

Nebraska's Legislative Planning Database

Telecommunications

This benchmark examines Nebraska's telecommunications by reviewing three broad areas: Telephone/Cell phone penetration, Internet access, and Sustainability of statewide services. The most currently available data at the time the data files were put together are used. Additional information can be found from the Public Service Commission's website <http://www.psc.state.ne.us/>.

Telephone/Cell Phone Penetration

Although almost all Nebraska households have telephone service (land line or cell phone), Nebraska still ranks low nationally and last among its neighbors in telephone service. In 2009, 95.3 percent of Nebraska households had telephone service. This was slightly below the national rate of 95.7 percent and ranked 34th, and lowest in the region.

The majority of Nebraskans have a cell phone. As of June 2008, there were 1.45 million cell phone subscribers in Nebraska. This was a 4.6 percent increase since December of 2007 and the 8th largest increase in the United States.

Internet Access

In 2008, 86.0 percent of Nebraska households had access to high speed internet service, third highest in the region. However, the average download speed ranked 38th.

Sustainability of Statewide Services

There was a total of \$47.5 million spent of the Nebraska Universal Service Fund.

Nebraska Legislative Planning Committee

Discussion of Telecommunications Policy

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Telephone/Cell Phone Penetration

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Internet Access

The ability to receive and transmit digital content or services at high speeds is a fundamental component of the telecommunications industry. Broadband is a vital economic engine for the nation, an essential vehicle for enhanced learning and medicine, and a critical element of the 21st century news and entertainment industries (National Conference of State Legislatures). The NCSL indicated that in 2009 Nebraska was one of at least 14 state legislatures that passed a measure related to broadband.

However, the issue in Nebraska is not access to internet service but rather the average download speed. In 2008, 86.0 percent of Nebraska households had access to high speed internet service, third highest in the region. However, the average download speed ranked 38th nationally.

Sustainability of Statewide Services

One way to make sure advanced telecommunication services such as broadband are available to all Nebraskans is through the Universal Service Fund. The (USF) was established in 1983, and the Telecommunications Act of 1996 expanded the definition of universal service. The Nebraska Legislature established the Nebraska Telecommunications Universal Service Fund in 1997 as necessary to augment the federal fund. An interesting discussion of the pros and cons of the Universal Service Fund is available on the Technologies Across Nebraska web site.

Those who support subsidized access to telecommunications believe certain areas of the country and certain populations would be un- or under-served if deployment of services was left to competitive market forces. Providers would enter the markets with the most potential for profit first, and competition would only occur in those markets. Providers would not deploy in unprofitable markets, leaving those populations without service. Even if competition eventually led to lower prices or to a need to broaden the service base, those populations would suffer the loss of opportunity for that period of time. In the rapidly changing and developing e

commerce and information technology fields, delays could result in an insurmountable economic disadvantage. Thus those left behind would likely be unable to recoup from the delay.

Others believe that the subsidies are barriers to the competitive market and may actually slow deployment of new technology. They believe innovation will not occur in a subsidized market because there will be no incentive to defeat the high cost universal service regime and because the incumbent carrier is unfairly advantaged by the subsidy. Unbundling of services is supposed to allow competitors access to the market.

In 2009, the Nebraska Universal Service Fund expenditures totaled \$47.5 million.

References

National Conference of State Legislatures, Technology and Information Technology, <http://www.ncsl.org/Default.aspx?TabID=756&tabs=951,71,540#540>, Accessed Nov. 11, 2010.

Technologies Across Nebraska, University of Nebraska-Lincoln, <http://technologiesacrossnebraska.unl.edu/html/universal.html>, Accessed Nov. 11, 2010.

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Telephone/Cell Phone Penetration

Telephone Penetration: 2009 (Percentage of Households with Telephone Service)

Source: Federal Communications Commission, Wireline Competition Bureau

(<http://www.fcc.gov/wcb/iatd/lec.htm>)

State	Percentage of Households with Telephone Service	Rank
United States	95.7	
Iowa	97.7	10
North Dakota	97.6	11
Wyoming	97.1	15
Minnesota	97	19
Kansas	96.9	20
Colorado	96.8	21
South Dakota	96.8	22
Missouri	96.7	24
Nebraska	95.3	34

Cell Phone Penetration: December 2007 - June 2008

Source: Federal Communications Commission, Wireline Competition Bureau

(<http://www.fcc.gov/wcb/iatd/comp.html>)

State	Subscribers		Percentage Change	Rank
	Dec-07	Jun-08		
United States	249,331,701	255,301,307	2.40%	
North Dakota	513,238	541,042	5.40%	4
Nebraska	1,387,022	1,451,007	4.60%	8
Iowa	2,165,772	2,244,649	3.60%	14
Wyoming	441,161	457,201	3.60%	15
Missouri	4,673,889	4,835,115	3.40%	19
Kansas	2,261,455	2,326,444	2.90%	31
Minnesota	4,048,413	4,164,322	2.90%	32
Colorado	3,967,902	4,065,993	2.50%	40
South Dakota	596,470	610,945	2.40%	41

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Internet Access

Percentage of Residential End User Premises with Access to High-Speed Services: 2008

Source: Federal Communications Commission, Wireline Competition Bureau

(http://www.fcc.gov/Daily_Releases/Daily_Business/2010/db0212/DOC-296239A1.pdf)

State	Residential Access (Percent of Households)
Colorado	83.4
Iowa	87.2
Kansas	85.5
Minnesota	84.6
Missouri	84.3
Nebraska	86
North Dakota	84.8
South Dakota	87
Wyoming	85.7

Note: Connections over 200 kbps in at least one direction

Speed of High-Speed Services for Internet Access: 2009

Source: Speed Matters Survey, Communications Workers of America

(http://cwafiles.org/speedmatters/state_reports_2009/CWA_Report_on_Internet_Speeds_2009.pdf?nocdn=1)

State	No. of Tests	Average Upload Speed (kbps)	Average Download Speed (kbps)	Download Speed Ranking
United States	413,814	5074	1080	
Colorado	5,543	5301	1307	26
Iowa	3,059	4453	947	35
Kansas	2,722	4912	1228	31
Minnesota	5,510	5436	1486	23
Missouri	6,532	3878	781	39
Nebraska	1,326	4211	963	38
North Dakota	500	4225	750	37
South Dakota	640	4953	950	28
Wyoming	593	2598	650	48

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Sustainability of Statewide Services

Nebraska Universal Service Fund (NUSF) Expenditures

	Total NUSF Support
Arapahoe	\$660,651
Benkelman	\$494,608
Cambridge	\$345,555
CenturyLink	\$301,129
Citizens	\$0
Clarks	\$305,896
Cons Telco	\$0
Cons Tele	\$901,944
Cons Telecom	\$365,277
Cozad	\$220,382
Curtis	\$346,362
Dalton	\$0
Diller	\$376,594
Elsie	\$0
Glenwood	\$778,864
Great Plains	\$12,095,213
Hamilton	\$0
Hartington	\$170,507
Hartman	\$272,149
Hemingford	\$736,384
Hershey	\$62,072
Hooper	\$19,645
Huntel	\$709,460
K&M	\$180,516
Keystone	\$193,428
Mainstay	\$245,603
Neb Central	\$1,918,274
Northeast	\$1,984,418
Pierce	\$218,419
Plainview	\$249,727
Qwest	\$15,790,689
Sodtown	\$0
Southeast	\$483,511
Stanton	\$217,813
Three River	\$560,617

(Continued)

	Total NUSF Support
Wauneta	\$293,688
Windstream	\$5,969,815
Total	\$47,469,211