

One Hundred Seventh Legislature - First Session - 2021

Introducer's Statement of Intent

LB338

Chairperson: Senator Curt Friesen

Committee: Transportation and Telecommunications

Date of Hearing: February 09, 2021

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

Pursuant to LB 994, a bill Senator Friesen introduced and the Legislature passed on a 48-0 vote in 2018 (codified at Neb. Rev. Stat. § 86-330), the Public Service Commission (PSC) adopted rules and regulations allowing it to withhold Nebraska Universal Service Fund (NUSF) support from carriers not offering broadband services (defined as 25 megabits per second down/3 Mbps up) and to redirect that support to an eligible telecommunications carrier (ETC) committed to provide at least 25/3 broadband in the same exchange area. The rules originally adopted by the Commission allowed for redirection of the withheld support through either a reverse auction or a rural-based plan. A rural-based plan under the PSC's rules was a process by which the local rural residents (outside of cities and villages) assesses their own broadband needs and choose an ETC to provide the service. The plan was designed to encourage public-private partnerships and allows a negotiated and smoother transition between ETCs.

Reverse auctions, which have been used by the Federal Communications Commission to redirect support, have resulted in poor results in rural areas. They have resulted in funding of technologies, such as fixed wireless, which is not capable of high speeds and is not future-proof. The Commission's rural-based plan was intended to give customers in rural areas more say in assessing their need and in picking an ETC best-suited to serve those needs.

The Attorney General found that the rural-based plan was not expressly allowed by LB 994 and rejected that portion of the rules. LB 338 would simply restore the rural-based plan the Commission attempted to establish. Doing so will ensure that rural customers have more control over their future broadband services and smoother transitions. The bill continues to allow reverse auctions.

Amendment explanation:

1. Clarifies that the bill is not eliminating reverse auctions as an option.
2. Changes terminology from "community-based program" to "rural-based plan" to clarify that redirected Nebraska Universal Service Fund support is used only in high-cost rural areas.

Principal Introducer: _____

Senator Bruce Bostelman