

# **One Hundred Third Legislature - First Session - 2013**

## **Introducer's Statement of Intent**

### **LB617**

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**Chairperson: Senator Annette Dubas**

**Committee: Transportation and Telecommunications**

**Date of Hearing: March 19, 2013**

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

Totaling on the order of three quarters of a billion dollars, the Nebraska Universal Service Fund, resurrected in 1997 with a sunset date of June 30, 1999, is a major re-allocation of the state's resources made at the command of the Legislature in the form of an unlimited grant of assessment authority to the Public Service Commission, the purpose of which was to keep 96% of Nebraskans tied to the traditional land line phone companies and to encourage the provisioning of "advanced" services such as touch-tone dialing, 3-way calling, call forwarding, and caller ID. Despite massive changes in the communications technology, the 1997 resurrection has not had meaningful review or modernization since then.

LB617 modernizes the Fund to:

- Place the Fund's emphasis on broadband communications using Internet Protocols.
- Promote private competition by opening access to the Fund to a variety of competitors and by requiring competitive access to facilities purchased using the Fund.
- Remove the fiction that the Fund is funded by telecommunications providers when in fact it is derived by direct assessment of the public.
- Target the Fund's resources at identifiable fiber optic and wireless infrastructure.
- Encourage the aggregation of community broadband demand over Local Area Networks to make possible the affordable acquisition of access to Tier One network providers.
- Reinforce the federal bans on the practice of implicit subsidization of legacy local phone companies.
- Free the Public Service Commission from reliance on the advice of legacy local phone companies in designing, administrating, and prioritizing Funding.
- Require recipients of the Fund to share resources purchased by the Fund with competitors where ever technologically feasible.
- Introduce transparency to the direct or indirect political and lobbying activities by a recipient of the Fund.
- Phase down the now highest such assessment in the nation from 6.95% to 3.5% on January 1, 2021.

- Remove obsolete language applicable only to events which were to have occurred before June 30, 2007.
- Exempt the state and all political subdivisions from paying assessments to to the Fund.
- Provide for disposition of assets purchased through the Fund and subsequently abandoned.
- Set a deadline of January 1, 2020 for every county to have broadband access for at least 96% of its population and authorizes municipalities and public power companies to provide broadband in those counties where the deadline is not met.

**Principal Introducer:** \_\_\_\_\_

**Senator Paul Schumacher**