

RURAL BROADBAND TASK FORCE

Monday, October 15, 2018, 9:30 a.m. to Noon CDT
Varner Hall, Lower Level, Board Room
3835 Holdrege Street, Lincoln, Nebraska

MINUTES

MEMBERS PRESENT:

Ed Toner, Chair, Nebraska Information Technology Commission
Senator Curt Friesen, District 34, Chair, Transportation and Telecommunications Committee, Nebraska Legislature
Senator Bruce Bostelman, District 23, Nebraska Legislature
Mary Ridder, Chair, Nebraska Public Service Commission
Joe Fox, Director of Business Development, Nebraska Dept of Economic Development
Steve Wellman, Director, Nebraska Dept of Agriculture
Zachary Hunnicutt, Farmer, Hunnicutt Farms
Tom Shoemaker, President, Pinpoint Communications
Timothy Lindahl, CEO/General Manager, Wheat Belt Public Power District
Anna Turman, CEO, Chadron Community Hospital & Health Services
Andrew Buker, Executive Director of Infrastructure Services, University of Nebraska
Ron Cone, Director of Network Information Services, ESU 10

MEMBERS ABSENT: Isaiah Graham, Vice-President, Homestead Bank; Daniel Spray, Owner, Precision Technology

ROLL CALL, NOTICE OF POSTING OF AGENDA, NOTICE OF NEBRASKA OPEN MEETINGS ACT POSTING

Ed Toner

Mr. Toner called the meeting to order at 9:32 a.m. Roll call was taken with twelve members in attendance. A quorum was present. The Nebraska Open Meetings Act was posted on the south wall. The meeting announcement was posted on the Nebraska Public Meeting website on September 26, 2018 and on the Rural Broadband Task Force website on September 28. The agenda was posted on the Rural Broadband Task Force website on October 11, 2018.

APPROVAL OF THE SEPTEMBER 24, 2018 MINUTES*

Ed Toner

Commissioner Ridder moved to approve the September 24, 2018 minutes as presented. Ms. Turman seconded. Roll call vote: Toner-Yes, Ridder-Yes, Fox-Yes, Wellman-Yes, Hunnicutt-Yes, Shoemaker-Yes, Lindahl-Yes, Turman-Yes, Buker-Yes, and Cone-Yes. Results: Yes-10, No-0, Abstained-0. Motion carried.

INTRODUCTIONS

Ed Toner

Isaiah Graham was not present for introductions.

DEFINITION OF RURAL

Ed Toner

Mr. Toner proposed that the task force use the U.S. Census Bureau definition of rural which is:

Open countryside with population densities less than 500 people per square mile and places with fewer than 2,500 people.

At the last meeting, members expressed the need to prioritize unserved areas outside of towns, as well as to define unserved and underserved.

In order to address this, Mr. Toner suggested the following prioritization:

1. Unserved Areas Outside City/Town/Village Limits
2. Unserved Areas Within City/Town/Village Limits
3. Underserved Areas Outside City/Town/Village Limits
4. Underserved Areas Within City/Town/Village Limits

Members agreed to adopt the proposed definition of rural and prioritization.

Mr. Toner proposed to define unserved and underserved as follows:

- Unserved areas are defined as areas with no internet service.
- Underserved areas are areas which have internet service less than 25 Mbps down/3 Mbps up.

After discussion, members agreed on the following definitions:

- Unserved areas are defined as areas with internet service at less than 10 Mbps down/1 Mbps up.
- Underserved areas are areas which have internet service at 10 Mbps down/1 Mbps up or greater but less than 25 Mbps down/3 Mbps up.

NEBRASKA UNIVERSAL SERVICE FUND AND CONNECT AMERICA FUND

Cullen Robbins

Cullen Robbins provided an overview of the Nebraska Universal Service Fund and the federal Connect America Fund. The Nebraska Universal Service Fund was created in 1997 and implemented in 1999. Total remittances to the fund are projected to be \$32,777,271 in 2018, a decrease of 7.2% from 2017. Through two dockets, NUSF 100 and NUSF 111, the Nebraska Public Service Commission determined that Nebraska would move towards “connections” as a method of collection and set the level of the fund between \$46 and \$54 million. The fund is used to support four programs: tele-health, NTAP/Lifeline, wireless tower funds (~\$4 million), and high cost (~\$29 million).

The federal Connect America Fund (CAF) includes three programs:

- **CAF II—Price Cap.** Support for price cap carriers began in 2015 and will end in 2020. By the end of 2018, price cap carriers are required to have deployed broadband of at least 10 Mbps down/1 Mbps up to 60% of supported locations.
- **CAF II—Rate of Return.** This program includes two “tracks.” Carriers that have already built out broadband can receive legacy support. Instead of receiving legacy support, carriers could elect to receive support for buildout with deployment obligations over 10 years through the Alternative Connect America Cost Model (A-CAM).
- **CAF II—Reverse Auction.** In areas where price cap carriers chose not to use CAF II support, a reverse auction was used to allow other carriers to receive support. In Nebraska, four companies were winning bidders. AMG Technology Investment group was awarded the bulk of the support at \$4.1 million annually.

Additionally, the Mobility Fund Phase II (MF-II) will provide support over 10 years to rural areas that lack 4G LTE service.

NUSF DISCUSSION:

One of the duties of the task force is to “examine the role of the Nebraska Telecommunications Universal Service Fund in bringing comparable and affordable broadband services to rural residents and any effect

of the fund in deterring or delaying capital formation, broadband competition, and broadband deployment” as charged in Neb. Rev. Statutes 86-1102.

After discussion, it was recommended to form a subcommittee as proposed by the chair.

Mr. Shoemaker moved to approve the formation of a subcommittee to examine the role of the NUSF in bringing comparable and affordable broadband services to rural residents and any effect of the fund in deterring or delaying capital formation, broadband competition, and broadband deployment. Ms. Turman seconded. Roll call vote: Cone-Yes, Buker-Yes, Turman-Yes, Lindahl-Yes, Shoemaker-Yes, Hunnicutt-Yes, Wellman-Yes, Fox-Yes, Ridder-Yes, and Toner-Yes. Results: Yes-10, No-0, Abstained-0. Motion carried.

Mary Ridder and Tom Shoemaker volunteered to serve on the subcommittee. Ms. Byers will also check with members not in attendance to see if they may be interested.

Subcommittees do not need to meet in person. Meetings can be held by phone or Zoom. Other persons with expertise outside of the task force can assist the subcommittees but they cannot be formal members of the subcommittee. Ms. Byers will be the contact person for task force members serving on subcommittees, as well as interested stakeholders/resources, and can assist with meeting arrangements.

OTHER NEBRASKA BROADBAND PROGRAMS, STUDIES, INITIATIVES

Anne Byers

Ms. Byers briefly reviewed the information on other broadband-related programs, including the Nebraska Farm Bureau’s mobile broadband speed test project, the NREA/NPPD/UNK speed test project, a study on broadband costs by Tim Obermier at the University of Nebraska Kearney, Network Nebraska, the IMLS Sparks grant to improve library broadband through school-library partnerships, the Nebraska Rural Poll, and the Gauging the Digital Readiness of Nebraska Households report.

DATA ON BROADBAND AVAILABILITY AND ADOPTION

At the task force’s last meeting, several members expressed the need for better data on broadband availability and adoption. Mr. Toner proposed establishing a subcommittee to study the issue and bring back findings to the task force. The subcommittee would examine what data is needed, what data is currently available, and how to get the data that is needed but not currently available. Discussion followed.

Mr. Lindahl moved to approve the formation of a subcommittee to examine the broadband availability and adoption data currently available and to make recommendations to the task force. Mr. Hunnicutt seconded. Roll call vote: Fox-Yes, Wellman-Yes, Hunnicutt-Yes, Shoemaker-Yes, Lindahl-Yes, Turman-Yes, Buker-Yes, Cone-Yes, Toner-Yes, and Ridder-Yes. Results: Yes-10, No-0, Abstained-0. Motion carried.

The following members volunteered to serve on the subcommittee: Anna Turman, Andrew Buker, and Senator Bruce Bostelman. Ms. Byers will check with Dan Spray to see if he is interested.

MEETING SCHEDULE AND PLAN OF WORK

Ed Toner

Members were given a review of the topics for the next two meetings:

November 7:

- What other states are doing
- Broadband costs and business models
- Current and alternative technologies

December 10

- Public-private partnerships
- Right of way and other alternatives
- Affordability - Tim Obermier at UNK will have rural-urban cost comparison data available
- Speed test data - Data may be available from the Nebraska Farm Bureau and UNK/Nebraska Rural Electric Association/NPPD speed test projects
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Mr. Toner proposed the following dates for the first part of 2019:

- Monday, February 25 in the afternoon
- Friday, March 29 in the morning
- Friday, May 3 in the afternoon

Members were supportive of the proposed meeting schedule. Ms. Byers will work on scheduling the meetings. As the subcommittees begin meeting, updates will be given to the task force.

ADJOURNMENT

Commissioner Ridder moved to adjourn. Mr. Shoemaker seconded. All were in favor. Motion carried.

The meeting was adjourned at 11:20 a.m.

Meeting minutes were taken by Lori Lopez Urdiales and reviewed by Anne Byers, Office of the CIO.