have a handout, we need ten copies. One of the pages will help you with that if you need help. When you begin your testimony it's important that you clearly state and spell your name. Otherwise I will stop your testimony and ask you to please do so. Please keep your testimony concise and try not to repeat what's already been covered. We will use the light system today. We will give you five minutes: four minutes with the green light; when the yellow light comes on, you'll have one minute; and when the red light comes on, I would appreciate it if you would wrap it up as quick as you could. Those not wishing to testify may sign in on the pink sheet by the door to indicate their support or opposition to a bill. Next I'll introduce my staff. I have...my legal counsel to my right is Tip O'Neill, and the committee clerk, right here over there, Elice Hubbert. And we have Lee-Ann Sims and Kylie Kotouc, both of them from the University of Nebraska in Lincoln. And so with that, we will open a confirmation hearing on Eric Bigler, the Motor Vehicle Industry Licensing Board.

_____ : (Inaudible) the senators?

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SENATOR FRIESEN: Oh yeah, sorry. I'll have the senators introduce themselves. Let's start over there on my right.

SENATOR BRIESE: Tom Briese, Legislative District 41, a nine-county area from central and northeast Nebraska.

SENATOR BOSTELMAN: Bruce Bostelman, District 23: Saunders, Butler, and the majority of Colfax Counties.

SENATOR MURANTE: John Murante, District 49: Sarpy County.

SENATOR SMITH: Jim Smith, District 14: Sarpy County.

SENATOR HUGHES: Dan Hughes, District 44: ten counties in southwest Nebraska.

SENATOR HILGERS: Mike Hilgers, District 21: northwest Lincoln and Lancaster County.

SENATOR GEIST: Suzanne Geist, District 25: the east side of Lincoln that also includes the town of Walton and Waverly.

SENATOR FRIESEN: All right. Thank you. Now we will have the confirmation hearing for Eric Bigler, the Motor Vehicle Industry Licensing Board. Welcome. [CONFIRMATION]

ERIC BIGLER: (Exhibit 1) Good morning. My name is Eric D. Bigler, spelled E-r-i-c, middle initial D, last name B-i-g-l-e-r. [CONFIRMATION]

SENATOR FRIESEN: So if you would, could you just tell us a little bit about yourself, and then what you feel makes you qualified, I guess, to be on the board, just short as you want, or give us kind of a brief outline of what you feel is important on the board? [CONFIRMATION]

ERIC BIGLER: Okay. I have been an automobile dealer, here in Lincoln, since 1998. This is our 20th year. Prior to that, worked for several dealerships for a few years. We've put forth a great

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effort, as a dealer, just to operate with a very high level of integrity, very high ethical standards. I think, you know, it's been an honor to be invited to be a part of the board. I think the board's, you know, main purpose is just to oversee, make sure that dealers are following the statutes and laws, as written, and to assist in making decisions about how to handle those that are not.

[CONFIRMATION]

SENATOR FRIESEN: Okay. Any questions from the committee? Seeing none, I will take testimony in support. Is there anyone wish to testify in support? Seeing none, does anybody want to testify in opposition? Seeing none, anyone wish to testify in a neutral capacity? Seeing none, we will close the hearing. Thank you very much. [CONFIRMATION]

ERIC BIGLER: Thank you. [CONFIRMATION]

SENATOR FRIESEN: We make it kind of short, don't we? [CONFIRMATION]

ERIC BIGLER: That was...yeah, very short. Thank you. [CONFIRMATION]

SENATOR SMITH: We now open our hearing on LB993, that will be introduced by Senator Friesen. It relates to creation of the 911 Service System Advisory Committee and changing the 911 Service System Act and eliminating the act's termination date. Welcome, Senator Friesen, for your opening on LB993. [LB993]

SENATOR FRIESEN: Thank you, Vice Chairman Smith. Senator Smith, members of the Transportation and Telecommunications Committee, my name is Curt Friesen, spelled C-u-r-t F-r-i-e-s-e-n. I represent District 34, and I am sponsoring LB993. As you may recall, our committee conducted an interim hearing this last year and heard a report from the Public Service Commission on progress with the state's 911 service system, back in December. This bill is introduced in response to that report. It may be the most important provision of LB993 is to repeal the 911 Service System Act's sunset date of June 30, 2018. This language was included in LB958 that was passed two years ago, to ensure that the plan included in LB993 was acceptable to all parties and did not provide overregulation by the PSC on the wireless industry. I'm satisfied that this bill strikes the appropriate balance. LB993 would create the 911 Service System

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Advisory Committee. Now this committee, which is composed of 14 members with at least 4 members from each Congressional district, would advise the PSC on implementation, coordination, operation, management, and funding of the 911 system. The state 911 director and the chief information officer would serve as cochairs of the committee. Members would be appointed by the PSC from various entities involved in the provision of 911 services. The bill would also amend current law to provide the PSC authority to determine allocations of the 911 Service System Fund and establish a mechanism for determining the level of funding to benefit local governing bodies, public safety answering points, and third party service or infrastructure providers. The PSC would also establish standards for operating, planning, implementing, coordinating, managing, and maintaining the 911 service system. The PSC could also apply for and distribute federal, or other, funds that may become available for the development of Next Generation 911 service. The bill also provides that any person involved in the provision of Next Generation 911 service shall, except for failure to use reasonable care or for intentional acts, be immune from liability. The bill also has the emergency clause. Now Tim Schram, from the Public Service Commission, will follow me today with testimony and will present an amendment merging cash funds, which the commission wants us to consider as a committee amendment. I know this is an important bill, and I urge the committee to advance the bill to the full Legislature for its ratification. Thank you, Mr. Vice Chairman. [LB993]

SENATOR SMITH: Thank you, Senator Friesen, for your opening on LB993. Questions from the committee for Senator Friesen? I see no questions, and I see...so Commissioner Schram is going to follow...invited testimony. Welcome, Commissioner. [LB993]

TIM SCHRAM: (Exhibits 1 and 2) Good afternoon, Vice Chair Smith. Chairman Friesen, members of the Transportation and Telecommunications Committee, my name is Tim Schram, spelled T-i-m S-c-h-r-a-m, and I am a commissioner, representing the 3rd District with the Public Service Commission. I appear before you today to express the commission's support for LB993. LB993 will enable the Public Service Commission to begin implementing the 911 Service System Act. As you may recall, the Public Service Commission presented the 911 Service System Plan to a joint session of the Legislature, Transportation and Telecommunications Committee, and the Appropriations Committee in December of 2017. Additionally, LR174 provided an opportunity for the Transportation and Telecommunications Committee to hear

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testimony from engaged stakeholders, commission representatives, and other citizens interested in the development of Next Generation 911. The current Legacy 911 system has served our citizens well for almost 50 years, however the current system has reached its technical capacity. On average, 80 percent of calls received in Nebraska's 911 centers or Public Safety Answering Points, PSAPs, today are from wireless callers. But the current 911 system cannot take advantage of the location mapping and multimedia capabilities of today's wireless phones. Nebraskans use this technology in their daily lives, and they expect it to be available when they need it for an emergency. There are two significant differences between the Legacy System we use today and Next Generation 911 System. Instead of copper telephone lines, Next Generation 911 will utilize high-speed fiber optics and IP technology to provide instantaneous communications via an emergency services internet protocol network, or ESInet. The ESInet will allow for the seamless flow of voice and multimedia data from the caller who needs help in an emergency to the 911 call taker, who can dispatch appropriate emergency services. The other significant change is ability to locate callers geospatially, using geographic information system mapping with GIS maps. The locations of 911 callers can be identified with improved accuracy. Emergency calls would be routed to appropriate 911 center. First responders will know where to go, even when callers cannot identify their location. LB993 will allow the commission to establish the 911 Service System Advisory Committee. The members of this committee will be representatives of public safety agencies, the telecommunications industry, and government officials. The committee will advise the commission on the implementation, operation, and management of the 911 service system. Additionally, LB993 will allow the commission to utilize money available in the 911 Service System Fund to begin implementation of the Next Generation 911 System. The revenue to support the 911 service system comes from the 45-cent monthly surcharge on wireless phone bills. Under current law, these surcharges are first remitted to the E-911 Wireless Fund and then transferred to the 911 Service System Fund, to be used for 911 purposes. The commission would like to offer AM1646, a copy of which is attached to my printed testimony. This amendment will combine the two funds and eliminate the need to transfer money from one fund to the other. An analysis of the anticipated costs and the available balance in the 911 Service System Fund shows that the fund can sustain the initial stages of transition to Next Generation 911 without an increase in the monthly service fee. Additionally, the commission will also apply for a share of the \$115 million in federal grants expected for the nationwide implementation of Next Generation 911. Once LB993 is approved, the commission

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will form the 911 Service System Advisory Committee. Next the commission will develop Requests for Proposals, RFPs, for vendor-hosted solutions to create the Nebraska ESInet, provide Next Generation 911 Core Services and purchase 911-related equipment. The 911 centers in Nebraska are in the process of forming regions, working with their neighbors to share resources and provide mutual backup to save costs and improve efficiencies. Each region will consist of two host centers which will house the primary equipment for the region. The other remote 911 centers in the region would connect to the host centers using a regional IP network. Each region would connect to the statewide ESInet by a connection to each host site. The commission's plan, as reflected in the fiscal note, is to connect the first region, consisting of 14 PSAPs covering 24 counties, in fiscal year 2018/2019. Two more regions would be connected in fiscal year 2019/2020. In the next two years, 38 PSAPs, covering 49 counties, would become Next Generation 911 capable. This represents 42 percent of the state's population, 45 percent of the state's geography, and 80 percent of Interstate 80 after just the first two years. This is an exciting time for public safety communications. We now have the ability and the resources to meet our citizens' expectations and improve public safety in our state through the transition to Next Generation 911. LB993 allows Nebraska to begin that transition. Thank you for the opportunity to present this information to you today. [LB993]

SENATOR SMITH: Thank you, Commissioner Schram, for your testimony in support of LB993. Questions from the committee for Commissioner Schram? I see no questions. [LB993]

TIM SCHRAM: Thank you. [LB993]

SENATOR SMITH: Thank you. We continue with proponents of LB993. We're going to...Larry. Larry, we have invited... [LB993]

LARRY DIX: Someone else? [LB993]

SENATOR SMITH: We have an invited testimony first. Please bear with us. We have an invited guest to speak in support of LB993. Welcome. [LB993]

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NORM WEVERKA: (Through an interpreter) Senator Smith and members of the committee, I'm Norm Weverka, N-o-r-m W-e-v-e-r-k-a. I hail from Brainard, Nebraska. I happen to be a farmer, as well. And as a deaf person, I utilize the telephone just the same way that anybody else would use the telephone any other day. I don't know that there's a single soul in today's modern age that does not communicate without the use of some sort of a telephone. I'm in support of LB993, and the reasons that I continue to support this is because, as a deaf person, I believe that I need to have equal access to 911 services. For a long time, as a deaf person, or anybody who might be speech-impaired, are often left in the dark. When we are out away from our homes, or even in remote locations where there's no other individuals out there, there seems to be no way to contact 911. Texting 911 would be the way that I would communicate that I have a need for 911 services. And without that ability, I no longer have that access. Excuse me. I'd like to share a particular scenario that happened to me, as a farmer. Not too long ago, just in this past fall of 2017, I was out in the field, working with cattle. The water at the pond had frozen. And I have a young man who works with me, and he had decided to go to the shop. And I was quite a big distance away from him, and he actually slipped and had fallen into the pond. Now here I am, in the middle of nowhere. This gentleman is in the water, his cell phone is probably not functional at this point. Maybe it's on him, but I have one and it's in my hand. But who am I able to call? I could call a friend, but am I going to get an answer? And that's always the question. The nearest farmhouse is easily at least a mile away, and I certainly am not capable of running that distance. Now fortunately, this particular pond was a shallow pond. It only stood about waist-deep for this gentleman. But I do think of those emergency times where...what do I do? There was another opportunity where I was operating a swather out in the field, and there was hay...the entire field was filled with hay. And as I was operating my equipment, I noticed that, in the back of it, there was a bit of a fire. Again, jumping off of the equipment, realizing the fire was growing quite fast--it was an incredibly hot and dry day--and again, the nearest farmhouse was literally a mile away. And I thought boy, if I try to run there, by the time I could even get to anyone, the field would be gone. It would be left to absolutely nothing, and all of my hay and all of my crop would've been soot. The fire department would've come, however, it would have been too late. And ultimately, in that situation for me, it took almost 45 minutes for the fire department to come. So these are just a couple of scenarios to exemplify when we have emergencies, but we don't have access to 911, it becomes a serious situation. So I do hope that you are in favor of this bill. I think that it will benefit, not just deaf and hard of hearing or speech-impaired people, but

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generally the entire citizen base, who relies upon telephone services. I thank you for your time, and I will take any questions, if you have any. [LB993]

SENATOR SMITH: Thank you for your testimony in support of LB993. Questions from the committee? I see no questions. Oh, I'm sorry. One moment...Senator Bostelman. [LB993]

SENATOR BOSTELMAN: Thank you, Vice Chairman. Thank you for being here today. I appreciate your testimony. My question is, what does your device look like, or what do you use? What's your cell phone? What does it...how does that operate? [LB993]

NORM WEVERKA: It's a cell phone, just the same as anybody else's, the same that you have. And we all have the same texting capability. So I use the same texting capability as you do. [LB993]

SENATOR BOSTELMAN: And my follow-up question is, how do you use that to contact 911 differently than, say, I would? [LB993]

NORM WEVERKA: A hearing person is able to pick up the telephone and call for 911 services, where I cannot. If I were able to use a text 911 service, we could communicate that way but, as it stands today, we just don't have the communication technology ability to accept that. As it stands today, the only people who have access are those who can pick up the phone and actually use their voice to call. Does that answer your question? [LB993]

SENATOR BOSTELMAN: We're talking more connectivity to the cell phone provider than use of the device. [LB993]

NORM WEVERKA: Well, as far as...I mean the provider, and access to the provider...it would be, regardless of what cell phone provider you use, or you know, again, it's any...it's no different than any other device. Again, the point being here is that you have access to pick up the telephone and connect to 911. You can dial 911 and actually reach an individual where I don't even have that connection ability. I would have to send a text message to connect, and that's the problem that I, as a citizen, have, is that I don't have that ability to connect to 911 because of the

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technology that's not in place. And I would like you to constantly, to not just think about the residents of Nebraska, but how many tourists that we have, or anybody who's commuting or traveling through the state of Nebraska. It's another opportunity to be able to connect to 911 and to keep you safe while doing so. [LB993]

SENATOR BOSTELMAN: Thank you. [LB993]

NORM WEVERKA: You're welcome. [LB993]

SENATOR SMITH: Other questions from the committee? I see none. Thank you again for your testimony in support of LB993. [LB993]

NORM WEVERKA: Thank you. [LB993]

SENATOR SMITH: We have one other invited testimony. Welcome. [LB993]

CARLY WEYERS: Thank you. Good afternoon. My name is Carly, C-a-r-l-y Weyers, W-e-y-e-r-s. I'll keep this pretty short and sweet today. Imagine yourself in a domestic violence situation. Maybe you have to hide in the bathroom or in a closet. You're not able to actually pick up that phone, calling 911, because you're afraid your assailant will hear you. Or maybe you're in a serious medical condition, and you're not able to verbally express your concerns or your ability to call, and need 911. What do you do in those situations? I'm here as a behavioral health coordinator for the Nebraska Commission for the Deaf and Hard of Hearing. And I'm working to make sure that mental health services, behavioral health services, any professional services that affect our constituents and how we're able to provide communication access for those that are deaf, hard of hearing, or deaf/blind, that live in the state of Nebraska. Texts to 911 is a huge benefit for our community, but it's not just for us because it could benefit every resident within the state. 911 is a critical, livesaving instrument, and it's a program that should be accessible for all. Currently those who are deaf and hard of hearing are only able to access 911 by picking up their video phone and calling a relay service, which is connecting to a third-party relay. And that takes time, precious moments that are often wasted. So that's not immediate access for those of us. Texts to 911 could be incredibly useful without having to access that third party. So when you

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think about the fact that it may benefit us, it will actually benefit the greater community. What would you do if you were stuck in a situation, or stuck in a bathroom in a domestic violence situation, or in a critical emergent situation that prevents you from verbally calling 911? I thank you for listening to my testimony today, and willing to take your questions. [LB993]

SENATOR SMITH: Thank you, Ms. Weyers, for your testimony today. Questions from the committee? I see no questions. Thank you for your testimony in support of LB993. [LB993]

CARLY WEYERS: Thank you. [LB993]

SENATOR SMITH: I believe that concludes our invited testimony. Welcome, Mr. Dix; sorry to interrupt you earlier. [LB993]

LARRY DIX: Good afternoon, Senator Smith...Vice Chairman Smith, members of the committee. Thank you to the folks that just testified. That was very vital to this bill. My name is Larry Dix, L-a-r-r-y D-i-x. I'm executive director of the Nebraska Association of County Officials and here today in support of LB993. Certainly we want to thank Senator Friesen for introducing this bill. And I want to give you just a little bit of background and a little bit about NACO's involvement in this process. NACO and county officials were part of a group that have been working on this master plan for a number of months. Sometime I think we've been working on it for years. We've held a number of meetings. A number of those meetings we hosted in the NACO office and, when we hosted those, as we have done when we work on many other projects, we hosted those with folks that initially were a little bit skeptical, had some questions, had some concerns. And we worked through those, thanks to the Public Service Commission. Those meetings were long. We talked about a number of things that the previous testifiers talked about and the need, and why we need that for the citizens in the state of Nebraska. LB993 would provide a continued role for stakeholders through a new advisory committee, and it would task the Public Service Commission with determining the allocation of a wireless 911 surcharge to cover the costs of the Next Gen 911 services. The guidance that will come from this advisory committee and the Public Service is particularly important, as existing 911 equipment is starting to reach its end of life. And so we believe that the committee's structure...we believe that that will guide our PSAPs and our county officials in the future, as we roll out 911. The Public

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Service Commission has been particularly proactive to make the 911 system meet today's technology and public expectations, and I think that's something that we really want to consider and want to think about. In this day and age, it is the expectation that, when someone is in trouble, they can pick up, they can text...they will reach somebody at the other end of the line. And I think, moving forward, from a public safety point of view, that is very, very important. We are excited about this bill. We've worked on it long and hard, and we would ask you to advance LB993 to the floor of the Legislature. Thank you, and I'll answer any questions anyone may have. [LB993]

SENATOR SMITH: Thank you, Mr. Dix. Questions from the committee? Senator Hilgers. [LB993]

SENATOR HILGERS: Thank you, Mr. Vice Chairman. Thank you, Mr. Dix, for being here. I appreciate it. Two questions, and I probably should have asked this of Mr. Schram when he was up earlier, but maybe you could answer them. I'll just ask them both, and then I'll let you answer. One is, do you know...I think Mr. Schram said that in the first two years, 42 percent of the state's population will be covered. Do you know the time line by which the entire state would be covered? That's question one. And then question two is, are there any...are there any issues that you see with integrating the Legacy System and the Next Gen System during that transition period? [LB993]

LARRY DIX: Sure. And Senator Hilgers, thank you. I would tell you I'm not...I'm probably not the one, necessarily, to answer that. I don't know. The plan, as we start to roll this out, and I think we've laid out, we want to take the first region and roll it out. And as you know, a plan like this, when you roll it out, you may see some things that you need to take a step back and say, oops, that's going to cause us a little bit of a delay. But certainly the plan is to get it to all citizens as fast as we possibly can. Okay? So from that point of view, I think, you know, as soon as possible but I don't know that we have a date. I think the plan may have outlined some of those things. We're really, really excited about the regionalization concepts, because we think that will provide some savings, and we think it really how it will work. Now remind me of your second question. [LB993]

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SENATOR HILGERS: Any issues with the transition from the Legacy side. [LB993]

LARRY DIX: And...yeah, the Legacy side. There are going to be a couple of those that follow me that are very involved with the Legacy Systems and the new system, and I think they will be able to answer that technical question. [LB993]

SENATOR HILGERS: Thank you, Mr. Dix; I appreciate it. [LB993]

LARRY DIX: Yep. [LB993]

SENATOR SMITH: Other questions from the committee? I see none. Thank you, Mr. Dix. [LB993]

LARRY DIX: Thank you. [LB993]

SENATOR SMITH: Continuing with proponents of LB993. Welcome. [LB993]

LASH CHAFFIN: Good afternoon; thank you. my name is Lash, L-a-s-h Chaffin, C-h-a-f-f-i-n. I'm a staff member at the League of Nebraska Municipalities and, just like the prior testifiers, I would echo that the league has been very active in the master plan over the last couple years. And I will say since I've been the league, I've been a part of dozens, if not hundreds, of studies with the Legislature, state agencies, federal agencies, Congressional committees. You name it; I've been a part of it. I will say the master plan...this has been one of the most thorough processes I've ever been a part of. And just like Mr. Dix, I was extremely skeptical, going into this process, that a workable master plan would come out of this--the plan we are doing. And I will say that the PCS staff and the consultants they hired, MCI (phonetic)--I don't remember what the acronym stands for, Mission Critical Partners--were outstanding at listening to the concerns of the Legacy Systems and how they would need to transition into a high-tech system. And they had a deep understanding of...they've worked in other states where the original system was essentially designed just by people rolling up their sleeves and working hard, and that doesn't always transition well to a high-tech system. And I think that the study reflects a lot of the need for kind of an organic regionalization rather than an arbitrary setting of boundaries. And I think

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this is something that will work. I don't think there are any pockets of people out there saying we need to hang on to the Legacy System. The questions are...we need to get the right people together to continually talk on a daily basis to say: How does this...how do we work this for everyone? And it's been a fascinating process, and I hope the league can continue to contribute to this process and move Nebraska forward. But I will certainly answer any questions also.

[LB993]

SENATOR SMITH: Thank you, Mr. Chaffin. Questions from the committee? I see none.

[LB993]

LASH CHAFFIN: Thank you. [LB993]

SENATOR SMITH: Next proponent. Welcome. [LB993]

SHARON SINKLER: (Exhibit 3) Hi. Good afternoon. First of all, I'd like to say...thank Senator Friesen for introducing this bill, and I also thank you all for my opportunity to speak today. I am the current secretary for the Nebraska Association of the Deaf, and my name is Sharon Sinkler, S-h-a-r-o-n, last name S-i-n-k-l-e-r. [LB993]

SENATOR SMITH: Thank you. [LB993]

SHARON SINKLER: You're welcome. As I said, I'm the Nebraska Association of the Deaf secretary, and I'm also the treasurer for Heartland Deaf Advocacy Services (sic--Heartland Deaf Abuse Advocacy Services), an organization that assists those in domestic violence situations. So you'll have my letter. I don't really want to read it. Like the previous testimony mentioned, people who are in domestic violence situations, especially if they're deaf or deaf/blind or hard of hearing, don't have the ability to call 911. They would need to Text-to-911 for any kind of assistance in an emergency situation. You also heard a story earlier about a farmer. I also have a story about a farmer, a farmer who is deaf that lives near McCook. Happened to notice that the barn near his home was in flames. He could not call 911, using his TTY which is in his house. And you asked earlier, you asked our invited guest, Norm Weverka, about that. Most people who live in rural areas use a specialized telecommunication device called a TTY, and it's located,

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normally, in their houses and it's hooked to a landline. So if you're out in the field, you would have to drive all the way back to your house, pick up the phone and, again, through a third party relay, call 911. So this gentleman who I'm speaking of was not able to get to his house. He tried sending a Text-to-911 but of course it did not go through. Luckily a nearby hearing farmer was driving by, noticed the fire, and called 911 with his cell phone, not necessarily equal access to services. I think that's about all I need to say. Text-to-911 should be a service that's available for people who are deaf, not only them, but everyone. Anyone who needs services should be able to use 911 to text. [LB993]

SENATOR SMITH: Thank you, Ms. Sinkler. Questions from the committee? I see none. [LB993]

SHARON SINKLER: Thank you. [LB993]

SENATOR SMITH: Thank you. Next proponent, supporter of LB993. Welcome. [LB993]

NEIL MILLER: Thank you, Vice Chair Smith. Chairman Friesen, members of the Transportation and Telecommunications Committee, my name is Neil Miller, N-e-i-l M-i-l-l-e-r. I am the sheriff of Buffalo County, also here today representing the Nebraska Sheriffs' Association. I'd like to start out by telling you that I think that we had a good process in putting the plan together, the master plan for Next Generation 911 in Nebraska. A lot of consideration went into how this state looks, the way...the large size, the different places population is scattered across the state. And I think that a good plan has been put together to allow that the small places that still provide service for 911 to their constituents are going to be able to do that, but a plan that, if they can't, there's a way for them to move to consolidation to where they can partner with who they want and who they have a relationship with, to provide those services back to the people in the areas that they were serving prior to that. So I think that this plan is really set out well to be able to have a future look. I'd like to talk a little bit about...I've been on the Wireless 911 Advisory Board since about 2001. I was a member of the stakeholder committee, and I can tell you that, for the last three years, Text-to-911 in a Legacy System has been a very high priority, and we've been working hard to get text rolled out. Buffalo and Douglas County were the first two counties in Nebraska to enable Text-to-911 on the Legacy network. And we

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were...that was important for us because we had a university in Kearney. So we really took that on and wanted to be a part of being the leaders in getting that out. Since that time other 911 centers have, in fact, rolled Text-to-911 out. And Text-to-911 certainly, along with other texting features, are a part of the Next Generation 911 System which we are proposing as a part of this bill here today. So it is very, very important that we have those services available. I want to tell you a quick story on a case that we had shortly after we turned Text-to-911 up. We had children riding in a car, who had a father who had been drinking. They were very, very concerned about their well-being because they felt that their father was impaired. They knew that trying to make a call to 911, a voice call, would not be met very well with their father, who might not be very happy that they were reporting his bad driving. They had almost...two times they were near head-on collision with those kids in the back seat of that car. They used their text on their cell phone to text the Buffalo County 911 Center, putting dispatchers on alert and, in fact, getting the Kearney Police Department en route to where this vehicle was. They texted back and forth, unbeknownst to the driver of the vehicle, what was going on and where they were and, subsequently, the Kearney Police Department arrested the driver of that vehicle for driving under the influence before that car got out onto Interstate 80. So having been through something like that, I understand the importance of Text-to-911, and I can assure you that it is a priority for all of us that are serving in the 911 field. Just a lot of the things that have already been discussed, I'm not going to repeat. I would just ask that...I think it's a good plan for the state, and I would ask that you move this out of committee to the Legislature so that we can get to work in getting Next Generation 911 services brought to the state of Nebraska. Thank you. [LB993]

SENATOR SMITH: Thank you, Mr. Miller. Questions from the committee? I see none. [LB993]

NEIL MILLER: Thank you. [LB993]

SENATOR SMITH: Thank you. Welcome. [LB993]

JERRY STILMOCK: Mr. Vice Chair, members of the committee, my name is Jerry Stilmock, J-e-r-r-y S-t-i-l-m-o-c-k, testifying on behalf of my clients, Nebraska State Volunteer Firefighters Association, and the Nebraska Fire Chiefs Association, in support of LB993. Going back to Sheriff Miller, since about 2000/2001, there's been a representative from the volunteer services,

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both men and ladies, both fire and rescue, that have been a part of other advisory committees to bring us to, really to the point where we're at today. We're very excited about it. And the item I'd like to share with you, though I'm cloaked with the lobbyist role, it was wonderful to see the stakeholders: Sheriff Neil Miller--I wouldn't want to have anybody else in my corner, Mr. Sankey, the members of the commission, the person--the expert--that's in charge of GIS, which is going to be so critical to this next level of Next Generation 911. All of you have a great team out there in the field, so to say. We're very excited about it, and ask you to support LB993. Thank you, senators. [LB993]

SENATOR SMITH: Thank you, Mr. Stilmock. [LB993]

JERRY STILMOCK: Yes, sir. [LB993]

SENATOR SMITH: I see no questions. [LB993]

JERRY STILMOCK: Thank you. [LB993]

SENATOR SMITH: Thank you for your testimony. [LB993]

JERRY STILMOCK: Yes, sir. [LB993]

SENATOR SMITH: Next proponent of LB993. Welcome. [LB993]

ANN PROCKISH: (Exhibit 4) Thank you. My name is Ann Prockish, A-n-n P-r-o-c-k-i-s-h, and I'm the regulatory and legislative affairs director for CenturyLink in Nebraska. Today I testify on behalf of CenturyLink and the Nebraska Telecommunications Association, in support of LB993. The move to Next Generation 911 service is important to the state of Nebraska to ensure that all citizens have access to reliable emergency services, and LB993 takes the initial steps towards that goal. You've heard a lot of testimony already about how wonderful Next Generation 911 is, so I'm not going to belabor that point. We do have one concern with LB993, as written. Section 9 states that those that are involved in the provision of Next Generation 911 service shall be immune from liability or the payment of damages, except for the failure to use reasonable care or

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for intentional acts. This reasonable care standard for liability is low and would still subject those parties involved in the provision of service to be liable for things that may be outside of their control, such as when...an accidentally uncovered equipment failure that is the result of weather. Having the limitation of liability at this simple level will create a chilling effect for companies looking to participate in the deployment and provision of Next Generation 911 services. We would undertake...companies in that type of situation would undertake a much more detailed review and scrutiny of any Next Generation 911 project where this lower level of liability exists. We recommend the language in LB993 be changed to allow that, except for gross negligence or willful misconduct, parties will be immune from liability. CenturyLink's tariff, as well as other LECs' tariffs contain limitation-of-liability language that is consistent with the gross negligence standard, which affords a greater protection to those companies engaging in the provision of emergency services. That concludes my testimony, and I'll be happy to answer any questions. [LB993]

SENATOR HILGERS: Thank you, Ms. Prockish. Before he left, Vice Chair Smith deputized me as the acting chair in his absence, with Mr. Chairman bringing this bill and on the sidelines. Are there any questions for Ms. Prockish? Senator Briese. [LB993]

SENATOR BRIESE: Thank you, Senator Hilgers. And thanks for being here. The standard of care in your (inaudible) here. How is that handled in other states? [LB993]

ANN PROCKISH: It's kind of a mishmash right now. We do try to get the limitation-of-liability language to the gross misconduct standard. [LB993]

SENATOR BRIESE: And we can adopt it that way? Or... [LB993]

ANN PROCKISH: That I don't know off the top of my head. I can certainly find out from other states where we have helped provision Next Generation 911 service, and get back to you. [LB993]

SENATOR BRIESE: Okay. [LB993]

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ANN PROCKISH: Okay? [LB993]

SENATOR HILGERS: Thank you, Senator Briese. Any other questions? Seeing none...oh, Senator Bostelman. [LB993]

SENATOR BOSTELMAN: Thank you, Senator Hilgers. Thank you for being here testifying. Could you give me an example of the simple level that you've seen in other areas? [LB993]

ANN PROCKISH: Like I mentioned in my testimony, a simple or reasonable care standard would be if a technician inadvertently left a piece of equipment uncovered and then rain got into that equipment and caused a malfunction, whereas a gross misconduct standard would be if that technician, after repeatedly left equipment uncovered, even after being warned several times not to do that. [LB993]

SENATOR BOSTELMAN: Have you seen that in...is that something that has come up in other states? [LB993]

ANN PROCKISH: We couldn't find any examples of that happening in other states, but it's just a matter of making sure that we're protected from liability from things that are beyond our control. [LB993]

SENATOR BOSTELMAN: Thank you. [LB993]

SENATOR SMITH: Further questions from the committee? I see none. Thank you, Ms. Prockish, for your testimony. [LB993]

ANN PROCKISH: Thank you. [LB993]

SENATOR SMITH: Next supporter of LB993. Welcome. [LB993]

GARY WARREN: (Exhibit 5) My name is Gary Warren, G-a-r-y W-a-r-r-e-n. I'm part of the management team at Hamilton Telecommunications. We are a local telephone carrier, a relay

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provider with contracts in about 20 states nationwide, for the deaf and hard of hearing, and a 911 service provider. We support this bill and encourage the committee to move forward with this step to implement Next Generation 911 in an expeditious manner, consistent with the recommendations set forth in the report previously provided to you. The purpose for my testimony today, beyond support of the bill, is to touch on the point that the previous witness just...testifier just brought up, and that is the liability standard. We recommend, also, that the liability standard be changed. We believe that this...the current standard will discourage providers from moving forward, with providing these newer, more technologically advanced and more complex services. It will result, potentially, in a higher cost and it will diminish the number of bidders you have on the surface. And we've seen that, in the relay business in which we're in, where we've bid hundreds of RFPs over the last 25 years, and we look at those liability statutes, and we have purposely stayed out of states where five-ten years we've actually had a couple states change their provisions to meet our concerns so that we could later bid and be awarded those states. We think the same thing is going to happen with Next Generation 911, so we encourage you to look at that. I won't go into further detail with my testimony to repeat the point of the previous testifier, but I did outline in here that the National Highway Traffic Safety Administration has put forth a sample and recommended legislative language which is consistent with our recommendations and the standard we suggest. And I also point out Arizona, Montana, North Carolina, and Iowa all, in the last couple years, have similar language, as recommended by that national standard. And you might want to take a look at that. I think that's what's happening. I think it's happening because I think what they're finding is, it's a much more complex system. It has multiple providers involved in providing the service. When they go to the regional networks, they're relying on a lot more of them and, if you want to encourage the advancement of it and reaching out and being in front on the technology, as well as doing so at a reasonable cost, I think it's worth looking at this liability language and making a modification. We thank you for the opportunity to testify and your consideration of these proposed revisions. And again, we support the bill. We think this is a great step forward, and we look forward to you moving it to the full Legislature. Let me say one final point here that I have in my testimony, too, to raise the harmonization thing that needs to take place in your statutes in this regard, if you do move forward with what we're suggesting as the change in language in LB993. We think it should be uniform for both public and private entities, across the board. And I think that's an important thing you should do, if you do change the language, as we've suggested. Thank you. [LB993]

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SENATOR SMITH: Thank you, Mr. Warren. Senator Hilgers. [LB993]

SENATOR HILGERS: Thank you, Mr. Vice Chairman. And thank you for being here. Can you elaborate a little bit on your last point, in terms of standards. Are you talking about the liability standard between public and private? I'm sorry; I didn't quite follow that. [LB993]

GARY WARREN: There's a couple of existing statutes on the books: 86-441 and 86-468, which you would want to harmonize with what I have suggested if you're going to move forward. At least that would be my opinion, would be a good idea. [LB993]

SENATOR HILGERS: And when you say harmonize with what you suggested, you're referring to the change from reasonable care to gross negligence? [LB993]

GARY WARREN: Yes. [LB993]

SENATOR HILGERS: Okay, thank you. [LB993]

SENATOR SMITH: Seeing no additional questions, thank you, Mr. Warner, for your testimony. Continue with proponents of LB993. Welcome, Mr. Hansen. [LB993]

JOHN HANSEN: Mr. Vice Chairman, members of the committee, for the record, my name is John Hansen, J-o-h-n Hansen, H-a-n-s-e-n. I'm the president of the Nebraska Farmers Union, and also their lobbyist. We thank Senator Friesen for bringing this bill forward. And not to repeat things that have been said before, but to stress perhaps several things from our farm and rural perspective, is that agriculture represents either the most, or the second-most, dangerous of all professions, and so we have a need for emergency assistance, unfortunately. Oftentimes it's either livestock or equipment. Oftentimes we're alone. Oftentimes we're a long ways from anywhere. And so having the best, most technologically available system for assistance is important. The folks that we work with in our organization that are involved in providing emergency care, and those providers have contacted us, and we have a lot of our members who are involved in the local efforts. They think this is a good idea. They've encouraged us to be supportive. And that also we have--and I'm not really the master of the technology why--but I

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certainly have people that I communicate with that I can't talk to them on the phone, but I can text them. And so I get better coverage with the text than I do with the phone coverage. And so, after I've lost phone connection--voice connection, I'm able to still text them and decide when we're going to meet up again, or what we're going to do. So I would think that this would represent also, based on existing, an activity the opportunity for expanded coverage. And with that, I would end my testimony and answer any questions, if you have any. [LB993]

SENATOR SMITH: I see no questions from the committee. Thank you, Mr. Hansen. [LB993]

JOHN HANSEN: Thank you. [LB993]

SENATOR SMITH: Next proponent of LB993. Welcome. [LB993]

ROBERT TUBBS: Good afternoon, Senator Smith and members of the committee. My name is Robert Tubbs, T-u-b-b-s. I'm employed with the Buffalo County Sheriff's Office, as the PSAP supervisor, also here today as the president of the Nebraska Association of 911 Managers (sic-- Nebraska Association of State 911 Managers) group to present my testimony. Also, if I'm allowed, the NESCA group asked me to present testimony for them. She was on her way here for the weather and had to turn around, so both are very brief, so if you allow me, I'll give testimony for the NESCA group, too. The Nebraska Association of 911 Managers (sic) group believes that LB993 is well written, and we would be in support of this bill. This bill includes key components such as creating the 911 Service System Advisory Committee, establishing mandatory technical training and standards, and establishing the 911 Service System Fund to move forward into Next Gen 911. We'd like to thank everybody that worked on this bill, and the Nebraska Association of 911 Managers (sic) would like to show our support for this bill. That's my testimony for the Nebraska Association of 911 Managers (sic). For the NESCA group, I'm here representing NESCA, which is the Nebraska Emergency Service Communications Association. We are a statewide organization that represents and supports the frontline dispatchers in Nebraska. Our focus is on providing networking and training to dispatchers across the state. NESCA is in support of LB993. We feel the plan covers everything that will be needed to begin the implementation of Next Gen 911. We are particularly interested in the efforts to establish standards and training for those dispatchers. Currently there are not any standards in place. It's

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up to each agency to decide how much, and what kind of, training to provide. While we support local control, having minimum standards can also increase the quality of services and safety that PSAPs provide. Certification would ensure that every PSAP is meeting the standards and providing the highest level of service. We also want to be sure that the people implementing and using Next Gen 911 have the proper training and support to meet the new challenges they will have. We feel that LB993 takes all of this into account, allowing local government to manage their PSAPs with guidance and assistance from the 911 System Service Committee (sic--911 Service System Advisory Committee). I thank you for the opportunity to testify. [LB993]

SENATOR SMITH: Thank you, Mr. Tubbs. See no questions from the committee. [LB993]

ROBERT TUBBS: Thank you. [LB993]

SENATOR SMITH: (Exhibit 6) Thank you for your testimony. Remaining proponents of LB993, anyone else wishing to testify in support of LB993? Seeing none, do we have letters for the record? Yes, we do have one letter for the record that was submitted as a proponent from Marc Brennan, president, Nebraska Speech-Language-Hearing Association. We now move to opponents, those wishing to testify in opposition to LB993. Seeing no opposition, anyone wishing to testify in a neutral capacity on LB993? Seeing none, we invite Senator Friesen back to close on LB993. [LB993]

SENATOR FRIESEN: Thank you, Vice Chairman Smith. I will try and address a couple of questions, if I could. And I think Senator Hilgers asked about the time line for implementation. And they look at a three-five year time line to implement the program. Some of this will all, you know, obviously have to do with how well the program rolls out, I suppose, but we also have to make sure they have adequate funding to get it done. I'm open to the...we'll look at the language on the, you know, the liability changes. We'll see once if that...see once what other states have done. I'm open to making changes to that, if it's needed. And I just appreciate everybody that came and testified in support of this. I do feel it's a very important program that we're bringing on board and, hopefully...I've seen what the Public Service Commission has done and, in their report, all of you have seen how well they've laid out the plan. So I think we have a really good plan in front of us, and it's just a matter of, now, getting it implemented. And I think, in the

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future, we can look at some of the things that are going to happen, as far as some consolidation and regionalization of the 911 system. You're already seeing some counties start to do that. More and more are realizing that the cost of maintaining their 911 system is just too great. And to try and keep it operating when it's a Legacy System, and technology is changing, software is changing, and the cost is, down the road is going to be too great for all of these systems to be out there. So I think we have an opportunity here to get a really good system in place and get it done statewide. So with that, I'd take any questions, if there are any. [LB993]

SENATOR SMITH: Senator Geist. [LB993]

SENATOR GEIST: Thank you. And thank you, Senator Friesen. I wonder if you could just speak to funding and what you're looking at, as far as current funding. And is there a projection of...I understand there's a lot of variables with this, but do you have a projection? Or does the Public Service Commission have a projection of how long current funding is adequate? [LB993]

SENATOR FRIESEN: They would better answer that question, but when I...when we had, during the LR period when we were looking at this, they indicated, at that time, that they could operate probably two-three years under the current funding, the way it is. And then, after that, they would probably have to look at raising fees and, as you know, there's...right now on wireless phones there would be a 45-cent charge, and on landlines it goes anywhere from 50 cents to \$1.00 all across the state. And so I think, down the road...and I guess except Douglas County now is still...they're capped at 50 cents. So those are some of the things I think will need to be addressed down the road as we...as you go to a regionalized system. And I'm just thinking of...there's two counties that recently merged. The one county is going to give their 911 funds to the other county that's going to run the system. So as we see this happening, I mean, obviously each of those counties in a regional 911 system would want their fees the same... [LB993]

SENATOR GEIST: Um-hum. [LB993]

SENATOR FRIESEN: ...so everybody is supporting the system accordingly. So I think that's something that needs to be addressed in the near future yet, is that...probably the 50-cent cap for Douglas County. Otherwise I don't know what kind of range they would need to get the system

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fully implemented, if their ability to raise those fees are high enough. I think there's a cap of 70 cents on wireless, I think. [LB993]

SENATOR GEIST: Okay, thank you. [LB993]

SENATOR SMITH: Additional questions from the committee? I see none. Thank you, Senator Friesen, for your close on LB993, and that concludes our hearing on LB993. We now open on LB994. [LB993 LB994]

SENATOR FRIESEN: Thank you, Chairman Smith--or Vice Chairman Smith. [LB994]

SENATOR SMITH: We will wait for just a moment while folks transition. Okay, very good. We're going to open now on LB994. Welcome. [LB994]

SENATOR FRIESEN: Thank you, Vice Chairman Smith. Members of the Transportation and Telecommunications Committee, my name is Curt Friesen, spelled C-u-r-t F-r-i-e-s-e-n. I represent District 34, and I'm sponsor of LB994. This bill was introduced in response to the public hearing our committee conducted during the interim, LR176, which was a study of the rural broadband in Nebraska. I believe it is vital to Nebraska's future well-being that our rural residents have the same opportunities to participate in the information highway as our urban residents. And that is currently not the case. As we have heard in testimony from our hearings in McCook, Central City, and Lincoln, in many cases rural Nebraskans have extremely slow internet speeds which prevent them from fully utilizing the technology they need to compete in the world economy. LB994 is a bill which I hope jump-starts the process for bridging the digital divide between rural and urban Nebraska. Section 1 of the bill states our intent, that we should have comparable service in rural areas of the state to the service in the urban areas. Now Section 2 would create the Rural Broadband Study Task Force. I do have an amendment, suggested by the Speaker, that I will ask the committee to adopt; it will be AM1761, relating to the makeup of the task force, and this amendment also provides a funding mechanism. As amended, the legislative members of the task force will be nonvoting, ex officio members. Now the chairperson of the task force would be the chairperson of the Nebraska Information Technology Council (sic--Commission), and members would come from the Public Service Commission,

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telecommunications, public power, agribusiness, the general business community, postsecondary education, rural K-12, and the director of the Economic Development and Agriculture. NITC would staff the task force with the assistance from the staff of the PSC and my amendment would require a report from the task force by November 1, 2019, and by November 1 in every odd-numbered year thereafter. Section 3 provides that the PSC would have statutory authority to require telecommunications companies to contribute to the Nebraska Universal Service Fund through a connections methodology. It is my belief that this language will assist the PSC in stabilizing the fund at a level that will assist in planning appropriate investments by companies and broadband technologies for the benefit of rural customers. Section 4 of LB994 would allow the PSC to open a docket to consider the implementation and operation of a reverse auction program which could award broadband funding to service providers in case current providers weren't serving rural customers in the manner the PSC determined that they were supposed to be serving them. It would be funded by taking Universal Service funds from the current providers and making them available in an auction process to companies who would be willing to provide those services. Section 5 of the bill would provide authority to the PSC to establish and maintain a registry of locations within Nebraska, for complaints where there is a lack of coverage for wireless telecommunications service. The PSC could then use that information in determining where to support grants for construction of towers, which is how a portion of the Universal Service funds are currently used. There are a lot of ideas in this bill, and I think it's a good start in helping us to create better broadband services for rural customers in Nebraska. I know there's...you know, when you travel across the state, everyone has their dead spots and again, the 911 system...right now if you don't have connectivity to a system, it doesn't matter what kind of system we have out there; you won't be able to reach 911. And so we do have a lot of areas in the state where I've been hearing, over and over, that there's a lack of wireless coverage. So I think this bill will help with some of that. The broadband issue is that, once you get cell phone towers out in the area, they're always hooked up to a fiber system so that, in the end, helps to bring broadband connectivity to any customers that are along the route. So as we, especially in the agriculture industry, want to adopt some of the new technologies out there. And you know, John Deere...you remember their testimony at the hearings about how their tractors are equipped with 4G routers in them and they need connectivity. The same goes for pivots and all things that now...that farms are trying to adopt, whether it's water-saving technology and pivots or numerous other technology that's being adopted. So then the need for it and the access to have high-speed,

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high-capacity internet is getting to be more and more important. So with that, I'd be more than happy to answer any questions. [LB994]

SENATOR SMITH: Questions from the committee? I see none. Thank you, Senator Friesen, for your opening on LB994. We begin with proponents of LB994. Welcome. [LB994]

ANDY POLLOCK: (Exhibit 1) Thank you, Vice Chair Smith and members of the Transportation and Telecommunications Committee. My name is Andy Pollock, that's A-n-d-y Pollock, P-o-l-l-o-c-k. I appear before you today as a registered lobbyist for the Rural Telecommunications Coalition of Nebraska, as well as on behalf of the Nebraska Telecommunications Association. The NTA is a trade association, representing about 32 telephone companies and broadband providers across the state of Nebraska. We appear here in support of LB994, and we thank Senator Friesen for bringing this bill and all components of the bill. We support LB994 in particular because it places emphasis on the importance of broadband to rural economic development, as you heard Senator Friesen just testify about. The NTA members have been leaders in providing broadband, not only in rural communities, but to ranches and farms far from towns and villages. Your committee is to be commended for the interim study hearings that Senator Friesen talked about, you holding throughout the state during the fall, during the interim. And you heard a couple key points made during each of those hearings, first of all that fiber deployment is critical to ubiquitous broadband across the state. That said, you also heard testimony from NTA members, including one of my clients, Diller Communications down in Diller--southeast Nebraska, in which you heard Randy Sandman say that we'll use all technologies that we can to push broadband, at high speeds, out to rural areas. That includes not only fiber, but also fixed wireless and taking fibers out...fiber out to what's called the node, from which copper is taken to the premises if we're not able to get fiber to the premises. We're committed to getting broadband out, as far as possible, in rural Nebraska. You also heard another point at those hearings in the fall and that is that the Nebraska Universal Service Fund, the NUSF, is critical, not only to new deployment of broadband facilities, but also to operating and maintaining existing systems. You heard that fiber may not change substantially, but the electronics on all ends of that fiber does. That's expensive, and that's a critical need for the Nebraska Universal Service Fund. Speaking about specific portions of the bill, the NTA supports the establishment of the task force and the issues that you have called upon the task force to

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study. We would also recommend that the task force be tasked with studying how to serve currently unserved and underserved areas. And the reason I bring that up is that, in Section 4 of the bill, as Senator Friesen said, there is charged to the commission, to the Public Service Commission, to consider reverse auctions and similar means of serving unserved and underserved territories. We would submit that it would be better to have the task force consider those options and to make a recommendation to the Legislature and the commission. We think you're getting the horse ahead of the cart properly on almost all portions of the bill except that one. In that case you seem to be getting the cart ahead of the horse, and we'd respectfully recommend that the task force study issues such as reverse auctions, such as an issue brought up in a bill that you'll hear later this year, LB113--LB1113, excuse me, which deals with private partner...private public partnerships, and we'd also ask that that task force consider competitive deployment in those areas that are currently unserved or underserved. So in essence, we're asking that you charge the task force with looking at those options to serving those types of unserved areas. We have submitted--I have submitted--to you, and it's been distributed, an amendment the NTA supports and would ask you to consider. It addresses the composition of the task force. We would ask you to consider putting two representatives of the wireline telecom industry on that task force. We understand you don't want to get that task force too big but, in Nebraska, rural wire line telephone companies have led the way in getting broadband out to the farms and ranches, and we'd ask that you consider adding two members of the wire line telecom industry to that task force. The amendment also addresses the issue that I brought up about the service to underserved and unserved areas, and it would call upon the task force to consider reverse auctions, private public partnerships, and competitive deployment of broadband. We also, in that amendment, make what we believe is a correction to the definition of broadband services in the bill. There's a statute referenced. We recommended instead language which would be consistent with the statement of intent of the bill, which calls for 25 megs down and 3 up, as a proper and appropriate definition of broadband. With that, I would conclude my testimony, and I'd be glad to try to answer any questions. [LB994]

SENATOR SMITH: Thank you, Mr. Pollock. Questions from the committee? I see none.
[LB994]

ANDY POLLOCK: Thank you. [LB994]

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SENATOR SMITH: Thanks. Next proponent of LB994. Welcome, Commissioner. [LB994]

MARY RIDDER: (Exhibit 2) Thank you. Good afternoon, Vice Chairman Smith and members of the Transportation and Telecommunications Committee. My name is Mary Ridder, M-a-r-y R-i-d-d-e-r. I represent the 5th District, and I am the chair of the Public Service Commission. I'm here to testify today in support of LB994. Thank you for your work throughout the interim study process on LR176, and Senator Friesen, for introducing this bill. I am a strong proponent of pulling together stakeholders who share a common interest in moving Nebraska forward in the digital age. So formalizing a task force, as proposed in this bill, is very important. This past year, on an informal basis, we brought together interested parties to discuss the current barriers and potential solutions for deploying broadband further into our communities and rural areas. This was met with overwhelming interest. LB994's task force will serve as a great vehicle for addressing the challenge of further deploying broadband and formalizing findings in general policy recommendations. This process will be very, very helpful to the commission. One minor suggestion I have is removing the word "study" from the name and simply calling it the Rural Broadband Task Force. The commission also supports the recommendation to set a speed target for broadband deployment. This ties in with the FCC's determination to use 25-3 as the measure for determining broadband availability nationwide. This will provide a clear standard for us to use in determining the broadband speed threshold for Universal Service support. Please keep in mind, however, that this target should and will evolve. Prior to 2015, the FCC measured broadband adequacy based on speed metrics of 10-1. In 2010 the standard was 4-1. We support the proposed change to explicitly authorize the commission to require a contributions into the Universal Service Fund, using a connections methodology. On October 31, 2017, after several rounds of comments, testimony, briefs, and a hearing, the commission adopted a connections methodology, determining that a connections-based methodology would provide stability and fairness in how carriers contribute to the Universal Service program. That decision is currently being challenged in the court. However, we cannot afford to wait. In December the commission opened a proceeding, inviting comments on the next step, which is rate design and implementation. In Section 4 of the bill, the language authorizes the commission to conduct a reverse auction to support high-speed internet infrastructure projects. The FCC has been working for several years to develop the reverse auction framework, relative to the high cost support turned down by price cap carriers in some states and for the remote areas which were excluded

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in the FCC's initial model support. We've monitored that activity, as it may have an impact on some of our highest cost areas. The commission has also undertaken an effort to increase its ability to coordinate federal funding with state support and to track broadband investments made by carriers through two dockets: our NUSF-99 for the price cap carriers; and NUSF-108, where we are seeking comment on similar measures for rate-of-return carriers. The commission appreciates having this additional statutory tool, which may be necessary for deploying advanced communications services to rural areas efficiently and effectively. Finally, mobile services are essential. Unfortunately, making a business case to build out wireless service in rural areas is really challenging. Our authority to require coverage in a particular area is limited by federal law prohibiting states from regulating rates or entry of wireless carriers. Spectrum and tower licensing issues are regulated by the FCC, and siting is controlled at the local level. Despite this limitation, the commission does what it can to promote wireless deployment, including providing dedicated funding for wireless carriers to build towers in rural areas. This is a voluntary support mechanism, and some major market carriers choose not to participate. Thus far, excuse me--we have provided support for the construction of 155 cell towers in rural areas. We also work with consumers and wireless carriers to help resolve consumer complaints related to billing and service. During the last fiscal year, we helped dozens of consumers resolve their complaints, providing to consumers over \$4,000 in savings. A wireless registry may be a useful tool in analyzing where to allocate state support for towers, and for consumers investigating which carrier would best suit their needs. However, we may ultimately lack the ability to resolve coverage issues, particularly as it relates to the major nationwide carriers. I'm happy to answer any questions you may have. [LB994]

SENATOR SMITH: Thank you, Commissioner Ridder. Senator Briese. [LB994]

SENATOR BRIESE: Thank you, Chairman Smith. And thank you for being here. [LB994]

MARY RIDDER: You're welcome. [LB994]

SENATOR BRIESE: Do you think it's necessary or advisable for the task force to study reverse auction (inaudible)? [LB994]

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MARY RIDDER: Necessary, I don't know. It's something that we watch on a federal level, and it's got to start there, so I guess the task force can study whatever the task force wants to study. But whether that would be something that we would suggest for them to do, I don't know if I would. [LB994]

SENATOR BRIESE: I think I heard the previous testifier suggest that the task force consider that issue. [LB994]

MARY RIDDER: Well, okay. (Recorder malfunction). [LB994]

SENATOR BRIESE: (Recorder malfunction). [LB994]

SENATOR SMITH: I see no further questions. Thank you, Commissioner; appreciate your testimony. [LB994]

MARY RIDDER: Thank you. [LB994]

SENATOR SMITH: Next proponent of LB994. Welcome. [LB994]

GWEN KAUTZ: (Exhibit 3) Thank you. Senator Friesen, Vice Chair Smith, members of the Telecommunications and Transportation Committee (sic), my name is Gwen Kautz, G-w-e-n K-a-u-t-z. I am the CEO and general manager for Dawson Public Power District in Lexington, and I am here in support of LB994 on behalf of my own district, but also on behalf of Nebraska Rural Electric Association and their 33 members who serve those rural areas. I'm not going to read my testimony. I prefer to verbalize it because I am far more eloquent on paper than I am in person, so I'd encourage you to read this when you have time, okay? I want to thank Senator Friesen for his vision and this committee for their...I would say for their strategic approach to this. We would like to encourage this; this task force can be instrumental in a lot of things. But what we really want you to know is that public power would like to help in the capacity that we could, okay? Access to the internet is at unprecedented demands, and it's only going to get worse, and any business that doesn't use the internet is probably going to fall far behind. But I would like to encourage the committee to stop looking at internet access as being only for

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people. In my business we have to look at what we call the internet of things, which would be tractors, pivots, soil probes, and anything that a farmer or rancher could use to gather data. And that is crucial anymore for the management of my customers who are running farms and ranches. Without the internet even my business couldn't operate, and I want to give you an example, two examples for Dawson Public Power District. We built a headquarters a few years ago and we moved it south of the river, and we could not find a fiber provider to give us access to a fiber-optic network at a reasonable or affordable cost. And we do have to...we're not for profit, so we're very careful about our dollars. We ultimately had to choose two wireless providers, and we did two wireless providers because, in case something happened from one, we had another backup; and that is how critical internet access is for us. Well, we also were building an electric distribution line that needed across the river, and that tie-line was going to be drug under the river in two separate conduits. Rather than just two conduits, I made the decision that we would bring three conduits under the river and allow a fiber-optic provider to use that conduit and give us our fiber-optic network that we want. It was a very small incremental cost compared to not having what we needed to have. Another example is outside of rural Kearney. We have our Kearney office that's connectivity was suspect; it would be dropped...it would drop. And so we allowed a private internet provider to hang fiber on a short span of poles that we recently upgraded in order to serve our office, but it also opened the door for him to serve a section of his...of our rural customer base. Make no mistake, my customers--many of my customers, including me--suffer from digital poverty. It's just a fact. The communities are fine. To be clear, though, I'm speaking for a lot of rural public power districts. We don't want to be in the internet service business; we want to focus on our core business. LB994 will be able to look at all options to provide strategic broadband deployment, and that might include us and it might not. But what I want you to know that it is a nontraditional partnership, and yet other innovative solutions could ensure that all Nebraskans have reliable and affordable broadband. And just like electric service rates--service and rates, affordability and reliability are as important as accessibility. We should have the same opportunities that our urban customers do--or urban counterparts do. And we would never suggest that our not-for-profit business model be changed, nor would we allow our electric customers to subsidize rate access--or internet access--through their electric rates. There are always going to be challenges but, if you take a look at this, those challenges should be opportunities for all of us. We will need open minds, innovative thinking, and we will need

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teamwork to capture this future technology for our use. And we believe this task force will allow a variety of resources to come together. Thank you for your time. [LB994]

SENATOR SMITH: Questions from the committee. Senator Hughes. [LB994]

SENATOR HUGHES: Yes, thank you for coming today. So you talked about, I think at Kearney, where you allowed some fiber to be hung on your poles. Do you have any idea what the cost...is that more expensive or less expensive of that...by where that's being buried? [LB994]

GWEN KAUTZ: I don't know. I've heard both; I've heard both ways. In our case, the...we were upgrading the poles anyway, so we could make them a little bit bigger--taller, I should say--to support the fiber. [LB994]

SENATOR HUGHES: So what's the difference between the lowest power line and the cable--or the fiber that would be hung on poles? Is there a... [LB994]

GWEN KAUTZ: Our neutral should be no less than 13-14 feet above ground, so it would have to be underneath that. [LB994]

SENATOR HUGHES: So does the fiber then have to be at 13 feet off the ground (inaudible)? [LB994]

GWEN KAUTZ: We would have to raise our neutral specs in order to accommodate it. [LB994]

SENATOR HUGHES: Okay, so you would basically just have to put in taller poles if you're... [LB994]

GWEN KAUTZ: Yeah, that's...yes. [LB994]

SENATOR HUGHES: ...going to bring fiber,... [LB994]

GWEN KAUTZ: Correct. [LB994]

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SENATOR HUGHES: ...because the lowest wire cannot...has to be 13 feet above the ground. Is that... [LB994]

GWEN KAUTZ: Well, it needs to meet all of those roadway access rules that somebody has. [LB994]

SENATOR HUGHES: Okay, and how far a distance did you go? I mean, was it like 3-4 poles or 20 poles? Or... [LB994]

GWEN KAUTZ: We probably went about 15-16 poles. [LB994]

SENATOR HUGHES: So half mile, mile? [LB994]

GWEN KAUTZ: Yeah, about a half a mile. [LB994]

SENATOR HUGHES: Okay. [LB994]

GWEN KAUTZ: A little bit more than that. And some of it was underground, but that was our cost. [LB994]

SENATOR HUGHES: Yeah, okay. Thank you for coming today. [LB994]

GWEN KAUTZ: Um-hum. [LB994]

SENATOR SMITH: Remaining questions? Seeing none, thank you; thank you very much for the testimony. Next proponent of LB994. Welcome. [LB994]

STEVE MERADITH: (Exhibit 4) Good afternoon, Vice Chairman Smith and members of the Transportation and Telecommunications Committee. My name is Steve Meradith. I'm regional vice president...Steve Meradith, S-t-e-v-e Meradith, M-e-r-a-d-i-t-h, regional vice president, state government affairs, for Windstream, based here in Lincoln. Thanks for the opportunity to appear before you today. I just wanted to talk about three of the aspects of the legislation. First of all, as

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far as the broadband task force, Windstream wholeheartedly supports the creation of the task force. As far as fostering communications between various stakeholders regarding broadband-related issues, I had the opportunity to participate, earlier this last year, with Commissioner Ridder and the task force established by the commission, and it was just a great back-and-forth. We just feel that the interdisciplinary nature of the task force is important to ensure the broad range of users shared. And also, with the many business and technical challenges involved in broadband employment, we feel that the industry members, those with the experience in this area, should have greater representation on the task force, however. I'm not privy to the amendment that was offered that Chairman Friesen referenced or what Mr. Pollock referred to. Our recommendation would be, however, that we include representatives of not only the small wire-line and the large wire-line companies, but also wireless and probably cable select-type representatives, so you get a technology-neutral viewpoint of what the options out there, as far as...so you're considering all the options, as part of this task force. The second aspect that we wanted to--would like to--talk about is a connections-based funding, and Windstream, again, supports the confirmation of the NPSC's authority to impose a connection-based surcharge to fund the Nebraska Universal Service Fund. That's consistent with the position that we've taken in the docket since the beginning. And in that docket, I think Commissioner Ridder referred that the commissioner has found the NUSF remittances, under the current revenue-based mechanism, have declined by more than 34 percent since 2005, and that trend is going to continue. And because the number of telecommunications connections to the state are relatively stable, we feel that a connections-structured approach would be the best option to stabilize the fund, going forward. And finally, I wanted to talk about the reverse auction a bit. We support the concept of a reverse auction; however, right now we think that it may be a little premature. And there was some reference earlier about studying that in the task force. The reasons we feel that way, first of all, is Windstream accepted funding for Phase II of the FCC's Connect America Fund in August of 2015 and, as of the end of 2017, we've approximately 11,000 newly qualified locations that are served at speeds of 10/1. And, as part of that program, we have until the end of 2020 to complete that build, and at that time we'll be obligated to provide service to about 21,500 additional locations, ineligible census blocks as determined by the FCC. So I guess our...my point there is we are making progress; we just would like additional time to continue that program. The second reason that it may be beneficial to study it as part of the broadband task force is the FCC issued a news release just last week, announcing the CAF Phase II auction is

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scheduled to begin on July 24, 2018, and so this has been a long process. There are still challenges, ongoing challenges, to the auction order, and that order was just adopted last week at the FCC's January 30th open meeting. So that CAF Phase II auction will provide \$1.98 billion, over the next decade, to expand broadband in unserved rural areas, and it's the first reverse, multiple-round auction to provide ongoing CAF support. So for those two reasons, we think that it might be beneficial to study it, as a part of the task force. And if, however, if the Legislature would proceed with the state level reverse auction, we feel that the commission should be given some discretion about the source of the funding and not be limited to redirecting existing funds that are...they feel that are being...or that they, in the unlikely event that such funds are not being properly spent. And if that is the case, the...we feel that the commission should provide due process as far as the opportunity for a hearing. So in summary, we support the creation of this study, we support the connections approach, and we also support the concept of an auction; however, we believe that further study could occur. With that, that concludes my testimony, and if...I'd gladly answer any questions. [LB994]

SENATOR SMITH: All right. I see no questions. Thank you, Mr. Meradith, for your testimony. Next proponent of LB994. Welcome. [LB994]

DAVID LEVY: Thank you. Good afternoon, Vice Chairman Smith, members of the committee. David Levy, D-a-v-i-d L-e-v-y, Baird Holm Law Firm, appearing in support of LB994, on behalf of Northeast Nebraska Public Power District. Northeast serves approximately 8,500 retail electric customers in Pierce, Thurston, Wayne, Dixon, and Dakota Counties, including 16 incorporated towns and villages in rural areas. Northeast also provides transmission service and works in partnership with the cities Wayne, Wakefield, Emerson, and Winside, through a power supply arrangement. Northeast supports LB994 and thanks Senator Friesen for bringing the bill, and the committee for its continued interest and engagement on the subject of rural broadband and your efforts to hold multiple hearings under LR176. For years Northeast rate payers have sought access to faster, more reliable, and more affordable broadband service. Reliable high-speed fiber-to-the-home and fiber-to-the-hub broadband service is available in only a portion of Northeast's service territory. For the remainder of its service territory there are few, if any, reliable and affordable high-speed broadband service options. From an economic development standpoint, communities and businesses within Northeast's service territory cannot continue to

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grow without meaningful broadband service. The future of education and healthcare in rural areas is based on this access but, in the rural areas of the state, they often lack necessary infrastructure to provide this service. LB994's proposed task force is a step in the right direction and, again, Northeast supports the efforts of the committee and the proposed task force in this bill to help bring high-speed broadband to rural Nebraska. Thank you. And with that, I'd be happy to answer any questions. [LB994]

SENATOR SMITH: Thank you, Mr. Levy. I see no questions from the committee. [LB994]

DAVID LEVY: Thank you. [LB994]

SENATOR SMITH: Next proponent of LB994. Welcome. [LB994]

JOHN HLADIK: (Exhibit 5) Good afternoon, Vice Chairman Smith and members of the committee. My name is John Hladik; that's J-o-h-n H-l-a-d-i-k, and I'm testifying on behalf of the Center for Rural Affairs. A quick word of thank you to the committee and Senator Friesen for this legislation. We agree that it correctly identifies speed and price as key benchmarks, and it also correctly emphasizes access. I was also fortunate to participate on the task force that Commissioner Ridder referred to earlier, and it was a positive conversation and it was a needed conversation. And I think it's a good approach to see that continue. A word about this task force: the membership, as suggested by this legislation, appropriately includes representatives of education, business, and agriculture. Key perspectives are omitted, however. Any serious effort must include low-income and healthcare stakeholders, the two of the biggest groups in rural areas that we're concerned about when it comes to broadband access. According to the Census Bureau, fewer than 36 percent of families with incomes less than \$25,000 subscribe to broadband at home. That's compared to 92 percent of incomes over \$75,000. I think we all recognize that incomes are, on average, lower in rural areas. And ages...adults, age 65 and older, and individuals with less than a high school education and low-income households, are least likely to utilize broadband technology. So having a representative of low-income groups, or a citizen group, could be a strong positive for the task force. And a word about health: By 2040 we know there will be twice as many Americans over 65 as there are today. And chronic conditions, which account for 86 percent of the nation's healthcare costs, are increasing across all ages; and

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this is particularly true in rural areas. Telemedicine is a solution for many individuals and has been a positive here in the state, especially after last session's legislation has been passed. We think that this is a positive, and this is something that we should support, our healthcare organizations and exploring to better provide care. A word about updated goals and objectives: I think we all know that, in December of 2014, the Nebraska Information Technology Commission collaborated with the PSC and the Department of Economic Development and others to release a report entitled "Broadband in Nebraska: Current Landscape and Recommendations." This report established several goals, including that over 85 percent of households in rural Nebraska will subscribe to broadband by 2020. To our knowledge, this report is the closest we have to setting out a clear objective goal for broadband expansion in the state, and it also, at this point, seems unlikely that this goal will be met. We support amending Section 2 of this legislation, to require that the rural broadband study task force establish a new goal, as part of their efforts, pursuant to this legislation. And a work about mapping: We know, also, that data collected from internet service providers is an important tool to use to determine where broadband access is sufficient and where it can be improved. The information is used by the PSC and local entities to identify where public resources should be invested. It can be used to ensure accountability, once those investments are made, and access data is also an asset to businesses and anchor institutions seeking to expand or to relocate. In 2016 the PSC began to rely on FCC Form 477 as its primary data source. This requires facilities-based broadband providers to file data with the FCC on where they offer internet service and, for fixed systems, providers file lists of census blocks in which they can offer--or do offer--services to at least one location. Reliance on 477 as the sole source of data provides a host of challenges: First, the requirement that providers report a census block as served, if even only one household can access service, results in a potentially significant overstatement of availability. This is especially true in rural areas, where a census block can encompass many square miles. Even wireless coverage is reported by census block under form 477 and, as we know from experience with mobile phones, there are many areas where the signal is weak, inconsistent, or nonexistent. And it's likely that there are areas within the census block that are shown to be covered but, in reality, have no access. This is relevant here because, in two weeks, this committee will hear LB1114. That proposal amends the Nebraska Telecommunications Regulation Act to require the PSC to work with providers to identify areas without broadband access at the parcel level. This issue could also be addressed here in LB994. We recommend amending LB994 to add a new section that would incorporate

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the language found in LB1114. Alternatively the committee may consider amending Section 2 of this legislation to include improved and effective mapping among the issues explored by the task force. Doing so will make it easier to avoid overbilled and, more likely, that resources are successfully invested in areas with the greatest need. And ignoring this issue will lead to waste and duplication, perhaps create an unnecessary barrier to providing service in rural Nebraska. We look forward to working along the PSC and this committee as progress continues. And with that, I'm happy to answer any questions. [LB994]

SENATOR SMITH: Thank you, Mr. Hladik. Questions from the committee. I see none. [LB994]

JOHN HLADIK: Thank you. [LB994]

SENATOR SMITH: Thank you. Next proponent of LB994. [LB994]

ROBIN SPADY: Good afternoon, Chairman Friesman (sic--Friesen) and members of the committee. Thank you for this opportunity to support LB994. My name is Robin Spady, R-o-b-i-n S-p-a-d-y. I am the regulatory counsel for NMPP Energy and a registered lobbyist for the NMPP. Specifically, I am testifying on behalf of the Nebraska Municipal Power Pool and the Municipal Energy Agency of Nebraska. We provide utility-related services to nearly 200 communities in 6 states. NMPP is headquartered in Nebraska, and most of its communities are located in Nebraska. MEAN provides wholesale electricity services to approximately 70 member communities with a majority of its communities in Nebraska. The typical member for MEAN has a population of 2,000 or less. Given our membership, rural access to broadband services is a primary concern of ours. Our members have been anticipating legislative action on this important issue, which will provide access to broadband comparable to what I have the privilege of using in Lincoln. As noted by the Lincoln Journal Star on June 26, 2017, there's a real digital divide in rural Nebraska. This article talks about what those of us from rural Nebraska--I'm from Imperial, Nebraska in Chase County--what we already know. It can be extremely expensive to get high-speed internet access, even if it is available. The Journal Star's article referenced problems that western Nebraska, and specifically Perkins County, are having. We serve towns in Perkins County, and I personally have family in rural Perkins County. We encourage the Legislature to take this first step in studying rural access to affordable and sufficiently fast internet. We fully

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support the creation of the task force, comprised of elected officials and industry leaders, to study this issue and make recommendations to enhance access and eliminate this digital divide between our urban and rural residents of the state. Thank you for your time and, if you have any questions, let me know. [LB994]

SENATOR MURANTE: Thank you for testimony. Are there any questions? Seeing none, thanks for coming down. [LB994]

ROBIN SPADY: Thank you. [LB994]

SENATOR MURANTE: Additional proponent testimony. Welcome. [LB994]

KRISTEN GOTTSCHALK: Thank you. Members of the Transportation and Telecommunications Committee, my name is Kristen Gottschalk, K-r-i-s-t-e-n G-o-t-t-s-c-h-a-l-k. I am the government relations director and the registered lobbyist for the Nebraska Rural Electric Association. I also serve as the legislative subcommittee chair of the Nebraska Power Association, and the Power Association represents all of Nebraska consumer-owned electric utilities, which includes municipalities, electric public power districts, public power and irrigation districts, rural public power districts, and co-ops. And the Rural Electric Association truly is that last-mile provider in the most rural areas of the state. We have 230,000 meters, but that is over 87,000 miles of distribution line. And as you know in Nebraska, meters don't equate to population, so customers served is actually lower. My testimony today, as I mentioned, is on behalf of NREA and NPA, in support of LB994. We do appreciate the efforts of Senator Friesen and Mary--Commissioner Ridder--on the PSC to really take a hard look at rural broadband in Nebraska. And as we've heard, business depends on having reliable internet connectivity and, if we look at the percentage of Nebraskans that have access to broadband, our numbers don't look too bad. Of course the population does sit on the eastern one-third of the state. But when we really stop and look at the needs in rural Nebraska, and we start looking at what we've heard is the internet of things, we really are in a situation of digital poverty, as was also mentioned before. The internet of things is becoming more pervasive in the ag industry, but not as pervasive in the state of Nebraska, simply because of the vast areas left underserved or unserved. Farmers and ranchers aren't able to take advantage of the technology that's already incorporated in the

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equipment they own. We appreciate that this focus is...the committee is going to focus on the needs of rural Nebraska, but we also have to look at innovation. And one of the things that we want to ask the committee to pay attention to, is to keep the balance of the committee and make sure that it's not overrepresented. And we do appreciate the way that the committee has outlined this point. And time is of the essence. Those of you that are sitting on this panel now don't remember the last time we studied rural broadband, but that was in 2005. And as a rural resident, I have no access to broadband internet, and I am in the same place that I was when we went through that study. I pay close to \$100 a month to have a promised service that's measured in kilobits, not megabits. I want you to think about that when you sit at home with the internet service, if you live in an urban area. So times are changing and they're changing quickly, and so if we don't begin to act quickly, we're going to...I may be in the same situation another 10-11 years from now, with no service in rural Nebraska. I do want to say, at that time when I had no options, not even dial-up because of the type of cable coming into my home, Mainstay Communications out of Henderson, Nebraska, brought me satellite internet. They were the only provider willing to do that at that time. And right now...I received a letter in the mail last week saying that Mainstay was no longer going to provide my satellite internet because they can no longer make a business case for that. Now Mainstay is one of those communications companies that, within their service area, they have provided fiber to every single one of their customers in their home. They've made a business case for it, and it's working for them. I'm not one of their telephone customers, I'm not in that service area, so in fact...so I don't have that same access. That's disturbing to me that we're beginning to see this. We do encourage the advancement of the task force that will focus on rural communities. We do want to emphasize that the public power provider that's listed in the task force be someone from a rural power provider who does have experience with this issue and the digital poverty that exists. So we strongly encourage, on behalf of the NPA and the NREA, advancement of the task force legislation, and we want you to remember that, through this process, that nothing should be taken off the table when it comes to providing equity to all the citizens of Nebraska with respect to access to rural broadband or broadband internet in general. With that, I will end my testimony and entertain any questions you may have. [LB994]

SENATOR MURANTE: And thank you for your testimony. Are there any questions? Seeing none, thanks for coming down. Mr. Rieker, welcome. [LB994]

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BRUCE RIEKER: Thank you very much. It's the first time before this committee this year, too. My name is Bruce Rieker, B-r-u-c-e R-i-e-k-e-r. I'm the vice president of government relations for Nebraska Farm Bureau, and I'm here on behalf of six agricultural organizations: the Nebraska Cattlemen, Nebraska Corn Growers, Pork Producers, Nebraska Soybean Growers (sic-- Association), Nebraska State Dairy Association, and Farm Bureau. And we're here in support of LB994. And for all of the merits of this study that have been shared by previous testifiers, we are here to encourage you to seriously consider this legislation and advance it. And with that, I conclude my remarks. [LB994]

SENATOR MURANTE: They were very good remarks; thank you very much (laughter). Are there any questions? Seeing none, thank you for your testimony. Welcome. [LB994]

JOHN HANSEN: Good afternoon, members of the committee. Again for the record, my name is John Hansen, J-o-h-n Hansen, H-a-n-s-e-n. I appear before you today as the president of Nebraska Farmers Union and also as their lobbyist. Our convention delegates get together once a year and they set our policy. They elect the president and the vice president, and they do several other things that are really important to running the organization. And one of those is the setting the policy, and setting the priorities for the organization. And so for the umpteenth time, one of the top five or six issues that affects the economic well-being and the quality of life of our family farmers and ranchers that we represent across the state was the special order of business on the need for achieving high-quality, high-speed internet access statewide. And we were involved in those efforts in 2005, but there was a long period of time and a lot of frustration before we got to the study in 2005. And if my math is right, that's somewhere around 13 years ago. So this one of these longstanding issues where we've been long on promises, long on manana--tomorrow--we're going to get to this. And so we're very appreciative of the study, and we also associate with the comments that were made by our friends in public power, and also Andy Pollock, that when we get to the point of studying how it is that we get from where we're at to where we need to go, that we keep all of the options on the table, including using those kinds of resources that are already out there, that are either unused or underused, that are already owned by our own public power system. So we would encourage that. Trying to hit a few things that maybe haven't been touched on so far, which is getting increasingly hard to do. But we depend on these kinds of services; they're the lifeblood of our operations, our quality of life. And so they're also not only used for

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the...all of the things that have been brought up, but also rural healthcare. And so that is where increasingly, I know that our friends in Nebraska Farm Bureau, as well as my organization, have sponsored benefit programs that include telemedicine. And so that's also an additional thing that we use it for. It's also for young couples, especially, as they're thinking about whether or not they're going to live on the farmstead that their family has had for generations. One of the considerations is whether or not they have high-speed internet broadband. And so we see living decisions being made where folks are buying a house in town when they already have a house out in the country where they do their business and have their operations, because they don't have high-speed internet broadband. And that's an important enough part of their business and their quality of life that they're not going to be able to use that the farmstead that's already there. So for that, and all of the reasons that have been mentioned, we strongly encourage support for this study, and the sooner, the better. And this is an issue that I think is really ripe for...there's a lot of frustration, so I think that all of the things that have been talked about and said before tells us that we ought to be moving forward, at this point, with a sense of urgency, as well. So thank you for your time and consideration. I'd be glad to answer any questions, if you have any. [LB994]

SENATOR MURANTE: Thank you for your testimony. Are there any questions? Seeing none, thank you for coming out. [LB994]

JOHN HANSEN: I was not as short as Bruce Rieker (laughter). [LB994]

SENATOR MURANTE: Additional proponent testimony. Welcome. [LB994]

LASH CHAFFIN: Welcome, thank you. My name is Lash, L-a-s-h Chaffin, C-h-a-f-f-i-n, and I represent the League of Nebraska Municipalities, and I would like to offer the league's support for LB994 and the broadband task force. The vast majority of the league members are very small communities that live at, you know, all across Nebraska. It's almost impossible to have a policy conversation with somebody from a village without the issue of broadband tying into that conversation in some capacity. You know, sometimes it's minor, but sometimes it's a major part of the discussion. And I would like to offer the league as a resource to the task force and the committee, as this goes forward, if you need to do surveys, if you need, you know, policy input

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on anything like this...that this is important to the league, and I would offer any help that we can provide. Thank you. Does anybody have any questions? [LB994]

SENATOR MURANTE: And thank you. Are there any questions? Seeing none, thank you for your testimony. Additional proponent testimony to LB994. Is there opposition testimony? Is there any neutral testimony? Welcome. [LB994]

JOSELYN LUEDTKE: (Exhibit 6) Thank you. All right. Chairman Friesen, members of the Transportation and Telecommunications Committee, my name is Joselyn Luedtke, J-o-s-e-l-y-n Luedtke, L-u-e-d-t-k-e, and I'm a registered lobbyist for the Nebraska Cable Communications Association, testifying today in a neutral capacity on LB994. Our members voted on this a couple weeks ago and couldn't quite get to support. We're not opposed...thought there were maybe some changes that they could work with to support the bill in the end. So that's why we're coming in in a neutral capacity today. Of course we support broadband internet access by all Nebraskans and accountability for USF recipients. Some of the changes that you can see in the letter there, focusing on a definition of 10/1 upload speeds to ensure that the task force focuses on truly unserved areas. We're not saying that we think 10/1 should be pushed out to the rest of the state. The commission certainly has the ability to require any project to be scalable up to 25/3 or any future standard that may be higher, as we get there, as conditions and technology allow it. Another suggestion we have is to add a representative of the cable industry to the task force. If the telecom industry wants two representatives, maybe we want three...no, I'm kidding (laughter); one would be fine. Just to ensure...again, we want to ensure that that task force is just making recommendations, not distributing money, doing what the commission should be doing. Not all of our members were in agreement about the connections-based methodology definition, so I'm going to pass over that. But in Section 4, they had a lot of questions about that reverse auction program, just not really sure how it would work, how much money would be coming, who would be eligible. We talked quite a bit about some questions they had about that. Our legislative committee did not look at the suggestion that was brought today about having a reverse auction be part of the study. I'll take that back to the members and let you know if they're supportive of that but, based on their questions, I would say that's something that we would also consider to support. And like everything, we do suggest that any program that's established be technology-neutral, as this technology is changing very quickly. Let's see...lastly, our providers

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also wanted to have the opportunity to dispute that, if an area is unserved, just to prevent duplication of existing broadband infrastructure and to wisely use those dollars that are being spent. All right, that covers it. Thank you very much for your time. If you have any questions, I'd be happy to answer. [LB994]

SENATOR MURANTE: Thank you for your testimony. Are there any questions? Seeing none, thank you very much. [LB994]

JOSELYN LUEDTKE: Thank you. [LB994]

SENATOR MURANTE: Welcome. [LB994]

LISA McCABE: Thank you. Good afternoon. My name is Lisa McCabe, L-i-s-a M-c-C-a-b-e, and I am here representing CTIA, which is the trade association for the wireless industry, the wireless communications industry which includes the many wireless carriers in Nebraska: AT and T, Verizon, T-Mobile, U.S. Cellular, Sprint, as well as the whole ecosystem that makes up the wireless industry from tower owners--or tower manufacturers--and other manufacturers and providers in the industry. We...while we support the establishment of the rural broadband task force, we do have some concerns with the bill as drafted. As mentioned to others, we think wireless should probably be a part of the task force and represented, since we are an important part of the rural broadband issue. We also have...there are a couple of definitions in the bill that are problematic for us. The term "broadband telecommunications service" is mentioned in the bill and we think that, under federal law--I'm not a lawyer, but--under federal law it's...broadband is actually considered an information service, not a telecommunications service. So we just have kind of a friendly amendment to refer to it as broadband internet access service, just to clarify exactly what the service is. Additionally, we do have concerns with how the connections-based collection mechanism for Nebraska Universal Service is defined in the bill. It could be overly inclusive or underly inclusive, depending on how you interpret it. We are working with other stakeholders on a definition to make sure that everyone is okay with that, and we hope to have language from the NTA by the close of business tomorrow, where we have been working with them to try to come up with a definition that we all are supportive of. Additionally, we have concerns in the bill where they talk about the development of this wireless registry of complaints

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from the Public Service Commission. The way that the bill is drafted, it gives the Public Service Commission more authority over wireless than it currently has, which is problematic to us. Also, the fact we do work with the commission and answer complaints that are received through the commission from wireless carriers, but the idea of making a registry, based on complaints, and having that reflect service areas where there are...possibly be areas where there are no service, is a little bit of not necessarily consistent, because customers could be calling from an outdated handset, they could be underground, they could be in an elevator. So when you look at where, you know, you look at an individual complaint, it may have a lot of different aspects to it, which might not provide beneficial information to the consumer, on the whole. But we continue to work with the commission and are happy to answer complaints, as we receive them, from the PSC. I think it's important to note that a lot of the...our members are encouraged here today by that the NTA and the public powers see that Nebraska needs to increase broadband speed and capacity, not only for 911, but also for general business use. Our members want to bring capital to the citizens of Nebraska, both rural and urban. And we're working on doing that through LB389, so we hope that will help us get there, as well. And I think one thing, to just correct the record, I know Commissioner Ridder talked about the lawsuit about connections-based methodology. The lawsuit is actually not about whether or not to implement connections-based methodology; it's just about the definitions on what exactly and how to define connections-based methodology and assessable revenue. I'm happy to answer any other questions. [LB994]

SENATOR MURANTE: Thank you for your question--testimony. Are there any questions? Seeing none, thanks for coming down; it's appreciated. [LB994]

LISA McCABE: Thank you. [LB994]

SENATOR MURANTE: (Exhibits 7 and 8) Is there additional neutral testimony on LB994? I do have letters of support: one from Kevin Cooksley, the president of the Nebraska State Grange; and one from Timothy Lindahl of Sidney, Nebraska. And Senator Friesen. [LB994]

SENATOR FRIESEN: Thank you, Senator Murante. Well, as you've all heard from the testimony, I think everybody understands how important that broadband availability is out in the rural areas. And something that's a little bit--it wasn't probably focused on quite enough--is

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probably it's the rural areas outside of a city or a village limits, those last-mile customers that are not being served. And so when I...some of the discussions...talks about setting a speed, and sometimes I'm reluctant to set a specific speed because it might be a floor or a ceiling. It...I think this is something that, down the road as technology changes--I mean these requirements will go up--10/1 now may be okay for some, but 25/3 is okay and, down the road, maybe it's going to be 100 meg; we don't know. But it shouldn't be a system designed with limited capacity, so we always have to be aware of that. We need a system that's going to carry us into the future with more of capacity than what some of this is accomplishing right now. I do appreciate that the public power and the private industry has communicated together really well, and I think there's, you know, down in the future, there's going to be, hopefully, some partnerships there to accomplish some of what both of the industry want to have done. And I think it's good to see that there's at least been some communication and a willingness to work together to see if there is a place for public power in providing this broadband. The importance of the education...I know, you know, a lot of schools are giving, any more, laptops or anything for students to take home and do studies, and they get home and they have no access to broadband. So these are issues that we need to address, and sooner rather than later. I do like the fact of giving the task force the ability to be flexible and to look at all different methods of delivery. I mean...and that's why, I guess, we weren't too concerned about trying to get certain individual types of delivery service involved in the committee, because I think, down the road, it's going to take all of the above. We've seen the process there, and you've got the cable and you've got wireless and you've got the wire line industries, and all three of the above are doing all three of the above processes already. There's...so and they all operate under different regulations, so it makes it a little more difficult. I do think, you know, the wireless having the complaint system there, it's not a way to regulate wireless industry or anything else. It's more for us to...the way I looked at it is to track where that service was located and be more of a helpful tool to the industry than a regulatory one. So with that, if there's any other questions, I'd be glad to answer them. [LB994]

SENATOR MURANTE: Thank you, Chairman Friesen. Are there any final questions? Seeing none, that closes the hearing on LB994. Turn it back over to the chairman. [LB994]

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SENATOR FRIESEN: Thank you, Senator Murante. We'll wait a little bit for the room to clear, and then we will open the next. Okay, we'll be ready to open the hearing on LB721. Welcome, Senator Wayne. [LB721]

SENATOR WAYNE: Good afternoon, Chairman Friesen and members of the Transportation and Telecommunications Committee. Is this three? I ran everybody off; I'm sorry (laughter). My name is Justin Wayne, J-u-s-t-i-n W-a-y-n-e, and I represent Legislative District 13, which is north Omaha and north Douglas--northeast Douglas County. I introduce LB721, which allows the Public Service Commission to regulate forms of wireless communication. LB721 does not mandate the regulation of wireless communication by the PCF--PSC, but strikes the statute prohibiting it. Under current statute, customers really have nowhere to turn if they have...if they experience issues with a carrier, other than the company itself. Many people already call the commission today with the expectation that they can assist them with complaints and other issues the companies are unwilling to address, but are often disappointed because the commission lacks any authority to address issues related to cellular service. They do, however, have the ability to resolve disputes resolving landlines; that seems very odd. As it stands, the commission does not--does try to assist and resolve any complaints, but they are unable to offer any real solutions or enforcement when, or if, the carrier refuses to work with the commission or the customer. The Nebraska Public Service Commission is well suited to handle this responsibility, which is why the commission was voted in support of this bill and will be providing testimony in support. The carriers will argue, probably...probably argue that the legislation here is too burdensome, or even impossible because of federal preemption. That is not the case and is simply untrue. Several states have already enacted similar laws that permit public utility commissions to aid customers in resolving billing and service disputes with their cellular customers and the ability to order companies to remedy when the issue is deemed appropriate. This bill is necessary to level the playing field between traditional landline carriers and cellular providers, and to establish protection for all customers, regardless of their service provider. It is without question that, when the PSC was formed in 1972 by a vote of the people, those voters did not know, nor did they understand, wireless communication, nor did they understand that there was a body that could potentially regulate this affair. In fact, they voted to regulate telecommunication companies which, undoubtedly, wireless carriers, in my opinion today, fall under. Times have changed and, although people who have formed the PCS (sic) had no

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knowledge about wireless communication, we need our statutes to reflect the intent of the voters. As I said a moment ago, there are other states also recognizing that their statutes regarding regulation of telecommunication companies have become outdated, as well. Lawmakers in Louisiana and Kentucky recently took similar action that I'm asking this committee to put on the floor. Having a special carve-out for wireless providers contradicts the intent of the voters who approved the PCS--PSC. I don't know why keep calling it PCS. And I think, if you ask any people who considered whether wireless providers are telecommunication companies, they would all say that they are. So with that, I'll be happy to answer any questions, and I look forward to this being on the floor. [LB721]

SENATOR FRIESEN: Thank you, Senator Wayne. Any questions from the committee? We're just a friendly committee. So I guess I got some questions, I guess. You know, when I was visiting you recently in Omaha, you complained of dead spots in the city. Is that your major concern is trying to get a remedy, I guess, for those dead spots and see if you can get that fixed? [LB721]

SENATOR WAYNE: One of the complaints, but also just billing in general, issues that they have with some carrier and providers. It seems like they can call if there's a landline. They can call somebody and have somebody, what they would deem a government official, help them look into it and help resolve it but, when it comes to wireless, there isn't that same mechanism. And so many people turn to government officials to help them settle disputes, and we have an agency that oversees telecommunication; but, for some reason, wireless isn't included. [LB721]

SENATOR FRIESEN: Have you had any complaints about like billing issues or anything like that? [LB721]

SENATOR WAYNE: Yes, and in the Omaha market there's a...and the reason I keep calling it PCS is that there's a new wireless that entered the market--MetroPCS. And part of it was based off price; people are looking for an alternative. So there are different issues, but you only had, basically, two carriers and, at least in my district, people would call my office, asking for help. And I...actually, how I came about this bill is I would turn them to the Public Service

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Commission, and then I later found out they didn't have authority. So I was telling my constituents to go to the wrong spot. [LB721]

SENATOR FRIESEN: Okay. Any other questions from the committee? Seeing none, thank you for introducing the bill. [LB721]

SENATOR WAYNE: Thank you. [LB721]

SENATOR FRIESEN: Next we will have proponents for LB721. Welcome. [LB721]

MARY RIDDER: (Exhibit 1) Thank you. Good afternoon, Chairman Friesen, members of the Transportation and Telecommunications Committee. I am Commissioner Mary Ridder, M-a-r-y R-i-d-d-e-r, chair of the Public Service Commission, representing the 5th District. I'm here today to testify in support of LB721. Currently wireless telecommunications service providers are exempt from commission regulatory jurisdiction. LB721 would remove that exemption, making them subject to some form of commission regulatory oversight. The commission does work with the wireless industry today in a variety of ways. The commission receives from wireless customers, on a regular basis, who are experiencing problems or who have questions about both billing and service issues. We forward these complaints and inquiries on to the appropriate wireless carrier and work collaboratively to try and reach some sort of resolution for the customer. However, the commission does not have authority to formally address these issues, as we do with traditional landline carriers. The commission further makes funds from the Nebraska Universal Service Fund available to wireless carriers for the purpose of constructing towers in areas where wireless service is less ubiquitous. The funds are awarded based on applications submitted to the commission detailing the proposed tower projects. To date the commission has awarded funding to construct over 155 wireless towers in both...in rural areas of Nebraska. Although there are questions about what the commission could, and could not, do if LB721 passed, I can tell you that the commission would work with all interested parties, stakeholders, industry members, and consumers to determine the scope and role of the commission, under both federal and state law. Thank you for your attention, and I'd be happy to try and answer any questions you may have. [LB721]

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SENATOR FRIESEN: Thank you, Commissioner Ridder. [LB721]

MARY RIDDER: You're welcome. [LB721]

SENATOR FRIESEN: Any questions from the committee? Seeing none, thank you for your testimony. [LB721]

MARY RIDDER: You're welcome. [LB721]

SENATOR FRIESEN: Any other proponents for LB721? Welcome. [LB721]

JOHN HANSEN: Mr. Chairman, members of the committee, again for the record, my name is John Hansen, J-o-h-n Hansen, H-a-n-s-e-n. I am the president of Nebraska Farmers Union, also their lobbyist. And when we first looked at this bill, our first question was: What is the attitude of the Public Service Commission, relative to this issue? It seems like the appropriate venue, should issues arise, for this to go. The Public Service Commission has really stepped up, and we thank Chairman Ridder and the Public Service Commission for their interest and their efforts on broadband issues. And with the testimony of Chairman Ridder, we are in support of this bill and think this is a reasonable place to house this oversight authority. With that, I would end my remarks. [LB721]

SENATOR FRIESEN: Are there any questions from the committee? Seeing none, thank you for your testimony. [LB721]

JOHN HANSEN: Thank you. [LB721]

SENATOR FRIESEN: Any other proponents for LB721? Seeing none, anyone wish to testify in opposition to LB721? Welcome. [LB721]

LISA McCABE: (Exhibit 2) Thank you again. Good afternoon. My name is Lisa McCabe, L-i-s-a M-c-C-a-b-e. I'm here on behalf of CTIA, the trade association for the wireless communications industry. We are here in opposition to LB721. We feel that this bill is

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unnecessary, and also contrary to the direction of public policy that Nebraska has made in the past, and also that 39 other states and the District of Columbia have already taken by preempting public service utility commissions from regulating wireless providers. The wireless industry is extremely competitive, and this competition has spurred rapid wireless development. This development was also ushered in by Congress's decision in 1993 to create a national regulatory framework for wireless. The Omnibus Budget Reconciliation Act of 1993 set up this regulatory regime and this decision by Congress generally prohibits state regulation over wireless rates, service quality, and network construction. The wireless industry continues to make changes to meet consumer demands and competition. There are over 1.9 million subscribers in Nebraska, and data usage is...continues to rise in Nebraska and across the country. As was stated, the wireless industry is happy to work with the Public Service Commission to address complaints when they receive them. And as we look at the complaints received by the commission over the last few years, the 2016/17, there were only 44 complaints against wireless carriers received at the Public Service Commission. That is down from 77 in the 2015/16 year. So we understand, for the first half of the July-June of the...that we're on target to be, again, probably--hopefully--below the 44 complaints received. So we feel like competition is working. Adding another layer of regulation at this time, when we're at the cusp of a new generation of wireless, is not the right step for Nebraska to be taking, and we urge you not to pass LB721. [LB721]

SENATOR FRIESEN: Thank you for your testimony. Any questions from the committee?
Seeing none, thank you for your testimony. [LB721]

LISA McCABE: Thank you. [LB721]

SENATOR FRIESEN: Welcome. [LB721]

LOEL BROOKS: (Exhibit 3) Good afternoon, Mr. Chairman, members of the Transportation and Telecommunications Committee. My name is Loel Brooks, L-o-e-l B-r-o-o-k-s. I'm a lawyer with the Brooks, Pansing Brooks law firm here in Lincoln, and I serve as the state regulatory counsel for NE Colorado Cellular, Inc., which does business in Nebraska as Viaero Wireless. Viaero is a mobile wireless telecommunications and broadband provider which operates primarily in rural Nebraska and other states. It covers all but 15 of the state's 93 counties, from

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Seward west to the Colorado/Wyoming border, and it does the opposite of what others have talked about; it represents the other two-thirds of the state, rather than the populated one-third portion. But I think it's unique to know that Viaero has been in this state since 1997. It's invested nearly \$100 million in wireless telecommunication and broadband services since then. Its goal and business purpose has been to provide ubiquitous service to rural Nebraska. It does not provide service in Lincoln or Omaha because of Spectrum and other issues, so it is essentially a rural carrier, and I know many of you are aware of Viaero's existence. Viaero generally supports the position of CTIA and respectfully opposes this legislation as being duplicative and unnecessary regulation that would inhibit the expansion of telecommunications and mobile broadband throughout the state, including, and most particularly in, rural Nebraska. Clearly we do know that the significant scope of regulatory authority over wireless telecommunications has been reserved to the federal government, as has been previously mentioned. And this legislation, whatever it may do or whatever it may provide, it cannot abridge the jurisdictional limitation of the federal government. This legislation does not identify what, if any, authority this legislation would provide to the commission. We do know that consumer complaints and accuracy issues, which have been referenced previously, are currently addressed by the FCC; there is a complaint process at the FCC. Accuracy is also governed by the FCC, so wireless carriers and broadband providers are regulated from the FCC level. There are also consumer protection...legislation at the state level which I know personally, having been state regulatory counsel, have been used in certain cases to protect the interests of consumers. The commission, as has been mentioned previously, has done really quite a remarkable job in receiving complaints from consumers in the telecommunications-wireless area, and has done an extraordinary job of mitigating whatever concerns may exist. Those efforts are currently published in the commission's annual report. They are presented to those who practice before the commission every week at their weekly grist agenda, and they are doing so with the power and considerable status of their agency's status. And they do so, I think, as a part of the public service to consumers. So we do believe that that's an effective tool that has continued to work. I think it's important to recognize, and Senator Wayne talked about, the changing times that we live in, and certainly technology is among the most rapidly changing parts of our society these days. Clearly when our telecommunications statutes were drafted in 1972, to the day that we are here today, no one knew anything about wireless service. But also it's important to recognize that, in 1972, all of our telecommunications services were provided as monopolies. We had a monopoly institution providing

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telecommunications services around the state of Nebraska. We don't have that anymore. The history of the Public Service Commission, from a public policy standpoint, has recognized that, as competition increases as it has both in wire line and wireless, that the scope of regulation has been relaxed. The statutes show that. In areas where rate regulation was common to protect consumers in a monopoly environment, where competition has been located and has been produced and demonstrated by carriers, rate regulation has been reduced, not increased. I also want to say that there are many concerns about broadband. We've heard them all day. And this bill is no different than it was in LB994. The expansion of broadband, including mobile telecommunications and mobile broadband is critical to economic development in the life of rural Nebraska; there's no question about that. The deployment of broadband in rural areas, and in many cases in areas that require a density of less than 4.5 households per square mile, it is a challenging statistic to try to find a workable economic business case to provide infrastructure and facilities throughout the state of Nebraska and the areas. However important it may be, each tower, each company that's deploying facilities throughout the state has to find an economic basis to do so. Commissioner Ridder indicated that the NUSF-92 program, which allocates a certain amount of NUSF funds to wireless deployment, requires the location of those towers be in areas under 4.5 households a square mile, and they also provide 911 and telecommunications and broadband service. And there is competition for those funds. There are three primary carriers who are providing service in rural areas, two of which are competing every day, as we are today, for funds coming from the Public Service commission, to help us construct and deploy broadband and telecommunications infrastructure in areas of the state that there is no meaningful market capability or market principle to develop a business case for those services. But for Viaero particularly, which is not a member of CTIA but a Tier 3 carrier that is dedicated to rural communities, the philosophy behind Viaero has been coverage is king. We can be an effective rural player if we have an opportunity to provide ubiquitous coverage in the service areas that we serve. And that is not Lincoln and Omaha. It does include Grand Island and Kearney and Scott's Bluff and Gering and other communities, but it also includes everybody off those main roads where everybody else wants to provide service. This a ubiquitous rural company trying to provide ubiquitous coverage, and perhaps the most important public policy debate we're having on that is how to provide these kinds of services to rural Nebraska and to "enstimulate" the rural Nebraska economy. Competition is, and has been, the guiding force behind regulatory issues, including intraregulatory issues. In other words, how do companies treat their customers? How

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do they define their rates? How do they provide service? In a competitive environment, those issues are answered, in large part, by consumers' choices. If you're dissatisfied with a carrier you have the choice to find another carrier. In addition, CTIA also has a code of conduct that is followed by all states and wireless carriers in those areas, so we feel that there is an infrastructure that automatically regulates most consumer complaints, with the PSC's assistance, and that there is a greater concern and a greater interest in deploying wireless telecommunications and broadband throughout the wireless part of our state than to burden it with perhaps duplicative and unnecessary regulations and those that would cost the state, in an enforcement situation, and the carriers, who are already regulated to a large degree and, therefore, the consumers more money. And that impedes the deployment of wireless broadband rather than encourages it. So we would respectfully request that you not advance this bill to the floor. We feel that there are public policy issues here which need to be adhered to and that competition will take care of...of the other issues along with the cooperation of the carriers. Thank you; be happy to answer any questions. [LB721]

SENATOR FRIESEN: Thank you, Mr. Brooks. Any questions from the committee? [LB721]

LOEL BROOKS: Great, thank you. [LB721]

SENATOR FRIESEN: In those competitive areas you talked about--and we've got some other bills dealing with things like that, do you think there are regulations that can be lifted, since there is so much competition these days? [LB721]

LOEL BROOKS: Well, it's possible, I think, to identify concerns in trying to get to the farthest areas of our communities. Clearly the economic issue is very, very difficult--to take a wire, for example, out into a field. And that's why there's a relationship, a partnership if you will--I don't everyone would like to classify it that--but a collaboration between (inaudible) and wireless. They have to work together; they have to work competitively and cooperatively in order to provide the most efficient wireless service in the areas in which they serve. And I think that's really an issue for those who are in the other parts of the telecommunications service to opine on. We don't feel that additional regulation, given the competition, makes economic sense or

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deployment sense. So I think an argument might be able to be made by others, but I'll leave that to them. [LB721]

SENATOR FRIESEN: Okay. Any other questions from the committee? Thank you, Mr. Brooks. [LB721]

LOEL BROOKS: Great, thank you. [LB721]

SENATOR FRIESEN: Any other opposition testimony to LB721? Seeing none, anyone wish to testify in a neutral capacity on LB721? Seeing none, Senator Wayne, would you wish to close? [LB721]

SENATOR WAYNE: Yes; I'll be very short. The simple answer here, or the simple issue here, is what are telecommunication companies? And I think, if you were to ask any, everyday voter or any, everyday constituent of yours, nobody would fathom that wireless is not a part of a telecommunication company. So I'm just trying to make sure that the everyday thinker, the person out there who picked up the phone and says I have an issue with a telecommunication company can call somebody and have their concerns heard. And it's ironic that the industry is praising the commission for doing something that it's (inaudible) not supposed to do. [LB721]

SENATOR FRIESEN: Thank you, Senator Wayne. Any questions from the committee? Seeing none,... [LB721]

SENATOR WAYNE: Thank you. [LB721]

SENATOR FRIESEN: ...we'll close the hearing on LB721. [LB721]